MOH.0010.0256.0001

Corporate Governance & Accountability Compendium for NSW Health

NSW GOVERNMENT

MOH.0010.0256.0002

Purpose of this Compendium

The Corporate Governance and Accountability Compendium (Compendium) outlines the governance requirements that apply to those organisations that form part of NSW Health and sets out the roles, relationships and responsibilities of those organisations.

The organisations comprising NSW Health include local health districts, statutory health corporations, affiliated health organisations and administrative units within the Health Administration Corporation, such as the NSW Ambulance Service, HealthShare NSW and the Ministry of Health.

The establishment and compliance with principles of sound corporate governance is essential in a diverse multi-agency system such as the NSW Public Health System. It is also a mandatory condition of subsidy imposed on public health organisations under section 127 of the *Health Services Act 1997*.

Information in this Compendium is sourced from legislation, whole of Government directives issued through the Department of Premier and Cabinet or NSW Treasury, NSW Health policy directives or guidelines and other best practice resources.

The resources and checklists included as weblinks (updated as required) within the Compendium are designed to assist with implementing best practice, monitoring standards and demonstrating achievements. Organisations may also wish to develop their own local resources.

Issuing and Updating the Compendium

The Compendium was first issued as current on and from 1 December 2012. Amendments to the Compendium occur as relevant legislation, government policy and NSW Health Policy Directives are issued and revised.

Any comprehensive amendments to the Compendium will be notified by way of Ministry Information Bulletins which will include a description of and a link to the amended content. Administrative amendments to the Compendium will be published directly onto the NSW Health website.

A record of amendment table is included within the Compendium.

Issued by

Corporate Governance and Risk Management
Legal and Regulatory Services Branch
People, Culture and Governance Division

NSW Ministry of Health
1 Reserve Road
ST LEONARDS NSW 2065
LMB 2030 St Leonards NSW 1590
Tel. (02) 9391 9654
Fax. (02) 9391 9417
Website. www.health.nsw.gov.au

Introduction

The information in this Compendium has been developed to assist boards, chief executives, health executive service officers and staff understand the reporting structures and their accountabilities within NSW Health.

As well as setting out requirements in legislation and Government policy it provides a governance framework to underpin local decision making and the **CORE** values of the NSW Health:

Collaboration **Openness** **Respect** **Empowerment**

Section 1 of the compendium provides background information about the NSW public health system. Section 2 identifies the basic corporate governance standards applying to organisations established as a part of NSW Health, which cover:

Standard 1: Establish robust governance and oversight frameworks
Standard 2: Ensure clinical responsibilities are clearly allocated and understood
Standard 3: Set the strategic direction for the organisation and its services
Standard 4: Monitor financial and service delivery performance
Standard 5: Maintain high standards of professional and ethical conduct
Standard 6: Involve stakeholders in decisions that affect them
Standard 7: Establish sound audit and risk management practices

The other sections of the compendium set out information about key areas of Local Health District, Specialty Network and other NSW Health organisations roles including clinical governance, finance and performance management, workforce and strategic and service planning.

The annual Corporate Governance Attestation Statement, which must be submitted to the Ministry as a part of the annual performance review process, will provide confirmation that each NSW Health organisation has sound governance systems and practices and attains the minimum expected standards.

For queries regarding the content of the Compendium, please contact the Ministry's Corporate Governance and Risk Management team via email to MOH-CGRM@health.nsw.gov.au

Contents

1 About NSW Health 1.01

1.1 Governance and Management of the NSW Public Health System 1.01

1.1.1 Key Health Legislation 1.01
1.1.2 Role of the Minister for Health and Minister for Regional Health 1.01
1.1.3 Role of the Minister for Mental Health 1.02
1.1.3 Role of the Minister for Medical Research 1.02
1.1.4 Role of the Secretary, NSW Health 1.02

1.2 Local Health Districts 1.06

1.2.1 Local Health Districts 1.06
1.2.2 Key Functions 1.06
1.2.3 Management and accountabilities 1.06
1.2.4 Chief Executives 1.07
1.2.5 Further Governance Information 1.07

1.3 Statutory Health Corporations 1.07

1.4 Affiliated Health Organisations 1.09

Table of Affiliated Health Organisations 1.10

1.5 Summary of Organisations in the NSW Public Health System 1.11

1.6 Other NSW Government Entities in the Health Portfolio 1.12

1.6.1 Healh Care Complaints Commission 1.12
1.6.2 Mental Health Review Tribunal 1.12
1.6.3 Health Professional Councils 1.12
1.6.4 NSW Mental Health Commission 1.13

About NSW Health – Resources & References 1.14

2 Governance Framework 2.01

2.1 Governance Framework 2.01

2.2 Governance Framework Elementy 2.01

2.3 Corporate Governance Standards 2.02

2.3.1 Standard 1: Establish robust governance and oversight frameworks 2.02
2.3.2 Standard 2: Ensure clinical responsibilities are clearly allocated and understood 2.03
2.3.3 Standard 3: Set the strategic direction for the organisation and its services 2.03
2.3.4 Standard 4: Monitor financial and service delivery performance 2.04
2.3.5 Standard 5: Maintain high standards of professional and ethical conduct 2.05
2.3.6 Standard 6: Involve stakeholders in decisions that affect them 2.06
2.3.7 Standard 7: Establish sound audit and risk management practices 2.07

2.4 Reporting on Governance Standards 2.07

2.4.1 Corporate Governance Attestation Statements 2.07

Governance Standards – Checklist **2.08**

Governance Framework – Resources & References **2.10**

Corporate Governance 2.10

Local Documentation **2.10**

3 Roles of Boards & Chief Executives 3.01

3.1 Local Health District and Specialty Networks **3.01**

3.1.1 Role of boards 3.01

3.1.2 Role of the Chief Executive 3.02

3.1.3 Chief Executive's Performance 3.02

3.1.4 Board appointments and procedures 3.03

3.1.5 Key Governance Relationships 3.05

3.2 Board Governed Statutory Health Corporations **3.05**

3.2.1 Role of the Board 3.05

3.2.2 Role of the Chief Executive 3.06

3.2.3 Chief Executive's Performance 3.06

3.2.4 Statutory Health Corporation Board appointments and procedure 3.06

3.2.5 Key Governance Relationships 3.08

3.3 Chief Executive Governed Statutory Health Corporations **3.09**

3.3.1 Chief Executive's Performance 3.09

3.4 Duties of NSW Health Board Members **3.09**

The Roles of Boards & Chief Executives – Resources & References **3.11**

Local Documentation **3.11**

4 Legal & Policy Requirements 4.01

4.1 Legal Obligations for Health Organisations **4.01**

4.1.1 *Health Services Act* and *Health Administration Act* 4.01

4.1.2 Work Health and Safety 4.01

4.1.3 Industrial relations 4.03

4.1.4 Independent Commission Against Corruption 4.03

4.1.5 *State Records Act* 4.03

4.1.6 Privacy obligations 4.04

4.1.7 *Government Information (Public Access) Act (GIPA Act)* 4.04

4.1.8 Public Interest Disclosures 4.05

4.1.9 Notification of legal matters to the Ministry of Health 4.07

4.2 Government Policy Requirements **4.07**

4.2.1 NSW Government policy 4.07

4.2.2 NSW Health Policy Directives 4.08

4.2.3 Local procedures 4.08

4.2.4 Policy and procedure manuals 4.08

4.3 Delegations of Authority **4.09**

4.3.1 Delegating statutory powers 4.09

4.3.2 NSW Ministry of Health Delegation Manuals 4.09

Legal & Policy Requirements – Resources & References 4.11
Useful websites 4.12
Local Documentation 4.12

5 Clinical Governance 5.01

5.1 Clinical Governance Entities 5.01
- 5.1.1 Public Health Organisation Clinical Governance Units 5.01
- 5.1.2 Clinical Excellence Commission 5.01
- 5.1.3 Agency for Clinical Innovation 5.02
- 5.1.4 Bureau of Health Information 5.02

5.2 Health District / Service Clinical Management and Advisory Structures 5.03
- 5.2.1 Clinical management structures 5.03
- 5.2.2 Bodies established under by-laws 5.03

5.3 Quality Assurance Processes 5.05
- 5.3.1 Incident management 5.05
- 5.3.2 Accreditation 5.06

Accreditation – Resources and References 5.08
Clinical Governance – Resources & References 5.08
Useful websites 5.08
Local Documentation 5.09

6 Strategic & Service Planning 6.01

6.1 Strategic Planning Responsibilities 6.01
- 6.1.1 Role of Local Health Districts and Specialty Networks in Planning 6.01
- 6.1.2 Role of the NSW Ministry of Health in Planning 6.02

6.2 Planning Documents 6.02
- 6.2.1 The NSW 2021 Plan 6.02
- 6.2.2 Future Health: Guiding the next decade of health care in NSW 2022-2032 .... 6.02
- 6.2.3 NSW Health Workplace Culture Framework 6.03
- 6.2.4 NSW Health Professionals Workforce Plan 2012-22 .... 6.03
- 6.2.5 Aboriginal Health Plan 2013-2023 .... 6.03
- 6.2.6 Aboriginal Health Impact Statement 6.04

6.3 Local Planning Documents 6.04
- 6.3.1 Health Care Services Plans 6.05
- 6.3.2 Business plans 6.05
- 6.3.3 Specific service plans 6.05
- 6.3.4 Workforce strategy plans 6.06
- 6.3.5 Financial plans 6.06
- 6.3.6 NSW Health Total Asset Management and Asset Strategic Plans 6.06

Strategic & Service Planning – Resources & References 6.09
Local Documentation 6.09

7 Finance & Performance Management 7.01

7.1 Financial and Performance Management Obligations 7.01
- 7.1.1 Budget allocations and conditions of subsidy 7.01
- 7.1.2 Finance and Performance Committee 7.02

7.2 State and National Health Funding 7.04
- 7.2.1 National Health Reform Agreement 7.04
- 7.2.2 Activity Based Funding 7.04
- 7.2.3 Activity Based Management 7.04
- 7.2.4 NSW funding model 7.05

7.3 NSW Health Performance Framework 7.06

Finance & Performance Management – Resources & References 7.09

Local Documentation 7.09

8 Workforce & Employment 8.01

8.1 Employment Powers and Functions 8.01
- 8.1.1 The NSW Health Service 8.01
- 8.1.2 Role of the Secretary, NSW Health 8.01
- 8.1.3 Role of Chief Executives 8.01

8.2 Workforce Recruitment 8.02
- 8.2.1 Aboriginal Workforce Participation 8.02
- 8.2.2 Recruitment of Medical Staff – Area of Need 8.03
- 8.2.3 Recruitment of Junior Medical Officers 8.04
- 8.2.4 Employment Arrangements for Medical Officers 8.04
- 8.2.5 Locum Medical Officers 8.04
- 8.2.6 Recruitment from Overseas 8.04

8.3 Workforce Development 8.05
- 8.3.1 The NSW Health Professionals Workforce Plan 8.05
- 8.3.2 Health Education and Training Institute (HETI) 8.05
- 8.3.3 Medical Training Networks 8.06
- 8.3.4 Specialist Training Program 8.06
- 8.3.5 Specialist Medical Training 8.06
- 8.3.6 Pre-vocational General Practice Placement Program 8.07
- 8.3.7 Emergency Department Workforce Planning Process 8.07
- 8.3.8 Internships 8.07
- 8.3.9 International Medical Graduates 8.07

8.4 Local Health District – Training Responsibilities and Programs 8.07

8.5 Workforce Reporting 8.08

Workforce & Employment – Resources & References 8.09

Local Documentation 8.10

9 Ethical Framework & External Agency Oversight 9.01

9.1 NSW Health Framework for Promotion of Ethical Behaviour 9.01
- 9.1.1 NSW Health Code of Conduct 9.01

9.2 Major NSW External Oversight Agencies 9.02
- 9.2.1 Public Service Commissioner 9.02
- 9.2.2 Independent Commission Against Corruption 9.03
- 9.2.3 NSW Ombudsman 9.04
- 9.2.4 NSW Audit Office 9.05
- 9.2.5 The Information and Privacy Commission NSW 9.05

Ethical Requirements – Resources & References 9.07

Local Documentation 9.07

10 Stakeholder Engagement 10.01

10.1 Stakeholder Engagement 10.01

Principles for engaging and partnering with Aboriginal leaders, communities and organisations 10.03

Stakeholder Engagement – Resources & References 10.04

Local Documentation 10.04

11 Audit & Risk Management 11.01

11.1 Audit and Financial Governance Framework 11.01

11.2 Audit Requirements 11.01
- 11.2.1 Internal audit unit 11.01

11.3 Audit and Risk Management Committee 11.03
- 11.3.1 Role of the Audit and Risk Management Committee 11.03
- 11.3.2 Internal Audit Standards 11.03

11.4 Enterprise-wide Risk Management 11.04
- 11.4.1 Risk Management Framework 11.05

11.5 Internal Audit and Risk Management Attestation 11.06

11.6 Accounts and Audit Determination for Public Health Entities in NSW 11.06

Audit & Risk Management – Resources & References 11.07

12 Procurement & Asset Management 12.01

12.1 Procurement of Goods and Services 12.01
- 12.1.1 Goal 12.01
- 12.1.2 Legal Framework 12.01
- 12.1.3 Governance 12.02
- 12.1.4 Value for Money 12.03
- 12.1.5 Risk Management 12.03
- 12.1.6 Transparency, Accountability and Fairness 12.03
- 12.1.7 Whole of Government Context 12.05
- 12.1.8 Training and Development 12.06
- 12.1.9 References 12.06

Corporate Governance and Accountability Compendium Record of Amendment

No.	Approval Date	Reason for amendment	Pages removed	Pages inserted
1	10 Jan 2013	Section 1 – 4 Published January 2013	Nil	Nil
2	28 May 2013	Sections 5, 7 – 11 Published June 2013	Nil	Nil
3	25 Sep 2014	Preface and Sections 7, 8, 9. Updated as at July 2014	Preface and Sections 7, 8 and 9	Preface and Sections 7, 8 and 9
3	25 Sep 2014	Section 6 – Published as at July 2014	Nil	Nil
4	Jan 2016	Section 1, 2, 4, 5, 7, 10 and 11 - Administrative amendments to reflect new and updated legislation, policy and other arrangements	Nil	Nil
5	Oct 2017	Section 1 - Administrative amendments to reflect new and updated legislation, policy and other arrangements	Nil	Nil
6	May 2019	Sections 2, 3, 5, 6, 7, 8 and 10 – Administrative amendments to reflect new and updated legislation, policy and other arrangements	Nil	Nil
7	Feb 2020	Section 11 – Amended due date for Internal Audit and Risk Management Attestation Statement	Nil	Nil
8	Apr 2020	Section 1 - Administrative amendments to reflect new and updated legislation, policy and other arrangements	Nil	Nil
9	Jun 2020	Section 4 – Update broken link	Nil	Nil
10	Feb 2021	Updated logo and location Ministry of Health 1 Reserve Road St Leonards	Nil	Nil
11	Nov 2022	Updated logo and Section 1 – Administrative amendments to reflect new and updated legislation, policy and other arrangements	Nil	Nil
12	Jul 2023	Preface and Sections 2, 3 – Administrative amendments to reflect new and updated legislation, policy and other arrangements	Nil	Nil
13	Sep 2023	Section 1 - Administrative updates to reflect new and updated legislation, policy and other arrangements	Nil	Nil
14	May 2024	Section 4, 5, 6, 7, 8, 9, 11. Amendments to reflect new and updated policy, legislation and other arrangements	Nil	Nil

1 About NSW Health

1.1 Governance and Management of the NSW Public Health System

1.1.1 Key Health Legislation

1.1.1.1 **_The Health Services Act 1997_ is the principal Act regulating the governance and management of the public health system in NSW. The Act establishes the NSW public health system as comprising:**

- local health districts;
- statutory health corporations, including board, chief executive and network governed statutory health corporations;
- affiliated health organisations (with respect to their recognised services); and
- the Secretary, NSW Health with respect to ambulance services and other services to support the public health system.

The terms 'NSW public health system' and 'NSW Health' are used interchangeably throughout this compendium to refer to the NSW public health system as a whole.

Local health districts, statutory health corporations, and affiliated health organisations (with respect to their recognised services) are referred to collectively under the *Health Services Act 1997* as ***public health organisations.***

1.1.1.2 *The Health Administration Act 1982* sets out the broad roles of the Minister and Secretary, NSW Health in relation to the health portfolio generally.

1.1.2 Role of the Minister for Health and Minister for Regional Health

The Minister for Health is the Health Cluster Minister (the Health Minister) and has power and functions relating to the public health system under a number of Health acts, including the *Health Administration Act 1982, Health Services Act 1997* and the *Public Health Act 1991.*

The Minister for Health powers and functions arise under several health laws including the *Health Administration Act 1982*

The Minister for Regional Health has joint administration for all Acts listed for the Minister for Health.

Under the *Health Services Act 1997*, the Health Minister's role includes:

- appointing the chairs and members of local health district, specialty network and statutory health corporation boards;
- determining the amounts of monies to be paid from consolidated funds to public health organisations;
- fixing scales of fees for hospital services and other health services that are received from public health organisations; and
- determining additional functions for statutory health corporations.

The Health Minister also has powers and functions under the *Health Administration Act 1982*.

These include:

- formulating general policies for the purpose of promoting, protecting, developing, maintaining and improving the health and well-being of the people of New South Wales;
- providing, operating and maintaining health services, as well as, where necessary, improving and extending services; and
- arranging for the construction of any buildings or works necessary for, or in connection with, health services.

1.1.3 Role of the Minister for Mental Health

The Minister for Mental Health has functions relating to the public health system and responsibilities relating to the NSW Mental Health Commission, the Mental Health Review Tribunal and the Mental Health Official Visitors Program, as well as the statewide policy agenda for the mental health portfolio. The Minister for Mental Health has joint administration for all Acts listed for the Minister for Health.

The Mental Health Reform aims to shift the focus of mental health care from hospitals to the community. The Minister is committed to delivering person centred care and support for people in NSW living with mental health issues, their families and their carers.

1.1.4 Role of the Minister for Medical Research

The Minister for Medical Research has responsibilities for medical research and innovation in NSW.

The Minister is supported by the Clinical Innovation and Research Division within the Ministry of Health which provides a central point for co-ordination and strategy setting, to drive a statewide focus on research and innovation priorities. The Division has brought together the Agency for Clinical Innovation and the Office for Health and Medical Research.

1.1.5 Role of the Secretary, NSW Health

The Secretary, NSW Health has a range of powers and functions under the *Health Administration Act 1982*, the *Health Services Act 1997* and other legislation such as the *Public Health Act 1991* and the *Government Sector Employment Act 2013*.

The *Health Administration Act 1982* and the *Health Services Act 1997* sets out the powers and functions of the Secretary of the Ministry of Health

Under the *Health Administration Act 1982*, the Secretary, NSW Health powers and functions include:

- to initiate, promote, commission and undertake surveys and investigations into the health needs of the people of New South Wales, the resources of the State available to meet those needs, and
- the methods by which those needs should be met,
- to inquire into the nature, extent and standards of the health services, facilities and personnel required to meet the health needs of the people of New South Wales and to determine the cost of meeting those needs,
- to plan the provision of comprehensive, balanced and co-ordinated health services throughout New South Wales,
- to formulate the programs and methods by which the health needs of the people of New South Wales may be met,
- to undertake, promote and encourage research in relation to any health service,
- to promote and facilitate the provision of the professional, technical or other education or training of any persons employed or to be employed in the provision of any health service.

Under the *Health Services Act 1997* the Secretary, NSW Health functions and powers include:

- facilitating the achievement and maintenance of adequate standards of care;
- facilitating the efficient and economic operation of the public health system;
- providing governance, oversight and control of the public health system;
- making recommendations to the Minister as to monies to be paid to public health organisations out of consolidated funds;
- entering into performance agreements with public health organisations and setting performance targets and reporting requirements;
- inquiring into the administration, management and services of public health organisations;
- providing services to support the public health system and enable co-ordinated provision of health services across the State;
- giving directions to local health districts and statutory health corporations to ensure that they meet their statutory and financial obligations; and
- being the employer of staff in the NSW Health Service and Health Executive Service.

1.1.5.1 The Ministry of Health

The NSW Ministry of Health supports the executive and statutory roles of the Health Cluster and Portfolio Ministers. It undertakes regulatory functions, public health functions (disease surveillance, control and prevention) and public health system manager functions in statewide planning, purchasing and performance monitoring and support of health services.

The Ministry of Health also has the role of 'system manager' in relation to the NSW public health system, which operates more than 220 public hospitals, as well as providing community health and other public health services, for the NSW community through a network of local health districts, specialty networks and non-government affiliated health organisations, known collectively as NSW Health.

The Ministry consists of eight divisions:

- Population and Public Health
- Financial Services and Asset Management
- People, Culture and Governance
- Health System Strategy and Patient Experience
- System Sustainability and Performance
- Regional Health
- Clinical Innovation and Research
- State Health Services

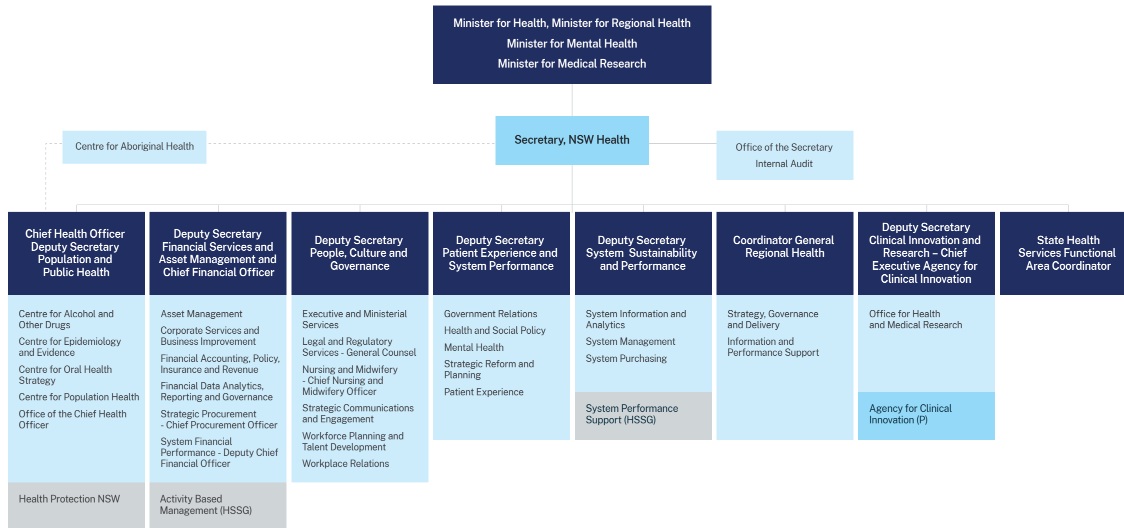
1.1.5.2 Services provided by the Health Administration Corporation

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 public health system, public health organisations and the public hospitals they control. A number of entities have been established under the Health Administration Corporation to provide these functions including:

- **Ambulance Service of NSW** is responsible for the delivery of front line out-of-hospital care, medical retrieval and health related transport to people in NSW as set out in Chapter 5A of the *Health Services Act 1997*.
  Website: http://www.ambulance.nsw.gov.au/

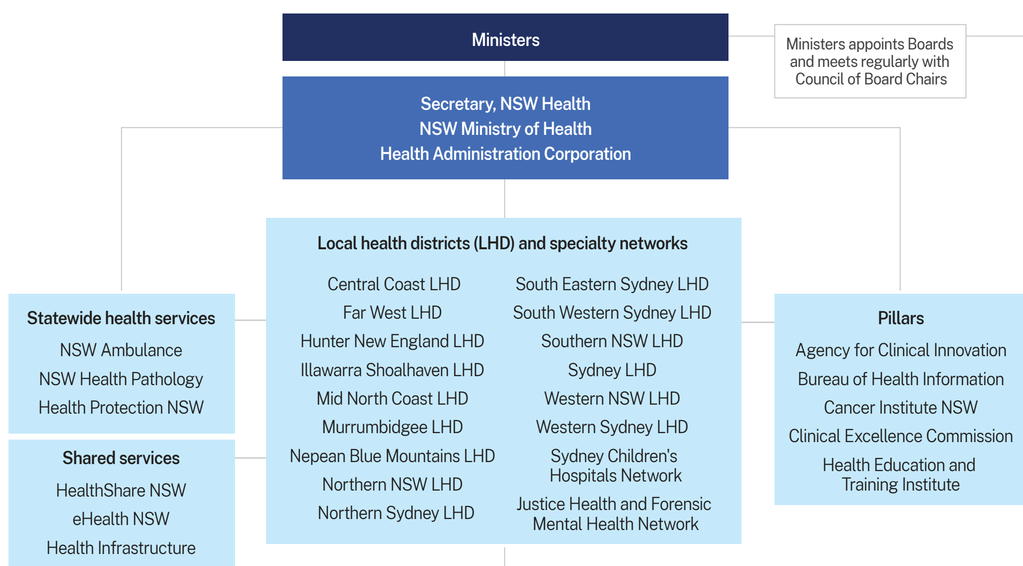
- **HealthShare NSW** delivers efficient support services for NSW Health through the provision of food and linen services and the supply of disability services and equipment. Website: http://www.healthshare.nsw.gov.au
- **eHealth NSW** provides statewide leadership on the shape, delivery and management of ICT-led healthcare introducing new ways of managing health information and the delivery of healthcare online, making it more accessible. Website: http://www.ehealth.nsw.gov.au/
- **Health Infrastructure** manages and coordinates approved major Health capital works projects, and provides capital project delivery support services to public health organisations. Website: http://www.hinfra.health.nsw.gov.au/
- **NSW Health Pathology** is a clinically integrated statewide service that provides specialist diagnostic and disease monitoring pathology services, and forensic and analytical science services to the NSW health and justice systems. Website: http://www.pathology.health.nsw.gov.au/

Please refer to the organisational diagram for the NSW Ministry of Health



Source: http://www.health.nsw.gov.au/about/ministry/pages/chart.aspx

Organisations in the NSW Public Health System



Source: http://www.health.nsw.gov.au/about/nswhealth/pages/chart.aspx

1.2 Local Health Districts

1.2.1 Local Health Districts

Fifteen Local Health Districts are established as individual statutory corporations under section 17 of the *Health Services Act 1997*.

Local Health Districts are responsible for managing public hospitals and health institutions and for providing health services to defined geographical areas of the State and their primary purposes under section 9 of the *Health Services Act 1997*, are to:

- provide relief to sick and injured people through the provision of care and treatment; and
- promote, protect and maintain the health of the community.

1.2.2 Key Functions

The key functions of local health districts under the *Health Services Act 1997* reflect these responsibilities and primary purposes. They include:

Key functions of local health districts under the Health Services Act 1997

- **to promote, protect and maintain** the health of residents of its area
- **to conduct and manage public hospitals**, health institutions, health services and health support services under its control
- **to achieve and maintain adequate standards** of patient care and services
- **to ensure the efficient and economic operation** of its health services and health support services and use of its resources
- **to cooperate** with other local health districts and the Secretary, NSW Health in relation to the provision of services
- **to make available to the public information** and advice concerning public health and health services available within its area

1.2.3 Management and accountabilities

Under section 122 of the *Health Services Act*, the District is subject to the governance, oversight and control of the Secretary, NSW Health.

The Secretary, NSW Health may also determine the role, functions and activities of hospitals and services controlled by a local health district and, for that purpose, give any necessary directions to the local health district.

The Minister may direct a local health district to establish or close a hospital or other health service, or give directions as to the range of services to be provided.

The fifteen local health districts are:

- Central Coast
- Far West
- Hunter New England
- Illawarra Shoalhaven
- Mid North Coast
- Murrumbidgee
- Nepean Blue Mountains
- Northern NSW
- Northern Sydney
- South Eastern Sydney
- South Western Sydney
- Southern NSW
- Sydney
- Western NSW
- Western Sydney

1.2.4 Chief Executives

Each local health district has a chief executive employed by the NSW Government, being appointed by the local health distrist board in concurrence with the Secretary, NSW Health under section 23 of the *Health Services Act*.

The chief executive manages and controls the District in accordance with the relevant legislation, policies and procedures and with the district service performance agreement. The chief executive is accountable to the local health district board for the operations and performance of the local health district.

1.2.5 Further Governance Information

Section 3 of this Compendium sets out the governance relationships applying to local health districts in more detail.

A map of the Local Health Districts is available at:
https://www.health.nsw.gov.au/lhd/Pages/lhd-maps.aspx

1.3 Statutory Health Corporations

Statutory health corporations (SHC) provide services across the whole State. These services are not limited to defined geographic areas, but are functionally defined through the services they provide. HETI is an accredited Higher Education Provider.

In 2017, the New South Wales Institute of Psychiatry (NSWIOP) became the newly established mental health portfolio of the Health Education and Training Institute (HETI). As a major provider of mental health education, NSWIOP has had a significant impact in shaping and equipping the mental health sector.

Statutory Health Corporations may be network governed statutory health corporations, or Board governed, or managed and controlled with a chief executive who manages the affairs of the corporation.

In relation to board-governed corporations, the Minister may determine the role, functions and activities of hospitals and services controlled by a statutory health corporation. The Secretary, NSW Health has been delegated this function, as well as having a similar function for chief executive governed corporations.

Under the section 41 of the *Health Services Act 1997*, statutory health corporations may be chief executive governed, board governed or specialty network governed.

- ***Specialty Network governed statutory health corporations*** have the same governance arrangements as Local Health Districts including a chief executive who manages and controls the corporation and is accountable to a board in carrying out these functions.
    - The Sydney Children's Hospitals Network and the Justice Health and Forensic Mental Health Network are specialty network governed statutory health corporations.
- ***Board governed statutory health corporations*** have a chief executive who manages the affairs of the corporation, subject to the direction and control of the board. The board is subject to the control and direction of the Minister, except in relation to the content of a recommendation or report to the Minister. This function has been delegated to the Secretary, NSW Health.
- ***Chief executive governed statutory health corporations*** are managed and controlled by a chief executive. The chief executive is subject to the control and direction of the Secretary, NSW Health.
    - The Agency for Clinical Innovation and the Health Education and Training Institute (HETI) are chief executive governed statutory health corporation.

The following Statutory Health Corporations have been established:

Agency for Clinical Innovation

The Agency for Clinical Innovation (ACI) is a chief executive governed health corporation and works with clinicians, consumers and managers to design and promote better healthcare for NSW.

Clinical Excellence Commission

The Clinical Excellence Commission (CEC) is a board governed statutory health corporation and was established to promote and support improved clinical care, safety and quality across the NSW health system.

Bureau of Health Information

The Bureau of Health Information (BHI) is a board governed statutory health corporation and was established in 2010, to support transparency in health data and allow for greater local control of information analysis.

Health Education and Training Institute

The Health Education and Training Institute (HETI) is a Chief Executive-governed statutory health corporation which coordinates education and training for NSW Health staff. The Institute works closely with local health districts, specialty health networks, other public health organisations and health education and training providers to ensure that world-class education and training resources are available to support the full range of roles across the public health system including patient care, administration and support services. HETI is an accredited Higher Education Provider.

In 2017, the New South Wales Institute of Psychiatry (NSWIOP) became the newly established mental health portfolio of the Health Education and Training Institute (HETI). As a major provider of mental health education, NSWIOP has had a significant impact in shaping and equipping the mental health sector.

Cancer Institute NSW

Established under the *Cancer Institute (NSW) Act 2003* to lessen the impact of cancer across the State, the Cancer Institute NSW is Australia's first statewide government cancer agency. Its statutory objectives are to reduce the incidence of cancer in the community; increase survival from cancer; improve the quality of life for people with cancer and their carers; and provide a source of expertise on cancer control for the government, health service providers, medical researchers and the general community.

The Cancer Institute NSW leads the development and delivery of the statewide NSW Cancer Plan, which sets out a coordinated and collaborative approach to cancer control, involving people affected by cancer, government and non-government organisations, health professionals and researchers.

The Cancer Institute drives initiatives to reduce unwarranted variations in outcomes across diverse cultural and geographic communities; report on the performance of cancer services; and enhance cancer research capabilities across NSW.

1.4 Affiliated Health Organisations

Affiliated health organisations are not-for-profit religious, charitable or other non-government organisations which provide health services and are recognised as part of the public health system under the *Health Services Act 1997*.

Under section 65 of the *Health Services Act,* the Minister may determine the role, functions and activities of the recognised establishments and services of affiliated health organisations following consultation with the relevant organisation. This has been delegated to the Secretary, NSW Health.

Not all facilities or services provided by an affiliated health organisation are recognised as part of the public health system. For example, the NSW Benevolent Society conducts some recognised services but also conducts a range of other activities unrelated to the public health system which are not regulated by the *Health Services Act 1997*.

Where an affiliated health organisation has more than one recognised establishment or service, or provides statewide or significant services, the Minister may declare them to be treated as a network for the purposes of receiving funding under the now National Health Reform Agreement (NHRA), with the consent of the organisation concerned.

The St Vincent's Health Network, comprising St Vincent's Hospital and Sacred Heart Health Service in Darlinghurst and St Joseph's Hospital at Auburn is the first affiliated health organisation that is recognised as a network under these provisions.

Table of Affiliated Health Organisations

Affiliated health organisations are recognised under the *Health Services Act 1997*

Affiliated Health Organisation	Recognised service
Benevolent Society of New South Wales	Central Sydney Scarba Services, Early Intervention Program, Eastern Sydney Scarba Services and South West Sydney Scarba Services
Calvary Health Care (Newcastle) Limited	Calvary Mater Newcastle
Calvary Health Care Sydney Limited	Calvary Health Care Sydney
Hammondcare Health and Hospitals Limited	Braeside Hospital, Prairiewood; Greenwich Hospital, Greenwich; Neringah Hospital, Wahroonga; and Northern Beaches Palliative Care Service
Karitane	Child and Family health services at Carramar, Fairfield, Liverpool and Randwick
Mercy Hospitals NSW Ltd	Mercy Care Centre: Young, excluding Mount St Joseph's Nursing Home. Mercy Health Service: Albury
NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS)	NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS)
Royal Rehab	General rehabilitation services, Brain injury rehabilitation services, spinal injury rehabilitation services, extended care services.
Royal Society for the Welfare of Mothers and Babies	Tresillian Family Care Centres at Belmore, Broken Hill, Coffs Harbour, Dubbo, Lismore, Penrith, Queanbeyan, Taree, Willoughby and Wollstonecraft
St Vincent's Hospital Sydney Ltd	Sacred Heart Health Service, St Joseph's Hospital (Auburn), St Vincent's Hospital Darlinghurst
Stewart House	Child health screening services at Stewart House Preventorium, Curl Curl
The College of Nursing	Nursing Education Programs conducted under agreement with the NSW Ministry of Health
Uniting Church in Australia	War Memorial Hospital (Waverley)

1.5 Summary of Organisations in the NSW Public Health System

The table below provides a summary and lists examples of the organisations within the NSW public health system: local health districts; statutory health corporations (chief executive, board, or specialty network governed) and affiliated health organisations.

The NSW Public Health System

Local Health Districts

- Central Coast
- Far West
- Hunter New England
- Illawarra Shoalhaven
- Mid North Coast
- Murrumbidgee
- Nepean Blue Mountains
- Northern NSW
- Northern Sydney
- South Eastern Sydney
- South Western Sydney
- Southern NSW
- Sydney
- Western NSW
- Western Sydney

Statutory health corporations – network governed (Specialty Health Networks)

- Sydney Children's Hospitals Network
- Justice Health and Forensic Mental Health Network

Statutory health corporations – chief executive governed

- Agency for Clinical Innovation
- Health Education and Training Institute

Statutory health corporations – board governed

- Bureau of Health Information
- Clinical Excellence Commission
- Cancer Institute NSW

Affiliated health organisations

Secretary, NSW Health

- Ambulance Service of NSW
- NSW Health Pathology
- Health Protection NSW
- HealthShare NSW
- Health Infrastructure
- eHealth NSW

1.6 Other NSW Government Entities in the Health Portfolio

1.6.1 Health Care Complaints Commission

Government entities that oversight public health system under legislative powers

The NSW Health Care Complaints Commission (HCCC) is established under the *Health Care Complaints Act 1993*. The HCCC is an independent statutory body headed by a Commissioner that:

- receives and deals with complaints concerning the care and treatment provided by health practitioners and health services;
- investigates complaints and takes appropriate action including making recommendations to NSW Health;
- prosecutes cases before disciplinary bodies;
- advises the Minister for Health and others on trends in complaints;
- resolves complaints with parties and provides opportunities and support for people to resolve their complaints and concerns locally; and
- consults with consumers and other key stakeholders.

The Health Care Complaints Commission is subject to the control and direction of the Minister, except in respect of the assessment, investigation and prosecution of a complaint or the terms of any recommendation or report of the Commission including the annual report.
Website: www.hccc.nsw.gov.au

1.6.2 Mental Health Review Tribunal

The Mental Health Review Tribunal is a specialist quasi-judicial body established under the *Mental Health Act 2007*. It has a wide range of powers that enable it to make and review orders and to hear some appeals, about the treatment and care of people with a mental illness.
Website: www.mhrt.nsw.gov.au

1.6.3 Health Professional Councils

Co-regulatory model for complaints

Since 1 July 2010, health professional registration and accreditation has been undertaken at a national level under the National Registration and Accreditation Scheme, through national health professional boards under the *Health Practitioner Regulation National Law*.

New South Wales applies the National Law differently from other states as complaints, performance and disciplinary processes continue to be managed at the State level. This means the existing “co-regulatory model”, where complaints are dealt with through a health professional body and an independent complaints body (the HCCC), is retained.

As a result, complaints about health professionals who reside in NSW, or have their primary place of practice in NSW, must be referred to the relevant NSW professional council and the HCCC, rather than the national boards. The NSW law establishes the following NSW Health Professional Councils to administer NSW specific complaints and make determinations on performance for the respective professions:

- Aboriginal and Torres Strait Islander Health Practice Council of New South Wales
- Chinese Medicine Council of New South Wales
- Chiropractic Council of New South Wales
- Dental Council of New South Wales
- Medical Council of New South Wales
- Medical Radiation Practice Council of New South Wales
- Nursing and Midwifery Council of New South Wales (two separate professions)
- Occupational Therapy Council of New South Wales
- Optometry Council of New South Wales
- Osteopathy Council of New South Wales
- Paramedicine Council of New South Wales
- Pharmacy Council of New South Wales
- Physiotherapy Council of New South Wales
- Podiatry Council of New South Wales
- Psychology Council of New South Wales

These Councils are supported to perform their regulatory and legislative functions under the National Registration and Accreditation Scheme by the Health Professional Councils Authority, an administrative unit of the Health Administration Corporation. Website: www.hpca.nsw.gov.au

1.6.4 NSW Mental Health Commission

The NSW Mental Health Commission was established in July 2012 under the *Mental Health Commission Act 2012*. The Commission is charged with preparing a draft strategic plan for the mental health system in New South Wales for submission to the Minister for approval. The Commission will also monitor and report on the implementation of the strategic plan and also has a broader role in promoting and facilitating the sharing of knowledge and ideas about mental health issues, undertaking research and advocating for and promoting the prevention of mental illness and early intervention strategies for mental health.

The Mental Health Commission is headed by a Commissioner who is appointed by the Governor. The Commission is subject to the control and direction of the Ministers responsible for the Act, being the Minister for Health, Minister for Regional Health and the Minister for Mental Health. The Act also makes provision for the appointment of Deputy Commissioners, one of whom must be a person who has or has had a mental illness.

Staff of the Commission are employed under the *Government Sector Employment Act 2013* in the Mental Health Commission Division of the Government Service. The Secretary, NSW Health is the Division Head for the Mental Health Division and exercises on behalf of the Government of NSW the employer functions in relation to the members of the staff of the Commission. The terms and conditions of the Mental Health Commission Division are similar to those of the NSW Public Service. Website: nswmentalhealthcommission.com.au

About NSW Health – Resources & References

NSW Health

Ministry of Health website:
http://www.health.nsw.gov.au/

Information about the Ministry of Health, including its structure and roles of each Division:
http://www.health.nsw.gov.au/about/ministry/Pages/Structure.aspx

Ministerial and Ministry of Health media releases:
http://www.health.nsw.gov.au/news/pages/default.aspx

Directory of NSW Health services and links to health organisation websites:
http://www.health.nsw.gov.au/hospitals/pages/default.aspx

Commonwealth/State Agreements

2020-25 National Health Reform Agreement (NHRA)

https://www.health.gov.au/our-work/2020-25-national-health-reform-agreement-nhra

Intergovernmental Agreement on Federal Financial Relations
https://federalfinancialrelations.gov.au/intergovernmental-agreement-federal-financial-relations

NSW Government

Department of Premier and Cabinet

Department of Premier and Cabinet NSW Government Boards and Committees Guidelines:
http://www.dpc.nsw.gov.au/programs-and-services/boards-and-committees/

Public Service Commission

http://www.psc.nsw.gov.au

2 Governance Framework

2.1 Good Governance

The NSW Health System is committed to the principles and practice of good governance, across all public health organisations, in a way that involves stakeholder and community participation.

As stated by the Audit Office of NSW[1] "Good governance is those high-level processes and behaviours that ensure an agency **performs** by achieving its intended purpose and **conforms** by complying with all relevant laws, codes and directions and meets community expectations of probity, accountability and transparency. Governance should be enduring, not just something done from time to time".

2.2 Governance Framework Elements

This Compendium sets out the key elements of a robust governance framework for organisations within the Health portfolio.

The governance framework recognises the organisation's purpose, its legislative, policy and ethical obligations, as well as its workforce and employment responsibilities. The framework is supported by the organisation's CORE values (collaboration, openness, respect and empowerment) and structures and is underpinned by the seven governance standards.

1	Establish robust governance and oversight frameworks
2	Ensure clinical responsibilities are clearly allocated and understood
3	Set the strategic direction for the organisation and its services
4	Monitor financial and service delivery performance
5	Maintain high standards of professional and ethical conduct
6	Involve stakeholders in decisions that affect them
7	Establish sound audit and risk management practices

1 NSW Auditor-General's Report Volume Two 2011
CORPORATE GOVERNANCE – STRATEGIC EARLY WARNING SYSTEM p12

The governance framework is summarised in the following diagram. At the centre depicts the key elements of effective governance which public health organisations are responsible for managing and in the outer circles are the key external governance requirements that apply to these organisations across all their activities.

2.3 Corporate Governance Standards

The key components of the governance framework are the seven governance standards for organisations in the Health portfolio. The Standards apply to public health organisations, with those agencies required to publish an Annual Corporate Governance Attestation Statement outlining their governance arrangements and providing key information relating to their operation.

These seven standards are detailed in sections 2.2.1 to 2.2.7.

2.3.1 Standard 1: Establish robust governance and oversight frameworks

Every organisation in the Health portfolio (health organisation) should ensure that the authority, roles and responsibilities of its governance, management and operating structures are clearly defined, documented and understood.

Health organisations should ensure that:

- The authority, roles and responsibilities of its governing, management and operating structures, including reporting relationships of the board, chief executive and senior management, are documented clearly and understood.
- The legal and policy obligations of the organisation are identified and understood; and responsibilities for compliance are allocated.
- Financial and administrative authorities are approved by the chief executive and/or board and are published in a delegations manual for the organisation which is readily accessible.
- A system is in place to ensure that the policies and procedures of the organisation are documented, endorsed by the board and/or chief executive and are readily accessible to staff.
- Leadership and accountability responsibilities for Aboriginal health are built into the roles of executives and managers at all levels of the system.

- Aboriginal leadership in health decisions is embedded at a state, regional and local level to ensure programs, policies and service delivery are appropriate and meaningful, and focused on Aboriginal community priorities.

2.3.2 Standard 2: Ensure clinical responsibilities are clearly allocated and understood

Public health organisations that deliver clinical services must ensure that clinical management and consultative structures within the organisation are appropriate to the needs of the organisation and its clients. The role and authority of clinical directors and general managers should be clearly defined, documented and understood.

Local health districts and statutory health corporations that deliver clinical services should ensure that:

- clear lines of accountability for clinical care are established and are communicated to clinical staff and staff who provide direct support to them.
- the authority of facility/network general managers is clearly understood.
- a Medical and Dental Appointments Advisory Committee (MADAAC) is established to review and make recommendations about the appointment of medical staff and visiting practitioners
- a Credentials Subcommittee is established to make recommendations to the Medical and Dental Appointment Advisory Committee on all matters concerning the scope of practice and clinical privileges of visiting practitioners or staff specialists; and to advise on changes to a practitioner’s scope of practice.
- an Aboriginal Health Advisory Committee is established with representation from Aboriginal Community Controlled Organisations (ACCHSs) and/or other Aboriginal community organisations, and with clear lines of accountability for clinical services delivered to Aboriginal people.
- a systematic process for the identification, and management of clinical incidents and minimisation of risks to the organisation is established.
- an effective complaint management system for the organisation is developed and in place.
- effective forums are in place to facilitate the involvement of clinicians and other health staff in decision making at all levels of the organisation.
- appropriate accreditation of healthcare facilities and their services is achieved.
- licensing and registration requirements are checked and maintained.
- the Decision Making Framework for Aboriginal Health Workers to Undertake Clinical Activities is adopted to ensure that Aboriginal Health Workers are trained, competent, ready and supported to undertake clinical activities.

2.3.3 Standard 3: Set the strategic direction for the organisation and its services

It is important that all health organisations have clear, articulated and relevant plans for meeting their statutory or other purposes and objectives. Strategic plans provide a mechanism for the progressive achievement of the long term vision of an organisation. As such, they are a mechanism to link the aspirations of the future with the reality of the present.

Health organisations should ensure that:

- The strategic goals of the organisation are documented within a **Strategic Plan** approved by the chief executive and where appropriate by the board with a 3-5 year horizon.
- Detailed plans for asset management, information management and technology, research and teaching and workforce management are linked to the **Strategic Plan.**
- A **Local Healthcare Services Plan** and appropriate supporting plans including operations/business plans at all management levels.
- A **Corporate Governance Plan** is implemented.
- An **Asset Management Plan (AMP)** is submitted annually to the NSW Ministry of Health
- An **Strategic Asset Management Plan** (SAMP) is submitted annually to the NSW Ministry of Health
- An **Aboriginal Health Action Plan** is developed that aligns with the *NSW Aboriginal Health Plan 2013-2023.* The action plan must help:
    - Ensure that all relevant NSW Health policies, programs and services consider Aboriginal people as a priority population and reflect the needs of Aboriginal communities.
    - Recognise and strengthen the ongoing role NSW Health has in contributing to the social determinants of health for Aboriginal people through activities such as employment, resource distribution, and education/training.
    - Strengthen Aboriginal health governance, and build and maintain partnerships that facilitate community consultation and self-determination.

2.3.4 Standard 4: Monitor financial and service delivery performance

Boards and chief executives are responsible for ensuring appropriate arrangements are in place to secure the efficiency and effectiveness of resource utilisation by their organisation; and for regularly reviewing the financial and service delivery performance of the organisation.

Health organisations should ensure that:

- A committee is established for the organisation and that finance matters and performance and it's meeting frequency complements the board meeting cycle.
- The organisation complies with critical government policy directives and policies, including the Accounts and Audit Determination for Public Health Organisations, annual budget allocation advice, the Fees Procedure Manual, Goods and Services Procurement Policy, and the Accounting Manual.
- Local Health District and Network Service Agreements with the Secretary, NSW Health are signed and in place.
- Performance agreements are in place with the chief executive and health executive service staff and performance is assessed on an annual basis.
- Budgets and associated activity/performance targets are issued to relevant managers no later than four weeks after the delivery of the NSW State budget.
- Systems are in place for liquidity management and to monitor the financial and activity / performance of the organisation as a whole, and its facilities.
- Financial reports submitted to the Ministry of Health and the Finance and

Performance Committee represent a true and fair view, in all material aspects, of the financial condition and the operational results for the organisation.

- Specific grants or allocation of monies for specific purposes are spent in accordance with the allocation or terms of the grant.
- Aboriginal health performance, service access, service utilisation and quality measures are included in all relevant service agreements.

2.3.5 Standard 5: Maintain high standards of professional and ethical conduct

Health organisations must have systems and processes in place to ensure that staff and contractors are aware of and abide by the NSW Health Code of Conduct and relevant professional registration and licensing requirements. Public health organisations must also have policies, procedures and systems in place to ensure that any alleged breaches of recognised standards of conduct or alleged breaches of legislation are managed efficiently and appropriately.

Health organisations should ensure that:

- Boards and chief executives lead by example in order to ensure an ethical and professional culture is embedded within their organisations, which reflects the CORE values of the NSW Health system.
- Staff and contractors are aware of their responsibilities under the NSW Health Code of Conduct and that obligations are periodically reinforced.
- All disciplinary action is managed in accordance with relevant NSW Health policies, industrial instruments, legislative, contractual and common law requirements.
- Suspected corrupt conduct, indecent acts, sexual or physical violence or the threat of sexual or physical violence by a staff member against another person (adult or child) is reported to the appropriate agency; and is assessed and managed by an appropriate senior officer within the local health district and/or facility.
- There are systems and processes in place and staff are aware of their obligations to protect vulnerable patients / clients – for example, children and those with a mental illness.
- Suspected professional misconduct or unsatisfactory professional conduct by staff and visiting practitioners is reported to the relevant healthcare professional council and any other relevant agencies, with appropriate action to be taken by the local health district and/or facility to protect staff, patients and visitors.
- The organisation is responsive to external oversight and review agencies such as the Health Care Complaints Commission, NSW Coroner, NSW Ombudsman, the Commission for Children and Young People, NSW Privacy, Independent Commission Against Corruption and the Audit Office of NSW.
- Cultural competence is embedded as a core feature of recruitment, induction, professional development and other education and training strategies.
- Models of good practice are implemented that provide culturally safe work environments and health services through a continuous quality improvement model.

2.3.6 Standard 6: Involve stakeholders in decisions that affect them

Health organisations must have systems and processes in place to ensure the rights and interests of key stakeholders are incorporated into the plans of the organisation and that they are provided access to balanced and understandable information about the organisation and its proposals.

All public health organisations should ensure that:

- Appropriate consultative and communication strategies are in place to facilitate the input of consumers of health services, and other members of the community, into the key policies, plans and initiatives of the organisation.
- Appropriate consultative strategies are in place to involve staff in decisions that affect them and to communicate the strategies, values and priorities of the organisation to staff.
- A Local Partnership Agreement is in place with Aboriginal Community Controlled Health Services and Aboriginal community services within their boundaries, which enables Aboriginal communities to lead decisions regarding the design, delivery, and evaluation of services provided to local Aboriginal communities.
- Appropriate information on key policies, plans and initiatives of the organisation is made available to the public.
- Policies, plans and initiatives of the organisation are updated regularly and readily accessible to the staff.
- The performance of the organisation in delivering key plans, targets and initiatives is reported to the public at least annually.
- There are accountability processes in place to ensure partnerships between ACCHSs and Aboriginal community services are established, meaningful, and appropriately facilitate Aboriginal self-determination.

2.3.7 Standard 7: Establish sound audit and risk management practices

Each public health organisation must establish and maintain an effective internal audit function that is responsible for overseeing the adequacy and effectiveness of the organisation’s system of internal control, risk management and governance.

The audit and risk management structures of the organisation should provide an assurance to the board and chief executive that the authorities and roles allocated to management effectively support the achievement of the goals of the organisation.

All public health organisations should ensure that:

- An Audit and Risk Management committee for the organisation is established.
- An internal audit function for the organisation is established.
- Risk management is embedded in the culture of the organisation. The risk management framework (enterprise wide) should encompass the identification, elimination, minimisation and management of both clinical and non-clinical risks.

2.4 Reporting on Governance Standards

2.4.1 Corporate Governance Attestation Statements

Public health organisations must publish an annual **Corporate Governance Attestation Statement** that outlines their governance arrangements and includes key information on their operations.

Corporate Governance Attestation Statements must be completed for the financial year by 31 August each year

Compliance with the actions in the governance statements does not ensure the quality of governance for the organisation, rather it provides the minimum structural elements for good governance which is necessary to support the organisation to meet its objectives and obligations as a public sector entity.

Where an organisation has not met one of the governance standards, the statement should include a qualification as to whether the organisation is intending to meet the standard but is still working towards implementation of the minimum actions required, or the reasons the standard is not applicable.

The *Corporate Governance Attestation Statement* is available in a template format for completion and should be:

- certified by the chief executive and board chair (where applicable) as accurately reflecting the corporate governance arrangements for the preceding financial year;
- *submitted to the Ministry of Health by 31 August* each year to ensure the information is available during the organisation's annual performance review;
- published (whole statement) on the organisation's Internet site.

A Governance Standards Checklist has been developed as a guide for boards and chief executives in undertaking corporate governance assessments. A checklist template is available on the next page. The checklist highlights a number of actions that public health organisations can and should take in order to meet each governance standard.

Implementation of these actions does not automatically ensure the quality of governance and compliance with standards for the organisation. However, the checklist provides key structural elements which are considered to provide a basis within a good governance framework, that will when effectively implemented, support the organisation in meeting its objectives and obligations as a public sector entity.

Governance Standards – Checklist

The following table summarises a number of recommended actions that public health organisations should take in order to meet each governance standard. Implementation of these recommended actions does not ensure the quality of governance for the organisation, but provides structural elements required as a basis for good governance to support the organisation in meeting its objectives and obligations as a public sector entity.

Activity	Requirements
Set the strategic direction for the organisation and its services	Have a 3-5 year strategic plan in place to identify the strategic priorities for the district and its key services. Have an Asset Strategic Plan with a four and 10-year horizon, which is aligned to the strategic priorities of the district and is reviewed annually and revised to reflect achievements. The District Service Agreement, identifying the annual operating targets and funding allocations for the district, should be publicly available. Annual operating plans for each of the facilities/wards/units within the district must be in place and clearly identify budgets and performance targets across all operational units of the district.
Set clear accountabilities for management and service delivery	Members of the board, the chief executive and the senior management of the district must be aware of the role of the district, the role of national governance authorities, the Minister for Health and the Ministry of Health. Governing structures required by model by-laws must be established to provide effective oversight of clinical and corporate responsibilities. Accountabilities for health service delivery and for the provision of health support services within the district must be clearly established. The authorities reserved for the board and those delegated to the management and councils within the district must be clearly documented. The board and chief executive must be able to demonstrate compliance with the 7 corporate governance standards
Promote professional and ethical decision making and conduct	Members of the board must be aware of their roles and responsibilities and lead by example (eg. fiduciary duties, duty of care and diligence). Staff and contractors of the district must be made aware of the NSW Health Code of Conduct when appointed and obligations must be periodically reinforced. A fraud and corruption prevention program must be in place. All instances of improper conduct must be managed appropriately and reported to the relevant statutory authority. All facilities demonstrate action towards becoming more culturally competent.
Review the financial and service delivery performance of the network	All national and state reporting obligations with respect to financial management and service delivery must be fulfilled. A system must be in place to monitor the performance of all hospitals/ wards/units. Funding specifically allocated for Aboriginal health programs and services is accounted for separately and protected.

Activity	Requirements
Recognise and manage risk	A compliance program must be in place to ensure the legal and policy obligations of the district are identified, understood and are eliminated, minimised, managed and monitored. A risk management plan is established which identifies the responsibilities of managers and staff in responding to/and escalating risks and opportunities. An effective incident management system must be in place to record and review corporate and clinical incidents and to action recommendations. An internal audit function for the district must be established. The internal auditor must review the financial and accounting practices and associated internal controls of the district to ensure they meet relevant government and accounting standards. An external auditor for the district must be appointed.
Respect the rights of stakeholders	Information on the policies, publications and performance must be published on the internet. A consumer and community engagement plan should be in place to facilitate broad input into the strategic policies and plans of the district. A patient service charter must be established to identify the commitment of the district to protecting the rights of patients in the health system. A Local Partnership Agreement is in place with Aboriginal Community Controlled Health Services and Aboriginal community services within their boundaries. Mechanisms must be in place to ensure the district respects the privacy of personal and health information that it holds. An effective complaint management system must be developed and in place for the district. The district must be responsive to reports of statutory agencies such as the Coroner, Health Care Complaints Commission, Commission for Children and Young People and Ombudsman.

Governance Framework – Resources & References

Corporate Governance

Australian

The corporate governance standards set out in this section have been developed with reference to the following:

- Australian Standard, AS8000-2003, Good Governance Principles, November 2004, Standards Australia International, Sydney. http://www.standards.org.au/
- Australian Standard, AS3806-2006, Compliance Programs, March 2006, Standards Australia International, Sydney. http://standards.org.au/
- Australian Securities Exchange, Corporate Governance Council website: https://www2.asx.com.au/about/regulation/asx-corporate-governance-council

NSW Legislation

- The legislative framework that underpins the NSW Health system can be found at: www.health.nsw.gov.au/legislation/pages/default.aspx

NSW Government

- NSW Audit Office, Better Practice Guides for Public Sector Governing and Advisory boards: http://www.audit.nsw.gov.au/publications/better-practice-guides

NSW Department of Premier and Cabinet

- Department of Premier and Cabinet - Guides and Publications for Agencies: http://www.dpc.nsw.gov.au/programs-and-services/boards-and-committees/
- Department of Premier and Cabinet - Public Service Commissioner's Appointment Standards: Boards and Committees in the NSW Public Sector

NSW Health

- Annual Corporate Governance Attestation Statement template: http://internal.health.nsw.gov.au/cgrm/cger/governance_statement.html
- NSW Health Policy Directive *Internal Audit* (PD2022_022)
- NSW Health Policy Directive *Enterprise-wide Risk Management* (PD2022_023)
- Decision making framework for Aboriginal Health Workers: http://www.health.nsw.gov.au/workforce/aboriginal/pages/decision-making-framework.aspx

Local Documentation

Approved By-Laws

Approved Delegations Manual

Approved enterprise-wide risk management framework and plans

Approved service delivery plans

Approved financial management plans

Approved Audit Plan

Consultation framework to facilitate local and clinician engagement

Annual Governance Attestation Statement to confirm compliance with the approved governance framework and minimum governance standards.

3 Roles of Boards & Chief Executives

There are several types of public health organisations within the New South Wales public health system. These are:

- Local health districts.
- Statutory health corporations, being either network governed (specialty networks), board governed or chief executive governed.
- Affiliated Health Organisations, in relation to establishments or services recognised under the *Health Services Act*.

3.1 Local Health District and Specialty Networks

This section outlines the roles and accountabilities for the Local Health Districts and Specialty Networks (being the Sydney Children's Hospitals Network and the Justice Health and Forensic Mental Health Network), their boards and the chief executives and their key governance relationships.

3.1.1 Role of boards

The role of the board is focused on leading, directing and monitoring the activities of the local health district and specialty network and driving overall performance.

The Board has specific statutory functions, outlined in section 28 of the *Health Services Act 1997*. Those functions are:

- to ensure effective clinical and corporate governance frameworks are established to support the maintenance and improvement of standards of patient care and services by the local health district and to approve those frameworks,
- to approve systems:
  - to support the efficient and economic operation of the local health district, and
  - to ensure the district manages its budget to ensure performance targets are met, and
  - to ensure that district resources are applied equitably to meet the needs of the community served by the district,
- to ensure strategic plans to guide the delivery of services are developed for the local health district and to approve those plans,
- to provide strategic oversight of and monitor the local health district's financial and operational performance in accordance with the State-wide performance framework against the performance measures in the performance agreement for the district,
- to appoint, and exercise employer functions in relation to, the chief executive of the local health district,
- to ensure that the number of NSW Health Service senior executives employed to enable the local health district to exercise its functions, and the remuneration paid to those executives, is consistent with any direction by the Health Secretary or condition referred to in section 122(2),

- to confer with the chief executive of the local health district in connection with the operational performance targets and performance measures to be negotiated in the service agreement for the district under the National Health Reform Agreement (NHRA)[2],
- to approve the service agreement for the local health district under the NHRA,
- to seek the views of providers and consumers of health services and of other members of the community served by the local health district, as to the district's policies, plans and initiatives for the provision of health services, and to confer with the chief executive of the district on how to support, encourage and facilitate community and clinician involvement in the planning of district services,
- to advise providers and consumers of health services and other members of the community served by the local health district, as to the district's policies, plans and initiatives for the provision of health services,
- to endorse the local health district's annual report,
- to liaise with the boards of other local health districts and specialty network governed health corporations in relation to both local and State-wide initiatives for the provision of health services,
- such other functions as are conferred or imposed on it by the regulations.

These functions are in the nature of governance oversight, not a day to day management and operational role.

3.1.2 Role of the Chief Executive

Chief executives of Local Health Districts and Specialty Networks are employed in the Health Executive Service (part of the NSW Health Service) by the district or network board with the concurrence of the Health 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.

3.1.3 Chief Executive's Performance

Chief Executive's performance is managed under the NSW Health Executive Performance Management Policy Directive through the Performance and Talent (PAT) online system. Performance plans are developed and entered into annually between the Board and Chief Executive. For Chief Executives of Local Health Districts and Specialty Health Networks, targets and measures should directly contribute to achievement of the key performance indicator targets in the Service Agreement executed by the Secretary, the Board Chair and the Chief Executive of the District or Network.

The Secretary, NSW Health clarifies performance requirements, gives feedback, undertakes progress reviews as required and contributes to or undertakes an annual performance review of Chief Executives with the Board Chair. For these discussions the Secretary, NSW Health reviews the performance report of the Local Health District or Specialty Network over the year, for consideration of individual Chief Executive performance assessment.

2 Under the *Health Services Act*, the National Health and Hospitals Network Agreement (NHHN) 2010 is a defined term that also means any agreement that replaces or supersedes that agreement. This would include the National Health Reform Agreement (NHRA).

3.1.4 Board appointments and procedures

3.1.4.1 Appointments

Boards consist of 6 to 13 members appointed by the Minister for Health. The selection criteria for board members in the Act aim to ensure an appropriate mix of skills and expertise to oversee and provide guidance to large, complex organisations. These include:

- expertise and experience in matters such as health, financial or business management;
- expertise and experience in the provision of clinical and other health services;
- representatives of universities, clinical schools or research centres; and
- knowledge and understanding of the community.
- other background, skill, expertise, knowledge or expertise appropriate to the organisation;
- At least one member must have expertise, knowledge or experience in relation to Aboriginal health

Terms of Office

Board members are appointed for a specific term with a maximum term of up to five years. The position of a board member is vacated if the member resigns, dies, becomes bankrupt or mentally incapacitated, is convicted of certain criminal offences, or if the member or board is removed by the Minister.

Duties as a board member

Board members are appointed for the good of the organisation and are not there to represent the group or interest that nominated them. The role of the board member is not one of direct representation of any particular sectional interest, rather they must carry out their role and functions in the interests of the organisation and the community it represents as a whole. For a comprehensive list of Board member duties, see the table at section 3.4.

Deputy Chairperson

In addition to the Chairperson appointed by the Minister, a Deputy Chair may be appointed by the Chair, under delegation from the Minister. The Deputy Chairperson may act and exercise all the functions of the office of the Chairperson during the Chairperson's absence.

Attendance of chief executive at board meetings

The chief executive is not a member of the board, but an invitee to Board meetings, Schedule 4A cl 18 Health Services Act 1997..

Other Invitees

The Act also provides for the Chair of the Medical Staff Executive Council to attend board meetings.

3.1.4.2 Meeting Times and Procedures

At least six ordinary meetings of the board must be held at regular intervals and an annual public meeting must be held between 1 July and 31 December each year.

Each local health district should establish procedures for the board and each of the board approved committees, in accordance with the Act, Regulation and by-laws. The procedures should be documented and readily accessible and cover matters such as (but not limited to):

- distribution of minutes, reports to be received (and frequency), types of matters that must be approved; types of matters that should be noted

- key priority areas relating to Aboriginal health
- declarations of conflicts of interest
- matters to be dealt with in confidence
- media spokespersons
- training and development; attendance at conferences specific to board roles and responsibilities
- remuneration and petty cash reimbursements
- fundraising activities

More detail on Board procedures can be found in the Model By-Laws and Schedule 4A of the Health Services Act 1997..

3.1.4.3 Confidentiality

The maintenance of confidentiality at board meetings is an essential aspect of good governance. It ensures trust and supports open and honest discussion of matters so that those in attendance can frankly express their views. Information discussed in board meetings will often also be information that is not otherwise in the public domain, or which is subject to protections or restrictions such as legal privilege, commercial in confidence obligations, or privacy rules.

At an operational level, it is the responsibility of the Board to ensure minutes of the meeting are publicly available and there is proper level of transparency with their community and clinicians, while also observing an appropriate level of confidentiality in respect of their internal discussions on board business and confidential or sensitive information provided to them to assist in the conduct of their business. For these reasons, it is appropriate for a board to determine the extent of release of information discussed at, and provided to, the board, either on a case by case basis, or through guidelines tailored to the business of a particular board.

Publication of Board Minutes

The Minutes of Board Meetings are required to be publicly available. NSW Health policy on board minutes however, also makes it clear that where there are substantial and genuine reasons for maintaining confidentiality such as commercial sensitivity, adverse effect on law enforcement, prejudice to current litigation or negotiations or interference with the right to privacy of third parties, it would be appropriate to excise the confidential information.

3.1.4.4 Legal Protections

The Corporations Law does not apply to local health districts and specialty networks. As such, board members are not subject to the criminal and civil penalty regimes under that legislation.

Section 133B of the *Health Services Act 1997* provides additional protection from personal liability for the board, a member of the board or a person acting under the direction of the board or organisation, in relation to acts or omissions done in good faith for the purposes of executing that or any other Act.

The Treasury Managed Fund Statement of Cover for public health organisations includes directors and officers cover, which provides an indemnity for actions committed by board members or committees in good faith for the purpose of discharging their governing board or committee duties.

3.1.5 Key Governance Relationships

3.1.5.1 Minister for Health and Secretary, NSW Health

The Minister and Secretary, NSW Health each have important governance roles in relation to the local health districts and specialty networks.

Minister

The Minister is responsible for the appointment and dismissal of individual board members. The Minister may also remove the entire board and appoint an administrator in their place. Where an administrator is appointed, the Minister is required to make a statement to Parliament that sets out the basis for that decision. These provisions are required to enable action to be taken where a local health district is failing and urgent intervention is required.

The Chairs of Local Health District Boards and Specialty Networks come together on a regular basis as the Council of Board Chairs to confer with the Minister for Health and the Secretary, NSW Health. The Council provides a key leadership group for NSW Health.

The Secretary, NSW Health

The Secretary, NSW Health is responsible for the overall governance, oversight and control of the NSW public health system and public health organisations, including public health system performance.

In this capacity, the Secretary, NSW Health has the function of giving directions to local health districts, to ensure that they fulfill their statutory and financial obligations and to assist the State meet its own obligations as system manager.

The Secretary, NSW Health is also responsible for entering into performance and Service Agreements with local health districts and employing staff of local health districts on behalf of the State.

3.2 Board Governed Statutory Health Corporations

This section outlines the roles and accountabilities for board governed statutory health corporations, recognising that the governance structure applying to these organisations (such as the BHI and CEC) is different from those applying to the local health districts and specialty networks.

3.2.1 Role of the Board

Under section 47 of the *Health Services Act*, the affairs of a board governed health corporation are controlled by the board, which is in turn subject to the direction and control of the Minister and Secretary, NSW Health (by delegation).

The *Health Services Act 1997* does not set out a specific list of functions for a statutory health corporation board, but their broad role is to guide and direct the operation of the organisation through establishing operating policies and charting the course of each organisation. This will include setting directions for the organisation and within the bounds of statutory, Government and Ministry of Health requirements and available resources;

- ensuring the effective and efficient management of the organisation;
- ensuring that the community is well informed about the organisation, its goals and performance;
- being accountable to the Secretary, NSW Health for the organisation's output;
- having a leadership role, with and through the chief executive, in motivating staff and creating the culture of the organisation;

- being responsible for safeguarding assets and ensuring the financial viability of the organisation;
- establishing monitoring and management reporting mechanisms to fulfil its accountability for governing the organisation;
- ensuring proper working relationships exist with government, other agencies, unions and the community in general;
- ensuring business continuity planning is undertaken to sustain service delivery during emergencies;
- ensuring organisations adopt an outcomes-focused approach when identifying and responding to the specific health needs of Aboriginal people.

3.2.2 Role of the Chief Executive

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.

3.2.3 Chief Executive's Performance

Chief Executive's performance is managed under the NSW Health Executive Performance Management Policy Directive through the Performance and Talent (PAT) online system. Performance plans are developed and entered into annually between the Board and Chief Executive. For Chief Executives of Local Health Districts and Specialty Health Networks, targets and measures should directly contribute to achievement of the key performance indicator targets in the Service Agreement executed by the Secretary, the Board Chair and the Chief Executive of the District or Network.

The Secretary, NSW Health clarifies performance requirements, gives feedback, undertakes progress reviews as required and contributes to or undertakes an annual performance review of Chief Executives with the Board Chair. For these discussions the Secretary, NSW Health reviews the performance report of the Local Health District or Specialty Network over the year, for consideration of individual Chief Executive performance assessment.

3.2.4 Statutory Health Corporation Board appointments and procedure

3.2.4.1 Appointments

Statutory Health Corporation Boards consist of 5 to 11 members appointed by the Minister, plus the chief executive officer, who is an *ex officio* member of the board.

The only statutory requirement in relation to appointees is that organisations with more than 50 staff include a board member employed in the NSW Health Service. More generally, members will be appointed having regard to the knowledge or experience necessary to support the board, which may be in business, law or health administration, or other background, skills, expertise or knowledge that may be appropriate or relevant to the particular to role of the organisation.

Terms of Office

Board members are appointed for a period of up to four years, and may be reappointed. The position of a board member is vacated if the member resigns, dies, becomes bankrupt or mentally incapacitated, is convicted of certain criminal offences, or if the member or board is removed by the Governor.

3.2.4.2 Duties as a board member

Board members are appointed for the good of the organisation and are not there to represent the group or interest that nominated them. The role of the board member is not one of direct representation of any particular sectional interest, rather they must carry out their role and functions in the interests of the organisation and the community it represents as a whole. For a comprehensive list of Board member duties, see the table at section 3.4.

3.2.4.3 Meeting times and procedures

Board governed statutory health corporations should establish procedures for the board and each of the board approved committees, in accordance with the by-laws. The procedures should be documented and readily accessible and cover matters such as (but not limited to):

- frequency of meetings, distribution of minutes, reports to be received (and frequency), types of matters that must be approved; types of matters that should be noted
- key priority areas relating to Aboriginal health
- declarations of conflicts of interest
- matters to be dealt with in confidence
- media spokespersons
- training and development; attendance at conferences specific to board roles and responsibilities
- remuneration and petty cash reimbursements
- fundraising activities

More detail on Board procedures can be found in the Model By-Laws and Schedule 5 to the *Health Services Act 1997*.

Attendance at meetings

The chief executive is *ex officio* member of the board, and attends as such. The Board may also invite such other persons as it chooses to attend from time to time.

3.2.4.4 Confidentiality

The maintenance of confidentiality at board meetings is an essential aspect of good governance. It ensures trust and supports open and honest discussion of matters so that those in attendance can frankly express their views. Information discussed in board meetings will often also be information that is not otherwise in the public domain, or which is subject to protections or restrictions such as legal privilege, commercial in confidence obligations, or privacy rules.

At an operational level, it is the responsibility of the Board to ensure minutes of the meeting are publicly available and there is proper level of transparency with their community and clinicians, while also observing an appropriate level of confidentiality in respect of their internal discussions on board business and confidential or sensitive information provided to them to assist in the conduct of their business. For these reasons, it is appropriate for a board to determine the extent of release of information discussed at, and provided to, the board, either on a case by case basis, or through guidelines tailored to the business of a particular board.

3.2.4.5 Publication of Board Minutes

The Minutes of Board Meetings are required to be publicly available. NSW Health policy on board minutes however, also makes it clear that where there are substantial and genuine reasons for maintaining confidentiality such as commercial sensitivity, adverse effect on law enforcement, prejudice to current litigation or negotiations or interference with the right to privacy of third parties, it would be appropriate to excise the confidential information.

3.2.4.6 Legal Protections

The Corporations Law does not apply to local health districts and specialty networks. As such, board members are not subject to the criminal and civil penalty regimes under that legislation.

Section 133B of the *Health Services Act 1997* also provides additional protection from personal liability for the board, a member of the board or a person acting under the direction of the board or organisation, in relation to acts or omissions done in good faith for the purposes of executing that or any other Act.

The Treasury Managed Fund Statement of Cover for public health organisations includes directors and officers cover, which provides an indemnity for actions committed by board members or committees in good faith for the purpose of discharging their governing board or committee duties.

3.2.5 Key Governance Relationships

3.2.5.1 Minister for Health and Secretary, NSW Health

The Minister and Secretary, NSW Health each have important governance roles in relation to board governed statutory health corporations.

Minister

Under section 48 of the *Health Services Act 1997*, statutory health corporation boards are subject to the control and direction of the Minister except in relation to the content of a report or recommendation or report made by the board to the Minister. The Minister is also responsible for the appointment and dismissal of individual board members.

The Minister may also remove the entire board and appoint an administrator in their place. These provisions are required to enable action to be taken where a board governed statutory health corporation is failing and urgent intervention is required.

The Secretary, NSW Health

The Secretary, NSW Health is responsible for the overall governance, oversight and control of the NSW public health system and public health organisations, including public health system performance.

In this capacity, the Secretary, NSW Health has the function of giving directions to statutory health corporation or local health districts, both to ensure that they fulfill their statutory and financial obligations and to assist the State meet its own obligations as system manager.

The Secretary, NSW Health has also been delegated the control and direction functions of the Minister under section 48.

The Secretary, NSW Health is responsible for entering into performance and Service Agreements with local health districts and employing staff of local health districts on behalf of the State.

3.3 Chief Executive Governed Statutory Health Corporations

This section outlines the roles and accountabilities for chief executive governed statutory health corporations, recognising that the governance structure applying to these organisations (such as the ACI and HETI) is different from those applying to the local health districts, specialty networks and board governed statutory health corporations.

Under section 52B of the *Health Services Act*, the chief executive manages and controls the affairs of a Chief Executive governed statutory health corporation. As with districts specialty networks and board governed statutory health corporations, the Chief Executive is also the employer delegate for staff working at the organization.

The Secretary, NSW Health is responsible for the overall governance, oversight and control of the NSW public health system and public health organisations, including chief executive governed statutory health corporations.

In this capacity, the Secretary, NSW Health has the function of giving directions to both to ensure the organization fulfils their statutory and financial obligations and to assist the State meet its own obligations as system manager.

3.3.1 Chief Executive's Performance

The Chief Executive reports directly to the Secretary, NSW Health. The Chief Executive's performance is managed under the NSW Health Executive Performance Management System through the online Performance and Talent system. The Secretary is responsible for negotiating the performance criteria and signing off on the performance plan.

3.4 Duties of NSW Health Board Members

The following table sets out the key duties applying to board members as they undertake their role.

General legal duties applicable to board members

Compliance with laws and policy directives

- Requirement to comply with relevant legislation including regulations (refer to section 4 for details).
- Requirement to comply with the Department of Premier and Cabinet Guidelines for Members of NSW Government Boards and Committees, and the NSW Health Code of Conduct.

Fiduciary duties of good faith

- Duty to act honestly and properly for the benefit of the organisation.
- Duty to disclose interests in matters before the board, including potential conflicts of interest.
- Duty not to divert (without properly delegated authority) the organisation's property, information and opportunities.

Duty to act honestly and properly for the benefit of the organisation

- A board member must not act in self-interest and must at all times avoid any conflict between their duty to the board and the health organisation, and their own or third party interests.
- A board member has an overriding and predominant duty to serve the interests of the board and the health organisation, in preference, wherever conflict arises, to any group of which he or she is a member or which elected him or her.
- A board member has a duty to demonstrate leadership and stewardship of public resources.

Duty to disclose interest

- A board member must disclose to the board any direct or indirect interest the member has in a matter before them.
- A statutory form of this duty is set out in the *Health Services Act 1997*. It requires a board member to remove themselves from deliberation and voting on a matter in which they have a direct or indirect pecuniary interest.

Duty not to misuse the organisation's property, information or opportunities

- Duty of confidentiality of information about the affairs of the board or its organisation obtained as a board member.
- Release of information by a board member must be both lawful and either required by law or authorised by the board.
- The use of the organisation's property, information or opportunities must be authorised by the board and be for the benefit of the organisation.

Duty of care and diligence

- Board members are required to exercise care and diligence in the exercise of their powers.
- A board member need show no greater skill than may reasonably be expected from a person of his/her knowledge and experience.
- A board member is not required to give continuous attention to the organisation's affairs – the duties are intermittent to be performed at and in preparation for board meetings.
- Where duties may properly be left to an officer of the organisation, a board member is justified in trusting the officer to perform the duties honestly.

The Roles of Boards and Chief Executives – Resources & References

Legal

- Relevant legislation: http://www.legislation.nsw.gov.au/
- The legislative framework that underpins the NSW Health system can be found at:
  www.health.nsw.gov.au/legislation/pages/default.aspx

NSW Health

- NSW Health policy directives and guidelines:
  http://www.health.nsw.gov.au/policies/pages/default.aspx
- NSW Health Performance Framework:
  http://www.health.nsw.gov.au/performance/pages/frameworks.aspx
- NSW Health Local Health Districts and Specialty Networks Boards:
  https://www.health.nsw.gov.au/lhd/boards/Pages/about-lhd-boards.aspx

NSW Government

- Department of Premier and Cabinet Guidelines for Members of NSW Government Boards and Committees:
  https://www.psc.nsw.gov.au/legislation-and-policy/nsw-government-boards-and-committees
- Appointment Standards
  http://www.psc.nsw.gov.au/About-the-public-sector/NSW-Government-Boards-and-Committees-
- Public Service Commission
  http://www.psc.nsw.gov.au
- Managing gifts and benefits – Public Service Commissioner Direction No.1 of 2014
  https://www.psc.nsw.gov.au/legislation-and-policy/directions

Local Documentation

- Board procedures
- Guidelines for Board members, for example training and development, declaration
  of potential conflicts of interest; media management, fundraising
- By-Laws for the public health organisation
- Approved Delegations Manual
- Terms of reference/purpose of committees established by the board (other than those listed in the by-laws)

4 Legal & Policy Requirements

4.1 Legal Obligations for Health Organisations

All organisations involved in the delivery or support of public health services are required to comply with the general law including obligations of duty of care to patients, as well as specific State and Commonwealth requirements designed to regulate the functioning of public sector or health related bodies.

A guide to key legal obligations of public health organisations is available on the NSW Health website at: www.health.nsw.gov.au/aboutus/legal/legal.asp

All persons employed by, or providing a service to, a public health organisation have legislative obligations, whether they are clinicians caring for patients / clients, contractors, administrative or support staff, senior managers or board members.

Local health district management has a role in ensuring and monitoring compliance with applicable legislation, the general law and NSW Health policy.

Key health laws *Health Services Act & Health Administration Act*

Clinical staff have a duty of care to their patient/clients; and these staff should be familiar with relevant legislation, professional standards of practice, and NSW Health policy directives and guidelines. Information is readily accessible from professional associations (such as Colleges, Guilds and registration and professional authorities); training bodies (such as universities) and NSW Health.

Chief executives have an obligation to ensure that all equipment is properly licensed and that all personnel are appropriately qualified, licensed and registered.

A brief outline of the key legislative obligations, from a management 'governance' perspective is provided in the following pages.

4.1.1 *Health Services Act and Health Administration Act*

The chief executive and the board must be mindful of the legislation under which the organisation is established and operates. For public health organisations the relevant Act is the *Health Services Act 1997*.

Extracts of sections of the *Health Services Act 1997* relevant to the structure and functions of public health organisations are provided at the end of this compendium.

The *Health Administration Act 1982* sets out the roles of the Minister and the Secretary in general terms in relation to the provision, conduct and operation of health services.

4.1.2 Work Health and Safety

The Work Health and Safety Act 2011 and Work Health and Safety Regulations 2017 outlines the expectations and duties which Public Health organisations must comply to protect the health, safety and welfare of all workers at work and of other people who might be affected by the work (including patients and visitors). The legislation identifies Public Health Organisations as "persons who conduct a business or undertaking" (PCBU) and expects that risks in the workplace should be eliminated as far as reasonably practicable and if not able to be eliminated, minimised to the lowest level possible (using the hierarchy of controls set out in the legislation).

Everyone in the workplace has safety duties and obligations (some have multiple duties and obligations) under WHS legislation.

Chief executives and Boards as "officers" must demonstrate due diligence to ensure they have taken all reasonable steps to comply with their work health safety obligations. This includes having work health safety systems which are monitored, resourced and implemented aimed at identifying, assessing, eliminating or minimising risks. Chief Executives and individual Board members must be able to demonstrate they are up to date with their knowledge of their obligations and the hazards and risks in the business and fully discharge their duties to the extent that they have the capacity to influence or control the matter.

Workers also have responsibilities to take reasonable care of their own safety and follow reasonable instructions and/or policies. Other persons, such as visitors have a legal duty under the Act to take 'reasonable care' to ensure that their acts do not adversely affect the health and safety of themselves and others.

Mitigating violent behaviour in the workplace

An important workplace health and safety hazard is workplace violence. The primary responsibility for eliminating or minimising workplace violence for staff, patients and the public rests ultimately with the Chief Executive and the Board of the public health organisation. They must implement effective policies and procedures that are supported by risk management programs that address potential risks of violent behaviour occurring in the public health sector workplace.

Standards to prevent and manage workplace violence can be found in the NSW Health Security Manual: Protecting People and Property. This Policy Manual must be implemented across NSW Health and includes the requirement to:

- emphasise work health and safety in the planning and design of new facilities, refurbishments and upgrades, to facilitate risk reduction by designing out risk.
- conduct risk assessments to minimise, and where possible eliminate, risks – for example, identification of high risk environments (e.g. emergency departments, isolated sites, high dependence and critical care wards, mental health and dementia services); improved facility design; provision of specific training and development for frontline staff; development of safe work practice policies and procedures.
- install appropriate communication systems, monitoring and duress alarm systems and protocols, particularly for staff working in the community or at isolated sites, or high risk workplaces such as emergency departments and drug and alcohol clinics.
- restrict patient access to staff only and clinical areas through the use of electronic access controls, for example, to areas that hold cash, drugs or potentially dangerous equipment.
- adopt appropriate clinical practice to identify, prevent and manage patients with concerning behaviour/the potential for aggression.
- implement appropriate support for staff after violent incident.

Injury management

Should a worker suffer a workplace injury, the employer must report the injury to their insurer within 48 hours. If the worker has suffered an incapacity for work but is able to return to work, the employer must provide suitable employment (as per S49 of the Workplace Injury Management and Workers Compensation Act 1998 No 86). The employment must be both suitable (as defined in section 32A of the Workers Compensation Act 1987 No 70) and, so far as reasonably practicable, be the same as, or equivalent to the employment the worker was in at the time of injury.

Employers must have in place a Return to Work Program which is updated every two years and which meets the Guidelines for Workplace Return to Work Programs from the State Insurance Regulatory Authority. This program must align with the insurer's Injury Management Program and outline the procedures in place with regard to workplace injury.

4.1.3 Industrial relations

Chief executives are required to ensure that employment arrangements comply with NSW Ministry of Health policy and instructions and that employment related delegations from the Secretary are exercised in an appropriate and lawful manner.

The public health organisation is responsible for customary employer responsibilities such as hiring, managing, reviewing performance and taking disciplinary action, terminations, work health and safety, and ensuring that staff receive the appropriate remuneration, conditions and other entitlements.

The Human Resources E-Compendium has been developed for the benefit of chief executives and human resource practitioners across the NSW Health public health system. The E-Compendium contains direct access to current human resource policies, guidelines, and information bulletins. It is updated and expanded as new policies are developed. The Human Resources E-Compendium can be accessed at https://www.health.nsw.gov.au/careers/hrcompendium/Pages/default.aspx.

Another useful reference is the employment, industrial relations, work health and safety, antidiscrimination and workers compensation section of the legal compendium accessible at http://www.health.nsw.gov.au/legislation/Pages/legal-compendium.aspx.

Further information on workforce and development is provided in section 8 of the compendium.

4.1.4 Independent Commission Against Corruption

The *Independent Commission Against Corruption Act 1988* imposes obligations on principal officers of public authorities to notify the Independent Commission Against Corruption (ICAC) of any matter where the officer suspects, on reasonable grounds, that corrupt conduct has occurred.

An effective internal reporting system must be established in each NSW Health organisation to facilitate the flow of corruption reports to the chief executive: Further information is provided in PD2016_029, *Corrupt Conduct – Reporting to the Independent Commission Against Corruption (ICAC)* available at: https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2016_029 and Policy Directive PD2023_026 *Public Interest Disclosures*. Further information is also provided in section 9 of the Compendium.

4.1.5 *State Records Act*

The *State Records Act 1998* applies to public health organisations. It provides for:

- protecting records in the custody of a public office;
- making and keeping full and accurate records of its activities;
- establishing and maintaining a records management program in conformity with standards and codes of best practice;
- ensure the safe custody and proper preservation of State records
- making arrangements for monitoring and reporting on the records management program; and
- keeping technology-dependent records accessible.

All records and information maintained by the public health organisation are considered to be state records and subject to the *State Records Act*. Organisations should be aware of the provisions as to retention, disposal and maintenance. Records can include work papers, electronic records, diaries, minutes of meetings etc.

Information on records management, including record retention, maintenance and disposal requirements is available on the internet via the State Records website. Health organisations are subject to specific records management requirements and should refer to the public health sector section of the State Records website.

4.1.6 Privacy obligations

Public health organisations have a legal obligation to comply with NSW privacy law. Chief executives have ultimate responsibility for ensuring privacy obligations are met within the organisation.

Public health organisations in NSW are bound by the *Health Records and Information Privacy Act 2002* (HRIP Act) which regulates the collection and use of health information and the *Privacy and Personal Information Protection Act* 1998 (PPIP Act) which regulates the collection and use of personal information.

The obligations of public health organisations are addressed in the NSW Health Privacy Manual for Health Information (2024) and the Privacy Management Plan, and can be accessed by going to: https://www.health.nsw.gov.au/policies/manuals/Pages/privacy-manual-for-health-information.aspx and https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=IB2023_012.

For more information about how NSW Health manages privacy, please visit https://www.health.nsw.gov.au/patients/privacy/Pages/default.aspx.

Chief executives must ensure that public health organisations have in place processes to comply with these legislative requirements including:

- ensuring all staff are aware of the requirements of the NSW Health Privacy Manual;
- ensuring all staff undertake appropriate privacy training;
- ensuring all staff have access to appropriate material about their privacy obligations, including the https://www.health.nsw.gov.au/patients/privacy/Pages/privacy-information-for-nsw-health-staff.aspx, the NSW Health Privacy Manual, and the NSW Health Privacy Management Plan;
- meeting annual reporting requirements regarding privacy compliance and applications for internal review;
- managing and appropriately escalating any data and cyber security breaches and to comply with the NSW Mandatory Notification of Data Breach Scheme and other mandatory reporting obligations;
- mandatory breach reporting requirements relating to Tax File Numbers and the *My Health Records Act 2012* (Section 4.1.8);
- designation of a specific officer (or a Privacy Contact Officer) for the health service to whom requests for guidance on information privacy should be referred and who should support staff in ensuring privacy policies and procedures are observed.

4.1.7 *Government Information (Public Access) Act (GIPA Act)*

The *Government Information (Public Access) Act 2009 (GIPA Act*) provides a framework for accessing information from New South Wales Government agencies. The object of this Act is to open government information to the public by:

(a) authorising and encouraging the proactive public release of government information by agencies, including information held by providers of goods and services contracted by government agencies, and

(b) giving members of the public an enforceable right to access government information, and

(c) providing that access to government information is restricted only when there is an overriding public interest against disclosure.

As a result, New South Wales Government agencies are expected to release a wider range of information either free of charge or at a reasonable cost.

The GIPA Act establishes four ways for government information to be made available to the public.

1. Mandatory proactive release of certain government information
2. Authorised proactive release of government information
3. Informal release of government information
4. Formal access applications

If you are dissatisfied with a decision made in response to a formal GIPA application, you can request an internal or external review.

Each organisation should have a delegated Right to Information Officer to co-ordinate and process applications for information submitted under GIPA.

Information about an organisation's obligations to publicly disclose certain information, and its processes for granting access to information are available at:

- The *GIPA Act* and
- The Information and Privacy Commission's Information Access website

Under the *GIPA Act* any person may complain about an agency's conduct in relation to its functions under the *GIPA Act* to the Office of the Information Commissioner. A complaint cannot be made in relation to an agency decision that is reviewable under the *GIPA Act*. If the Information Commissioner decides to deal with the complaint, the aim will be to help the parties resolve the complaint using any measures considered appropriate including bringing the parties together for conciliation. The Commissioner may also conduct investigations into a complaint and, in certain circumstances, report the matter to the Minister responsible for the agency.

4.1.8 Public Interest Disclosures

The *Public Interest Disclosures Act 2022* (the *PID Act)* offers protection for public officials who, in the public interest, disclose information on serious wrongdoing, including:

- Corrupt conduct;
- Serious maladministration
- A privacy contravention
- Serious and substantial waste, and
- Government information contravention, and
- A local government pecuniary interest contravention

The *PID Act* offers various pathways for public officials to disclose serious wrongdoing, such as reporting to a designated disclosure officer, their supervisor, or other relevant agencies, such as an integrity organisation. It also enhances safeguards for whistleblowers, ensuring increased protection for those who speak out.

There are three types of Public Interest Disclosures (PIDs):

1. Voluntary PID – a disclosure voluntarily made by a public official
2. Witness PID – a disclosure from a witness during an investigation
3. Mandatory PID – a disclosure by a public official who has a legal obligation to report as an ordinary function or aspect of their role in an organisation.

Under the *PID Act*, all staff members who have other staff members reporting either directly (or indirectly) to them have a responsibility for encouraging staff to report known or suspected wrongdoing, and to provide support for staff when they make, or are suspected of making, a disclosure. managers are obliged to:

- receive and pass on voluntary PIDs that they receive from staff who report to them, or staff they supervise
- ensure staff are protected from detrimental action when they have either made or are suspected of making a voluntary PID, by:
- maintaining confidentiality, and offering support through programs such as the Employee Assistance Program
- implementing local management strategies to minimise the risk of reprisal or workplace conflict in relation to the report
- notifying disclosure officers if they consider a staff member is being subjected to reprisal as a result of reporting serious wrongdoing.

Under the *PID Act*, disclosure officers are:

- the chief executive of the NSW Health organisation
- the most senior ongoing employee who ordinarily works at a permanently maintained worksite where more than one employee works
- board members of Board-governed organisations. This includes board members appointed by the Minister to a Board of a local health district, specialty health network, or Board-governed statutory health corporation.
- a person specified in the organisation's public interest disclosure policy as a person with responsibility for receiving voluntary public interest disclosures on behalf of the organisation,
- a member of a class of persons, or a person employed in a position or role, specified in the organisation's public interest disclosure policy as a class, position or role with responsibility for receiving voluntary public interest disclosures on behalf of the organisation.

Under the *PID Act*, organisations are required to:

- promote a workplace culture which encourages and supports all staff (including volunteers, contractors and sub-contractors) who report serious wrongdoing
- receive disclosures from public officials
- ensure processes are in place for:
  - assessing reports of serious wrongdoing
  - managing compliance with the *PID Act*
  - supporting public officials who make voluntary public interest disclosures (PIDs), including minimising the risk of detrimental action
  - implementing corrective actions should serious wrongdoing be identified and has occurred
  - complying with reporting requirements for allegations or findings of detrimental action
  - providing annual reporting, as set out in the Regulation, to the NSW Ombudsman.

The NSW Health Policy Directive Public Interest Disclosures (PD2023_026) provides the framework for management of public interest disclosures within NSW Health.

4.1.9 Notification of legal matters to the Ministry of Health

Public health organisations are required to notify the Corporate Governance and Risk Management Unit, Legal and Regulatory Services Branch, of the NSW Ministry of Health of certain legal matters in accordance with Policy Directive PD2017_003.

Legal matters which have implications beyond the local affairs of the public health organisation must be reported to the Ministry. These are legal matters which:

- raise issues which are fundamental to the responsibilities of the Minister, Health Secretary or NSW Ministry of Health, Health Administration Corporation, or any officer thereof;
- involve significant medico-legal, ethical or policy, industrial, work health and safety or other operational issues;
- matters relating to allegations of historical sexual abuse;
- coronial proceedings;
- concern legal proceedings to which a public health organisation or any of its officers are a party which raise a significant question of interpretation of Ministry policy or legislation administered by the Minister for Health;
- concern legal proceedings which involve more than one public health organisation, multiple NSW government agencies, or proceedings which involve a Minister of the Crown;
- raise issues which concern intergovernmental relations, arrangements or agreements;
- otherwise concern legal engagement which involves the expenditure or reasonably anticipated expenditure on legal costs and disbursements in excess of $150,000;
- core legal matters that require referral to the Crown Solicitor's Office in accordance with Premier's Memorandum 2016-04; and
- proceedings where a claim has been made for compensation over and above the relevant award or statutory entitlements and those proceedings may have system wide impliciations.

Public health organisations must also carry out compliance and enforcement of health legislation in accordance with NSW Health's prosecution policy and guidelines (Policy Directive PD2014_021).

The NSW Ministry of Health provides guidance to the NSW Health Service and Ministry staff on how to conduct investigations in relation to suspected breaches of health legislation.

4.2 Government Policy Requirements

4.2.1 NSW Government policy

Whole of government policies are issued from time to time by central agencies including the Department of Premier and Cabinet, NSW Treasury or the Department of Finance, Services and Innovation (DFSI)[4]. These policies can include mandatory requirements across the whole government sector in relation to financial accountability and reporting, procurement or other issues.

The content of these policies and any mandatory requirements will generally be notified to public health organisations through the NSW Health Policy Directive system.

4.2.2 NSW Health Statewide Policy Framework

NSW Health policy documents include Policy Directives, Guidelines and Information Bulletins issued through the Policy Distribution System (PDS) Platform and published on the NSW Health website.

The NSW Health Accounts and Audit Determination (Determination) requires all public health organisations to comply with policy directives issued by the Secretary and the Ministry of Health. Compliance with the Determination is a condition of subsidy received under s127 (4) of the *Health Services Act 1997*.

The Ministry of Health's Corporate Governance and Risk Management Unit (CGRM) are responsible for maintaining and managing the Policy Distribution system and for providing guidance for NSW Health author branches developing and/or reviewing state-wide policies.

NSW Health Policy Directives

Policy Directives establish the position of NSW Health on a policy area. The document outlines minimum standards, behaviours and/or requirements of the NSW Health workforce, and of the systems, process and supporting actions required NSW Health organisations to facilitate those minimum standards.

NSW Health Guidelines

Guidelines establish recommended practices in relation to clinical and non-clinical activities and functions and are to be adopted and implemented by NSW Health organisations. NSW Health organisations must ensure that sound reasons exist for departing from recommended standards or practices within a Guideline published on the Policy Distribution System.

NSW Health Information Bulletins

Information Bulletins are for moment-in-time communications and contain information on new and amended requirements of NSW Health organisations.

4.2.3 Local procedures

Local operating procedures may be developed by a NSW health organisation to document a process or standard required in that area of responsibility. These minimum standards must be consistent with statute and common law, Government policy and NSW Health Policy documents published on the Policy Distribution System.

Local policy procedures must only be developed to clarify the local implementation issues where there is no other instruction, or there is a gap in local instruction.

Ministry of Health policy documents must not be redrafted or re-badged to incorporate local operating procedures. When developed and circulated, local procedures are to reference Ministry of Health policies or guidelines, with appropriate links to facilitate access.

Local procedures must be properly identified, appropriately retained and readily accessible to all personal (as needed) and must remain compliant with Ministry of Health policies and must be reviewed at least every 5 years.

4.2.4 Policy and procedure manuals

Policy and Procedure Manuals (Manuals) are published on the Policy Distribution System located on the NSW Health website. The manuals are a compilation of resources and advice on a specific subject and may include related Policy Directives, Guidelines and other information.

A Manual is utilised where there is a significant body of information on a critical and complex function or set of functions brought together to provide practical support for NSW Health Organisations in exercising their functions.

4.3 Delegations of Authority

4.3.1 Delegating statutory powers

The Minister, Secretary and the Health Administration Corporation may delegate their statutory functions under section 21 of the *Health Administration Act 1982*. There are also specific provisions for financial delegations under the *Government Sector Finance Act 2018* and specific provisions for public service staff-related delegations under the Government Sector Employment Act 2013.

Public Health Organisations may also delegate powers they have under statute. Consistent with section 40 and section 61 of the *Health Services Act 1997* a chief executive can delegate to any of the officers or employees of the organisation the exercise of any functions other than:

- the power of delegation itself;
- the exercise of its functions to close or restrict health services;
- the authority to offer displaced staff members' voluntary redundancy or terminate staff of the NSW Health Service; and
- the power to make by-laws.

Although chief executives and boards can delegate their authority, they remain accountable to the Minister or Secretary for the performance of the organisation and for the implementation of any directions from the Secretary and the Minister for Health.

When an officer delegates functions or authority to another person, that person becomes accountable to the officer for the delivery of that function or the exercise of the authority. However, the officer who delegates a function or authority remains responsible for ensuring the delegate effectively exercises the delegated functions or authority.

The Delegations Manual for the Organisation

The chief executive must ensure that a written manual of delegations is maintained to record details of delegations of authority. A formal written instrument of delegation is to be signed and be available for audit. The written manual of delegations must set out what function of authority has been delegated, to whom, when, and any conditions or limits to the delegation.

In deciding what to delegate, chief executives and boards should consider:

- the structure of the organisation and the appropriate level to hold the delegation;
- an assessment of the risk of delegating the authority;
- an assessment of the knowledge and skill of the person to whom they plan to delegate; and
- processes needed to regularly monitor and review the exercise of delegation of authority.

4.3.2 NSW Ministry of Health Delegation Manuals

Manuals outlining the delegations of the Minister, the Secretary and the Health Administration Corporation are published at: http://www.health.nsw.gov.au/policies/manuals/Pages/default.aspx

Combined Delegations

The Combined Delegations Manual contains administrative, financial and staff

type delegations of powers and functions that have been delegated by the Minister for Health, the Secretary and the Health Administration Corporation for the Ministry of Health.

Public Health Delegations

The Public Health Delegations Manual incorporates delegations derived from powers and functions specified in public health type Acts and Regulations including Poisons, Public Health and Mental Health Acts and Regulations.

HealthShare NSW Delegations

HealthShare NSW is an administration unit within the Public Health System Support Division of the Health Administration Corporation. The delegations contained in this Manual are based on the Health Administration Corporation (HAC) being the overarching entity under the auspice of which the work of HealthShare NSW will occur. It outlines the administrative, financial and staff type delegations conferred on HealthShare NSW by the HAC.

eHealth NSW Delegations

eHealth NSW is an administration unit within the Public Health System Support Division of the Health Administration Corporation (HAC). The delegations manual has been compiled to ensure both eHealth's appointed office holders and staff, and where eHealth NSW is an entity undertaking goods and services procurement under Agency Accreditation (issued by the Ministry), have clearly set out levels of authority and clarified accountability and responsibility for day-to-day operations.

Health Infrastructure Delegations

Health Infrastructure is an administration unit within the Public Health System Support Division of the Health Administration Corporation.

The delegations detailed in this Manual, similar to those for HealthShare NSW, are based on the HAC being the overarching entity under the auspice of which the work of Health Infrastructure occurs.

Legal & Policy Requirements – Resources & References

Legal

Australian legal database

Australasian Legal Information Institute; for all Australian Acts of Parliament (Commonwealth and State) and access to law journals and databases: http://www.austlii.edu.au/

NSW Government legal database

NSW Government NSW Legislation website: http://www.legislation.nsw.gov.au/

NSW Health legal, policy and procedural resources

NSW Health Legal compendium:
http://www.health.nsw.gov.au/legislation/Pages/legal-compendium.aspx

NSW Health Human Resources E-Compendium:
http://www.health.nsw.gov.au/careers/hrcompendium/pages/default.aspx

NSW Health Policy Distribution System: http://www.health.nsw.gov.au/policies/pages/default.aspx

NSW Health Policy and procedure manuals and delegation manuals:
http://www.health.nsw.gov.au/policies/manuals/pages/default.aspx

NSW Health Policy Directive Delegations of Authority – Local Health Districts and Specialty Health Networks (PD2012_059): https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2012_059

NSW Health Policy Directive, Corrupt Conduct – Reporting to the Independent Commission Against Corruption (ICAC): (PD2016_029)
https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2016_029

NSW Health Policy Directive, Significant Legal Matters and Management of Legal Services (PD2017_003):
https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2017_003

NSW Health Policy Directive, Prosecution Policy and Guidelines (PD2014_021):
https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2014_021

Combined Delegations Manual
http://www.health.nsw.gov.au/policies/manuals/Pages/combined-delegations.aspx

Health Infrastructure Delegations
http://www.health.nsw.gov.au/policies/manuals/Pages/hlth-infras-delegations.aspx

Public Health Delegations
http://www.health.nsw.gov.au/policies/manuals/Pages/public-health-delegations.aspx

HealthShare NSW Delegations
http://www.health.nsw.gov.au/policies/manuals/Pages/healthshare-delegations.aspx

eHealth NSW Delegations
http://www.health.nsw.gov.au/policies/manuals/Pages/ehealth-delegations.aspx

Useful websites

Commonwealth

Australian Health Practitioner Regulation Agency
http://www.ahpra.gov.au/

NSW Government Bodies & Agencies

Privacy NSW
http://www.ipc.nsw.gov.au/privacy/ipc_index.html

NSW Ombudsman
http://www.ombo.nsw.gov.au/ Advocate for Children and Young People
http://www.acyp.nsw.gov.au/

NSW Health Care Complaints Commission
http://www.hccc.nsw.gov.au/

Health Professional Councils of Australia (HPCA)
http://www.hpca.nsw.gov.au

Independent Commission Against Corruption
http://www.icac.nsw.gov.au/

NSW Office of Environment and Heritage
http://www.environment.nsw.gov.au/

Industrial Relations Commission of NSW
http://www.industrialrelations.nsw.gov.au/Home.html

For information on public health sector record keeping, visit the State Records website:
https://staterecords.nsw.gov.au/

Local Documentation

Model By Laws

Delegations Manuals

Local Registers – for example for licensing, litigation and potential breaches, industrial action, practice restrictions

Reports on compliance monitoring, compliance and corrective actions

Policies and procedures – which provide direction and guidance to staff / contractors

5 Clinical Governance

5.1 Clinical Governance Entities

5.1.1 Public Health Organisation Clinical Governance Units

Clinical governance framework, role of Clinical Governance Units and reporting requirements

Public health organisations are responsible for the quality and safety of the services provided by their facilities, staff and contractors. A clinical governance framework, described in NSW Health Clinical Governance in NSW Policy Directive (PD2024_010), has been embedded in public health organisations. Local health districts and specialty networks have a consistent organisational structure, including a Clinical Governance Unit (CGU) directly reporting to the Chief Executive.

CGUs are critical in the functioning of clinical governance and patient safety systems. CGUs promote, support, and implement patient safety and clinical quality policies, procedures and processes. Clinical Governance teams are led by Directors of Clinical Governance.

Where CGUs identify a concern with clinician performance, they must be reported to the Chief Executive for prompt action and management. Depending on the particular circumstances, such action might include; internal investigation; external investigation by a recognised expert; referral to the Health Care Complaints Commission (HCCC); referral to the professional registration council; or another appropriate agency (e.g. NSW Ombudsman, Department of Communities and Justice).

5.1.2 Clinical Excellence Commission

NSW Patient Safety & Clinical Quality Program

The Clinical Excellence Commission (CEC) was established to promote and support improved clinical care, safety and quality across the NSW health system.

The role of the CEC, detailed in the Ministerial Determination of Functions pursuant to Section 53 of the Health Services Act 1997, is to lead, support and promote improved safety and quality in clinical care across the NSW Health system through consultation and collaboration with clinicians, health consumers, other pillars, and the NSW Ministry of Health.

The CEC is the author of several key NSW Health statewide policies and programs, and is the data sponsor for several data systems that help support Health Services to monitor incidents and reduce unwarranted clinical variation and rates of hospital-acquired complications.

Following new governance arrangements in 2011, the CEC has taken on a broader role, including:

- providing system wide clinical governance leadership with local health districts and specialty networks, including supporting the implementation and ongoing development of local quality systems;
- developing policy and strategy related to improvements of clinical quality and safety across the NSW public health system and promoting and supporting improvement in clinical quality and safety in public and private health services, particularly for Aboriginal communities;
- reviewing adverse clinical incidents arising in the NSW public health system and developing responses to those incidents including (but not limited to) coordinating responses to specific incidents with system or statewide implications and providing advice to the Ministry of Health on urgent or emergent patient safety issues and staff safety issues in a clinical setting;
- building capacity within the system to identify and respond to risks and opportunities.

5.1.3 Agency for Clinical Innovation

The Agency for Clinical Innovation (ACI) works with clinicians, consumers and managers to design and promote better healthcare for NSW. It does this by:

- *Service redesign and evaluation* – applying redesign methodology to assist healthcare providers to review and improve the quality, effectiveness and efficiency of services.
- *Specialist advice on healthcare innovation* – advising on the development, evaluation and adoption of healthcare innovations from optimal use through to disinvestment.
- *Initiatives including Guidelines and Models of Care* – developing a range of evidence-based healthcare improvement initiatives to benefit the NSW health system.
- *Implementation support* – working with ACI Networks and healthcare providers to assist healthcare innovations into practice across metropolitan and rural NSW.
- *Knowledge sharing* – partnering with healthcare providers to support collaboration, learning capability and knowledge sharing on healthcare innovation and improvement.
- *Continuous capability building* – working with healthcare providers to build capability in redesign, project management and change management through the Centre for Healthcare Redesign.

ACI Clinical Networks, Taskforces and Institutes provide a unique forum for people to collaborate across clinical specialties and regional and service boundaries to design improved models of patient care.

A priority for the ACI is identifying unwarranted variation in clinical practice and working in partnership with healthcare providers to develop mechanisms to improve clinical practice and patient care.

5.1.4 Bureau of Health Information

The Bureau of Health Information (BHI) was established in 2010, to support transparency in health data and allow greater local control of information analysis.

The primary role of the BHI is to provide independent reports to government and the community on the performance of the NSW public sector health system. Performance measures include activity, access, effectiveness, efficiency, outcomes and safety and quality measures.

The key features of the BHI include:

- it operates at arms length from the local health districts, specialty networks and the NSW Ministry of Health;
- it provides a source of excellence for data about the NSW Health system for government, the community, and clinicians; and
- the ability to analyse data, commission research and extensively report on the quality, performance and effectiveness of services provided by NSW Health.

The BHI uses existing NSW Health data collections and, will over time, use other data sets to develop and report on the performance of NSW Health at a cascading level – whole of system, by local health network, by hospital and by clinical service. The BHI will, over time, also report benchmarked comparative data.

The reports and other data will be available to the public, clinicians, health care managers, media and researchers with an interest in health system performance.

The BHI works closely with the Clinical Excellence Commission, the Australian Institute of Health, the NSW Ministry of Health and other health performance information analysis groups to strengthen and enhance the quality and capability of health system performance analysis and reporting in NSW.

5.2 Health District / Service Clinical Management and Advisory Structures

5.2.1 Clinical management structures

For clinical governance and quality assurance structures and processes to be effective, it is important that they operate at all levels of the organisation and that those staff providing front line patient care are aware of and working within these structures and processes.

The successful implementation of clinical governance requires:

- the identification of clear lines of responsibility and accountability for clinical care and ensuring these are communicated throughout a public health organisation; and
- the development of strong and effective partnerships between clinicians and managers.

A key accountability of the chief executives of public health organisations is to ensure that the clinical governance and quality assurance structures and processes are known, respected and followed by all staff.

To attract clinicians with leadership capability to clinical management roles, the positions need to be genuinely supported by management, and recognised and promoted as having influence. At the local health district level, it is important that clinical stream director roles (where they are established), have well-defined responsibilities and their relationship to the health district management structure (at both hospital and local health district level) is clearly identified.

At the hospital level, the roles and responsibilities of general managers and heads of departments need to be clearly defined. Similarly, where hospitals function as part of a network, there should be clearly defined responsibilities and lines of communication between key personnel.

There should also be clear rules of engagement between clinical stream directors, general managers and the local health district executive to ensure that all parties have appropriate input into the development, operation and standard of clinical services within their stream/facilities and across their local health district.

5.2.2 Bodies established under by-laws

Model By-Laws for Local Health Districts establish a number of clinical governance bodies and provide for a number of functional and advisory committees including:

- A Health Care Quality Committee of the Board;
- Medical Staff Councils and Medical Staff Executive Councils ;
- Hospital Clinical Councils and/or Joint Hospital Clinical Councils; and
- a Local Health District Clinical Council.

Local Health District Clinical Council

Role of Local Health District Clinical Councils

The role of the local health district clinical council is to provide a forum for discussing strategic planning, priorities for service development, resource allocation, clinical policy development and providing professional (expert) clinical guidance (where appropriate and when needed).

Local health district councils facilitate the input of clinicians into the strategic decision making process and bring together the local health district executive, clinical stream directors and general managers of hospitals/hospital networks on a regular basis.

Under the Model By-Laws the council provides the board and the chief executive with advice on clinical matters affecting the local health district, including on:

- improving quality and safety in the hospitals within the local health district;
- planning for the most efficient allocation of clinical services within the local health district;
- focusing on the clinical safety and quality of the health system for Aboriginal people;
- translating national best practice into local delivery of services;
- working with representatives from local communities to develop innovative solutions that address local community needs; and
- such other related matters as the board or chief executive may seek advice on from time to time.

The Model By-Laws also provide that LHD Clinical Councils can be given additional functions to enable them to operate as Local Council Groups within Commonwealth requirements.

Hospital Clinical Councils / Joint Hospital Clinical Councils

Local health clinical councils operate at hospitals or hospital networks to promote clinician engagement in local management decision making. These forums are multi-disciplinary (i.e. involve medical, nursing and allied health staff).

The objectives of a hospital clinical council are to:

- provide a local structure for consultation with, and involvement of, clinical staff in management decisions impacting public hospitals and related community services;
- be a key leadership group for its public hospital or hospital network and work with the management team in ensuring that the hospital/s deliver high quality health and related services for patients;
- facilitate effective patient care and service delivery through a co-operative approach to the efficient management and operation of public hospitals with involvement from medical practitioners, nurses, midwives and allied health practitioners and clinical support staff; and
- be a forum for information sharing and providing feedback to staff (through the members of the councils) on issues affecting the hospital(s).

In determining whether to establish individual hospital clinical councils or joint hospital clinical councils, the chief executive and board have regard to:

- the size and budget of the public hospitals within the local health district;
- the number of clinical staff working at each public hospital within the local health district;
- whether a joint structure is the most practicable alternative for smaller hospitals; and
- whether the relevant hospitals are under a common executive management structure.

Medical staff councils

Establishment, composition and role of Medical Staff Councils

Under the Model By-Laws local health districts are to establish a medical staff council (in the case of a statutory health corporation) and a medical staff executive council and at least two medical staff councils (in all other cases).

Medical staff councils are to be composed of visiting practitioners, staff specialists, career medical officers and dentists with appointments to the public health organisation or the public hospital/s which the council represents.

All visiting practitioners, staff specialists, career medical officers and dentists of the public health organisation are members of the medical staff council. Sufficient medical staff councils should be established to ensure that all visiting practitioners, staff specialists, career medical officers and dentists of the public health organisation can participate, if they choose to.

The medical staff executive council or the medical staff council (if there is only one council) is to provide advice to the chief executive and board on medical matters.

Under clause 15 of Schedule 1 of the *Health Services Regulation 2013*, the Chair of the Medical Staff Council is entitled to attend Board meetings as an invitee.

Medical and Dental Appointments Advisory Committee

Establishment and role of Medical and Dental Appointments Advisory Committee and sub-committees

The Model By-Laws also provide for establishing a Medical and Dental Appointments Advisory Committee (MADAAC) to provide advice, and make recommendations to the chief executive concerning matters relating to the appointment or proposed appointment of visiting practitioners or staff specialists.

The MADAAC considers any application that has been referred to it for:

- appointment of a visiting practitioner or staff specialist; or
- a proposal to appoint a person as a visiting practitioner or staff specialist.

The MADAAC also provides advice, and where appropriate, makes recommendations to the chief executive concerning the clinical privileges which should be allowed to visiting practitioners, staff specialists and dentists.

The MADAAC committee may form sub-committees to provide advice or other assistance to enable it to perform its duties referred to in this clause.

The MADAAC committee must establish at least one subcommittee called the Credentials (Clinical Privileges) Subcommittee for the purposes of providing advice to the MADAAC on matters concerning the clinical privileges of visiting practitioners or staff specialists.

The minutes of the MADAAC should be submitted to the board for noting.

The chief executive is responsible for ensuring that the medical appointment process is also compliant with NSW policy PD2014_008 *Model Service Contracts – VMO & HMO*.

5.3 Incident Management Processes

5.3.1 Incident management

Incident Management Policy (PD2020_047)

NSW Health Services must have incident management processes in place that are consistent with the requirements of the NSW Health Incident Management Policy (PD2020_047) and the *Health Administration Act 1982*, to effectively respond to clinical and corporate incidents and act on lessons learned.

It is an underlying principle of the NSW Health Clinical Governance in NSW Policy that the health system must operate in an environment of openness, where errors are reported and acknowledged and where patients and their families are informed of what went wrong and why.

The NSW Health incident management framework is set out in the Incident Management Policy (PD2020_047). This Policy outlines the roles and responsibilities across the NSW Health system with respect to the management of both clinical and corporate incidents and consumer feedback.

The objectives of the Incident Management Policy Directive are to:

- assist Health Services with timely and effective management of incidents;
- establish a consistent approach to incident management across the NSW Health system;
- ensure a consistent and coordinated approach to the identification, notification, review, and analysis of incidents with appropriate action on all incidents;
- enable lessons learned to be shared across the whole health system;
- ensure Health Services establish processes that comply with the legal aspects of health care incident management including provisions in the *Health Administration Act 1982* for reportable incidents, Preliminary Risk Assessments and Serious Adverse Event Reviews, as well as the management of Reportable Incident Briefs (RIBs) submitted to the NSW Ministry of Health.

The Incident Management Policy can be accessed at:
https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2020_047.

All staff have responsibilities for the identification of incidents and for taking immediate action to ensure the safety of patients, visitors and other staff.

After identifying an incident and ensuring the safety of people and the environment, incident management involves a series of steps, including:

- Notification of the incident in the incident management system;
- Escalation of the incident, as required;
- Review of the incident to understand what happened, why it happened and what could be done to improve safety;
- Implementation and monitoring of actions;
- Provision of feedback to patients, carers, families and staff.

To support the implementation of the Policy, an incident management system has been implemented throughout the NSW Health system.

Resources should be allocated to support the implementation of the Incident Management Policy. Longer term actions to improve quality and safety should include analysis of incident data and best practice initiatives.

The *Health Administration Act 1982*, requires Chief Executives to appoint a team to undertake a Serious Adverse Event Review (SAER) of reportable incidents; that is, serious clinical incidents assigned a Harm Score of 1. The Chief Executive may also authorise a SAER on a Harm Score 2, 3 or 4 clinical incident if this is considered necessary.

The *Health Administration Act 1982* also establishes a statutory privilege to protect the internal workings of SAER Teams undertaking a review of serious clinical incidents (with a Harm Score of 1) via an approved SAER methodology. The privilege will also apply if the Chief Executive directs a SAER to occur for a Harm Score 2, 3, or 4 clinical incident.

5.3.2 Accreditation

Health services are required to be accredited to the National Safety and Quality Health Service (NSQHS) Standards against the Australian Health Service Safety and Quality Accreditation Scheme (the AHSSQA Scheme). Accreditation requirements are outlined in PD2023_011 *Australian Health Service Safety and Quality Accreditation Scheme in NSW Health facilities*.

All hospitals, day procedure services and dental services are required to be accredited against:

- the NSQHS
- The National Clinical Trials Governance Framework (for all health service organisations that provide a clinical trial service).
- The Multi-Purpose Services (MPS) where appropriate
- Any other set of agreed safety and quality standards under the AHSSQA Scheme that may be developed by the Australian Commission on Safety and Quality in Health Care (the Commission)

Each NSQHS Standard details actions that must be 'met' for the health service to be awarded accreditation.

A health service must contract an accrediting agency, approved by the Australian Commission on Safety and Quality in Health Care, to assess them against the NSQHS Standards over a three-year cycle. Services will be assessed using short notice accreditation assessment methodology.

In addition to being accredited, health services are required to submit an Attestation Statement annually to their accrediting agency between 1 July and 30 September. This statement confirms the health service's compliance with the NSQHS Standards.

If, at the time of an assessment, the accrediting agency determines that a health service does not meet an action, the health service has 60 days to implement quality improvement strategies to address the unmet actions: The accrediting agency must notify the NSW Ministry of Health where;

i) One or more significant patient risks are identified during an assessment

ii) A health service is not awarded accreditation

- If, during an assessment, an accrediting agency identifies one or more significant patient risks the accrediting agency must notify the NSW Ministry of Health of this risk once identified. Examples of significant patient risks are described for each of the NSQHS Standards.

LHDs/ SHNs must immediately escalate to the CEC the following:

- Significant clinical or corporate risks identified during assessment that may impact on accreditation status.
- The health facility becomes aware during accreditation assessment that it is unlikely to achieve or maintain accreditation, or where a mandatory repeat assessment may be required.
- Accreditation was not awarded at the time of final report and must include the actions 'not met' and 'met with recommendation'. The LHD/ SHN will provide details of the planned remediation or improvement activities required to achieve accreditation.

Any adverse clinical incidents, serious patient or health service risks which come to the attention of the health facility during onsite assessment via a Reportable Incident Brief. This is to be sent to the Ministry of Health within 24 hours in accordance with the NSW Health Policy Directive Incident Management (PD2020_047).

Accreditation – Resources and References

Policies related to accreditation in NSW can be accessed at:

PD2023_011 Australian Health Service Safety and Quality Accreditation Scheme in NSW Health facilities.

For further information on accreditation and the National Safety and Quality Health Services Standards visit the Australian Commission on Safety and Quality in Health Care website at: http://www.safetyandquality.gov.au/our-work/accreditation/

The NSQHS Standards can be accessed at: https://www.safetyandquality.gov.au/standards/nsqhs-standards

Resources to assist health services with the accreditation process can be accessed at: https://www.safetyandquality.gov.au/standards/nsqhs-standards/resources-nsqhs-standards Details about the evidence of implementation measures (page 13) are available under collection and reporting of accreditation evidence by accrediting agencies and can be accessed at:

https://www.safetyandquality.gov.au/standards/nsqhs-standards/resources-nsqhs-standards

Details about significant patient risk can be accessed at: https://www.safetyandquality.gov.au/publications-and-resources/resource-library/as1809-notification-significant-risk

For information on NSW Health resources to support the accreditation and the National Safety and Quality Health Services Standards visit the Clinical Excellence Commission website at:

National Safety and Quality Health Service Standards - Clinical Excellence Commission (nsw.gov.au)

Clinical Governance – Resources & References

For further information on Clinical Governance in NSW visit the NSW Health website at:

https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2024_010

For a listing of policy directives and guidelines relating to clinical governance visit the NSW Health website at: http://www0.health.nsw.gov.au/policies/owner/cec.html

The NSW Health Enterprise Risk Management policy can be accessed at: https://www1.health.nsw.gov.au/pds/Pages/doc.aspx?dn=PD2022_023

Useful websites

Clinical Excellence Commission: http://www.cec.health.nsw.gov.au

Agency of Clinical Innovation: http://www.aci.health.nsw.gov.au

Bureau of Health Information: http://www.bhi.nsw.gov.au

Health and Education Training Institute: http://www.heti.nsw.gov.au

Local Documentation

Health Services Act 1997 Model By-laws

Board and committee terms of reference or charter

Enterprise-wide risk management program specific to each local health district and specialty network

Local protocols to facilitate implementation of Ministry of Health policies and procedures; and the incident management program

Accreditation survey results

6 Strategic & Service Planning

6.1 Strategic Planning Responsibilities

6.1.1 Role of Local Health Districts and Specialty Networks in Planning

Local health districts and specialty networks have a responsibility to effectively plan services over the short and long term to enable service delivery that is responsive to the health needs of its defined population. It is noted that for a number of clinical services, the catchment population extends beyond the geographic borders of the local health district or specialty network. Generally, local health districts and specialty networks are responsible for ensuring that relevant Government health policy goals are achieved through the planning and funding of the range of health services which best meet the needs of their communities (whether those services are provided locally, by other local health districts, specialty networks or other service providers).

Under the *Health Services Act 1997*, Boards have the function of ensuring that strategic plans to guide the delivery of services are developed for the local health district or specialty network, and for approving those plans.

Local health districts and specialty networks, oversighted by their Board (where established), have responsibility for developing the following organisational plans:

- Strategic Plan;
- Health Care Services Plan;
- Corporate Governance Plan;
- Strategic Asset Management Plan / Asset Management Plan; and
- Operations/Business plans at all management levels of the local health district or specialty network.

Furthermore, local health districts and specialty networks, oversighted by their Board (where established), have responsibility to undertake the following planning activities:

- undertaking detailed service planning and workforce planning to ensure a sound foundation for investment decisions, both capital and recurrent;
- developing plans required by legislation, or as a result of specific requests from central agencies, such as the NSW Premier's Department and The Cabinet Office;
- developing plans with Aboriginal communities and stakeholders that facilitate Aboriginal health governance, and reflect needs as expressed by Aboriginal communities;
- any planning considered necessary at the local level to respond to particular health issues, emergencies or service needs;
- developing plans to improve health outcomes in response to national, state and local health priority areas;
- developing and maintaining reliable information systems to support services planning and delivery, and the monitoring and evaluation of performance and health outcomes; and
- undertaking appropriate planning for primary care services, involving those stakeholders and service providers outside of NSW Health.

Boards also have the role of ensuring that the views of providers and consumers of health services, and other members of the community served by the local health district or specialty network, are sought in relation to the organisation's policies and plans for the provision of health services.

6.1.2 Role of the NSW Ministry of Health in Planning

The NSW Ministry of Health has responsibility for coordinating the planning of system-wide services, workforce, population health, asset planning and portfolio management, and providing advice to the Minister for Health, Minister for Regional Health, and the Minister for Mental Health on these matters.

The Ministry also has a role in informing national initiatives and coordination of system-wide responses to national health initiatives.

The role played by the NSW Ministry of Health in planning processes lies along a continuum, from setting broad directions to leading specific planning exercises. Activities include:

- setting policy and strategic directions for the overall NSW health system;
- planning for key services and as a result of national and state priorities;
- system-wide planning for information management, assets and procurement;
- providing direction and policy regarding population health issues;
- system-wide planning and strategy development for the workforce;
- capacity analysis to support and purchase some supra local health district and specialty network clinical services;
- providing guidelines, information and tools to facilitate local health service planning;
- providing advice and feedback to local health districts and specialty networks on local planning exercises as required;
- reviewing local planning in respect to achieving whole of system goals and objectives; and
- ensuring that the NSW Premier's Department and The Cabinet Office, NSW Treasury and other central agency requirements are met.

6.2 Planning Documents

A range of planning and policy documents govern the operation of the NSW public health system and individual health agencies. Key plans include:

6.2.2 Future Health: Guiding the next decade of health care in NSW 2022-2032

Building on the achievements of the *NSW State Health Plan Towards 2021*, Future Health provides the strategic framework and priorities for the whole health system over the next decade.

The Future Health vision is for a sustainable health system that delivers outcomes that matter most to patients and the community, is personalised, invests in wellness and is digitally enabled.

The *Future Health Strategic Framework* is the roadmap for the health system to achieve NSW Health's vision. The framework is also a reflection of the aspirations of the community, patients, workforce and partners in care for how they envisage the health system by 2032.

It has six key strategic objectives:

1. Patients and carers have positive experiences and outcomes that matter
2. Safe care is delivered across all settings
3. People are healthy and well
4. Out staff are engaged and well supported
5. Research and innovation, and digital advances inform service delivery
6. The health system is managed sustainably

6.2.3 NSW Regional Health Strategic Plan for 2022-2032

The NSW Regional Health Strategic Plan for 2022-2032 is specific to regional, rural and remote communities and will guide NSW Health's strategic focus for the next 10 years. The plan is a roadmap for the future provision of health services that understands, and celebrates, the diverse and unique nature of regional communities.

The plan's vision is for a sustainable, equitable and integrated health system delivering outcomes that matter most to patients and the community in regional, rural and remote NSW.

The Regional Health Strategic Plan identifies six strategic priorities to:

- strengthen the regional workforce;enable better access to safe, high quality and timely health services;keep people healthy and well through prevention and education;
- keep communities informed, building engagement, seeking feedback;
- expand integration of primary, community and hospital care; and
- harness and evaluate innovation to support a sustainable health system.

6.2.4 NSW Health Workforce Plan 2022-2023

Workforce is the most significant input into the delivery of health services. However, it can become a significant constraint when there are insufficient skilled and qualified health professionals available to meet workforce requirements. There are many factors which affect service provision, including inadequate supply or distribution of the workforce and changing work practices and demands. As such, service development strategies need to be integrated with workforce analysis and workforce strategy development.

The *NSW Health Workforce Plan 2022-2023* seeks to address the long term projected workforce needs of NSW Health. The Plan provides the policy objectives, and local and collaborative activities – between the Ministry, local health districts, specialty networks, Pillar agencies, the Commonwealth Government, specialty medical colleges and universities – to ensure that New South Wales trains, recruits and retains appropriate numbers of doctors, nurses and midwives and allied health professionals in the appropriate locations.

6.2.5 Aboriginal Health Plan 2013-2023

The *Aboriginal Health Plan 2013-2023* was developed in partnership with the Aboriginal Health and Medical Research Council (AH&MRC), and is a 10 year commitment by the NSW Government to work in partnership with Aboriginal communities and organisations to close the gap in Aboriginal health outcomes. The Plan also recognises the continued need for strong partnerships between NSW Local Health Districts and Aboriginal Community Controlled Heath Services (ACCHSs) at the local level.

The Plan sets the framework using six key strategic directions:

1. Building trust through partnerships
2. Implementing what works and building the evidence
3. Ensuring integrated planning and service delivery
4. Strengthening the Aboriginal workforce
5. Providing culturally safe work environments and health services
6. Strengthening performance monitoring, management and accountability

The NSW Ministry of Health has responsibility for implementing the Plan and reporting on progress. The NSW Aboriginal Health Partnership between the NSW Government and the AH&MRC will monitor progress and oversight evaluation.

6.2.6 Aboriginal Health Impact Statement

Mandatory application of the NSW Aboriginal Health Impact Statement

NSW Health Policy Directive PD2017_034 *Aboriginal Health Impact Statement* purpose is to support NSW Health staff and organisations to improve the health and well-being of Aboriginal people by systemically applying an 'Aboriginal health lens' to all policies and programs.

The Impact Statement should be used as a tool to assist with appropriate consultation and engagement with Aboriginal stakeholders to ensure that any potential health impacts (of the initiative) to Aboriginal health and health services are adequately identified and addressed.

6.3 Local Planning Documents

6.3.1 Health Care Services Plans

Each local health district or specialty network will undertake a full range of strategic and operation planning. As part of this process, the Health Care Services Plan (HCSP) will be the most comprehensive plan, providing the service direction and detail of priorities for a local health district or specialty network over a five to ten year horizon, with specific focus on those issues which affect the health of the catchment population and the delivery of services.

The information and analysis provided by the Health Care Services Plan is particularly important with regard to strategic planning and priority setting for appropriate capacity to respond to demand. It is vital that there be an appropriate balance between investments in various services and delivery across a range of settings including non-hospital settings.

The value and quality of a Health Care Services Plan will depend on the quality of a number of separate, but inter-dependent foundation planning processes, which focus more specifically on areas such as health improvement, clinical services, clinical and non-clinical support services, assets, resource implications and sustainability (workforce, financial and environmental).

The Health Care Services Plan should consider the provision of safe and efficient health care within the available recurrent budget through the Activity Based Funding (ABF) framework; efficient and effective networking of services including opportunities to link with other services and providers;strategic alignment and the best approach to service delivery. This is the planning mechanism where value for money opportunities are investigated and may include partnering with other service providers, public or private, not-for-profit and / or other nongovernmental organisations (NGOs).

Monitoring and evaluation are key components of continuous improvement and for determining the extent to which the expected outcomes are being met. Appropriate local processes should be in place for effective implementation, monitoring, review and evaluation of strategies, outcomes and benefits identified in the Plan.

6.3.2 Business plans

Business plans describe the operational intentions of identified administrative groupings for each financial year. In general, they present information on goals, detailed annual strategies, targets, accountabilities and performance measures.

Business plans are prepared at various levels in the system and integrate unit and organisational activities with the Health Care Services Plan. They are distinguished from annual Service Agreements and performance agreements by their stronger focus on the detail of operational activities, which might also reflect a more “bottom-up” approach.

Some local health districts and specialty networks may choose to prepare Strategic Resource Plans (SRPs), as this provides an opportunity to examine the interaction of plans and investment decisions across financial, human and capital dimensions.

The Ministry of Health and individual local health districts and specialty networks should put in place processes for business planning to ensure the coordination and articulation of the various plans developed are communicated along with any local priorities or strategies, to their subordinate locations such as divisions, branches, streams, facilities and units, within the Ministry of Health, local health districts and / or specialty networks.

Business plans should be finalised at the beginning of each financial year. The Ministry has no involvement in the development of business plans by local health districts or specialty networks, or units within local health districts and / or specialty networks.

6.3.3 Specific service plans

Service planning processes are generally non-linear, iterative, and mutually dependent, with several activities proceeding concurrently. Local health districts and speciality networks will have their own processes and governance for service planning. The form, scope and content of service plans are influenced by the nature of service under consideration and the objectives of the particular planning exercise. However, they have the common elements of exploring and documenting the problem/opportunity, policy and planning context, objectives and priorities , service development options, intended outcomes/benefits, measures that can be used for evaluation, stakeholder consultations, capability / capacity to deliver the services proposed, resources required and sustainability.

Service plans may focus on services provided in a particular facility; a particular type of service, such as community health care; a particular category of services, such as maternity; a particular population group, such as Aboriginal people or those with chronic illness; or a particular health issue, such as drug and alcohol use.

In some cases, such plans may be required as part of agreements with the Commonwealth and other State Government agencies. Local clinicians, clinical networks and NSW Health entities such as the Agency for Clinical Innovation; Clinical Excellence Commission; Health Education and Training Institute; Cancer Institute NSW; NSW Ambulance; NSW Health Pathology; eHealth NSW; HealthShare NSW; and relevant departments in the Ministry of Health will also provide valuable reference points for the development of these plans.

Service plans describe how a service, or services, will need to be delivered in the future to reflect the changing health needs of the community and ways of providing care. They provide clear direction for the provision of health services to achieve measurable health improvements and outcomes, and are undertaken within a broader framework of system-wide goals, objectives and priorities.

Health improvement is an integral aim of service planning, and all service plans should address, among other things, desired health outcomes and how these will be measured for the specified service. Service plans should also take into account evidence of effectiveness of interventions and lessons learned from other similar initiatives. The timetable for producing specific service plans will vary and may be influenced by the requirements of central agencies, the framework provided by relevant statewide policy or planning documents, and/or targets negotiated in annual Service Agreements.

6.3.4 Workforce strategy plans

Local health districts and specialty networks have lead roles in the implementation of strategies contained in the NSW Health Workforce Plan 2022-2032 in some cases jointly with other institutions and Pillars, in other cases as the sole lead organisation.

Local health districts and specialty networks report progress against each of the strategies in which they have a lead implementation role.

Local health districts and specialty networks also undertake more detailed local workforce plans that identify the numbers and types of staff required to meet service needs. A long lead time is important in order to provide advice to the Ministry and education and training agencies on the numbers and types of health service staff required to meet population demand in the future.

In addition, each local health district, specialty health network and other NSW Health organisation is required to develop and implement a local Aboriginal Workforce Action Plan. This Action Plan is to outline actions locally (ie within their agency) to build the Aboriginal workforce in NSW Health organisations through working to achieve:

- 3.43% Aboriginal representation across all salary bands and occupations in line with whole-of government strategy and NSW Health KPIs per PD2023_046.

6.3.5 Financial plans

Financial planning is inherent in most management activities undertaken within the health system. It is primarily concerned with identifying the sources and applications of funds, with the aim of achieving value for money. In addressing these issues, financial planning should take into account issues of relative need, equity, efficiency, effectiveness and appropriateness.

Financial planning occurs at the Ministry, local health district, specialty network and individual division / service levels. The Ministry of Health is not directly involved in the development of local health districts or specialty networks detailed financial plans, but has separate financial reporting arrangements to manage and monitor local health districts and specialty networks statewide budget performance.

6.3.6 Strategic Asset Management and Asset Management Plans

Total Asset Management (TAM), as defined by NSW Treasury, is a strategic approach to physical asset planning and management, whereby an agency aligns its ten year asset planning with its service delivery priorities and strategies, within the limits of resources available.

The development of the NSW Health Total Asset Management submission is guided by the NSW Government's overarching asset management policy. The policy sets out the Government's directives on how its Departments, Ministries and Agencies should undertake the management of assets to enable service delivery objectives to be met effectively and to provide a foundation for economic growth. The NSW Ministry of Health is currently developing a NSW Health specific Asset Management Framework that will embrace and enhance government and internal asset management policy and provide further guidance and direction in the discipline of portfolio asset management.

Its purpose is to advance the management of assets and better integrate assets and service provision. The Total Asset Management policy is part of the overall NSW capital expenditure submission framework, also comprising of the procurement policy framework with business cases and Gateway Reviews, and the commercial policy framework, including Statement of Business Intent (SBI), Statement of Corporate Intent (SCI), and projects of State Significance.

The NSW Health annual Total Asset Management submission comprises the NSW Health Asset Strategy, Total Asset Management Data Tables and individual capital business cases for specific programs and projects as applicable.

The NSW Health Asset Strategy is a high level strategic plan for Health to demonstrate the relationship between the performance of its physical asset portfolio and the services it delivers.

The Asset Strategy is developed to determine whether assets should be enhanced by capital investment, maintained, or disposed of, or retained to continue their role in supporting service delivery.

As part of informing the NSW Health Asset Strategy, Asset Strategic Plans by each of the local health districts and specialty networks are a key input to this process, in providing detail of potential future capital investments; asset maintenance; and asset disposals.

Each local health district or specialty network is responsible for the development of their Asset Strategic Plan. The objective of asset strategic planning is to demonstrate the alignment of NSW Health assets with service needs and where appropriate, identify the gaps between asset supply and future requirements for assets. These requirements may relate to unmet or forecast service demand requiring increased infrastructure capacity or a change in the nature of the health service model of care or technology.

The Asset Strategic Plan of a local health district or specialty network will be based on the Health Care Services Plan. The outcome of the Asset Strategic Plan process is an assessment of whether assets should be retained and enhanced through capital investment; continue to be maintained, or to be disposed.

The priority and timing of implementation of capital investment and asset disposal strategies of individual local health districts and specialty networks is influenced and determined by resource availability and other investment priorities that may be approved in the Ministry of Health's State-wide Asset Strategy and Capital Investment Strategic Plan.

6.3.6.1 Capital Investment Strategic Plan (CISP)

The Capital Investment Strategic Plan has a ten year horizon and outlines the aggregation of NSW Health's capital projects based on needs and priorities, including estimated total costs and cash flow for the annual budget process (Year 1) and forward estimates period (Years 2-4). Future priority projects that are likely for inclusion in the outer years (Years 5-10) are also identified.

Capital projects approved for inclusion in the NSW Health d Capital Investment Strategic Plan are prioritised in the context of competing State-wide investment needs and the constraints of funding allocations made available to NSW Health through the annual Budget process.

Planning and delivery of approved capital projects/programs valued at $10 million and above is to be undertaken in accordance with the NSW Health Facility Planning Process (GL2021_018), NSW Health State-wide Investment and Prioritisation Framework and other relevant government policy directives.

6.3.6.2 Asset Maintenance Strategic Plan

The Asset Maintenance Strategic Plan aims to identify and define operational maintenance, repairs and replacement needs and provides a guide to proactive management and minimisation of risk from the asset failure or the inability of assets to support service delivery needs. The outcome sought is a more productive, safe and reliable asset portfolio and efficient use of available resources.

6.3.6.3 Asset Disposal Plan

A key component and outcome of the asset strategic planning process is the identification, declaration and shedding of under-utilised or obsolete property assets, which are determined, within the Health Care Services Plan horizons, by service planning and infrastructure strategies to be surplus to the requirements of constituent entities within the Health Cluster. Noting there is a need to adhere to specific conditions of trusts or grants.

The reference to property asset includes, but is not limited to all owned and leased land (including vacant land), buildings, and improvements including hospitals, health service facilities, ambulance facilities, dwellings and administrative facilities.

6.3.6.4 WorkSpace Accommodation Policy

The NSW Health Workspace Accommodation Policy (PD2019_060) describes provisions for NSW Health staff in respect to all new or refurbished workspace accommodations. It provides a people-centric framework to allow NSW Health organisations to develop workspaces that are tailored to the organisation's vision, its strategic goals, the way its people work together and the nature of the work being undertaken. NSW Health workspaces must maintain the safety and wellbeing of staff in accordance with PD2019_060 while remaining consistent with the NSW Government's accommodation strategies and targets.

Strategic and Service Planning – Resources & References

Future Health: Guiding the next decade of healthcare in NSW 2022-2032

https://www.health.nsw.gov.au/about/nswhealth/Pages/future-health.aspx

NSW Regional Health Strategic Plan

https://www.health.nsw.gov.au/regional/Pages/strategic-plan.aspx

NSW Health 20-Year Health Infrastructure Strategy

https://www.health.nsw.gov.au/priorities/Pages/his-overview.aspx

NSW Health Workforce Plan

https://www.health.nsw.gov.au/workforce/hpwp/Pages/hwp-2022-2032.aspx

NSW Aboriginal Health Impact Statement and Guidelines:

https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2017_034.pdf

NSW Aboriginal Health Plan 2013-2023:

http://www.health.nsw.gov.au/aboriginal/Publications/aboriginal-health-plan-2013-2023.pdf

Other resources available at:

Publications

https://www.health.nsw.gov.au/publications/Pages/default.aspx

Local Documentation

These documents will be held by the relevant Health organisation:

- Strategic Plan
- Health Care Services Plan
- Corporate Governance Plan
- Operations/Business plans (at all management levels)
- Specific service plans
- Clinical and Population Service Plans
- Asset Strategy Plan
- Total Asset Management Plan
- Asset Maintenance Plan
- Asset Disposal Plan
- Workforce Strategy Plan
- Financial plans
- Disaster Plan
- Office Accommodation Plan

7 Finance & Performance Management

7.1 Financial and Performance Management Obligations

Organisation performance monitoring and review of financial management form a key part of the system of internal controls for public health organisations. Chief Executives and Boards are responsible for putting into place appropriate arrangements to:

- ensure the efficiency and effectiveness of resource utilisation by public health organisations; and
- regularly review the adequacy and effectiveness of organisational financial and performance management arrangements.

7.1.1 Budget allocations and conditions of subsidy

The NSW State Budget is handed down in June each year reflecting the culmination of budget planning and negotiation between agencies and NSW Treasury, and decisions of Government over the preceding months to meet the costs of both ongoing and new services.

The Minister for Health approves initial cash allocations to public health organisations in accordance with s127 of the Health Services Act 1997. The Ministry issues budgets on or around State Budget day as detailed within the State Outcome Budget Schedule of the annual Service Agreement between the Secretary, NSW Health and public health organisations.

It is a condition of subsidy for all public health organisations that the allocation of funds are expended strictly in accordance with the Minister's approval, as specified in the annual Service Agreement. The Financial Requirements and Conditions of Subsidy (Government Grants), a supporting document to the Service Agreement, outlines NSW Health policy and expectations about financial matters including accountability, budget and liquidity management, budget devolution, Auditor-General compliance, taxation, superannuation and leave. Section 2.2 of the Conditions of Subsidy requires Chief Executives to report monthly to the Ministry of Health's Finance Branch and to the Board of Board governed organisations.

The State Outcome Budget Schedule of the Service Agreement issued to public health organisations sets out the base budget, ABF and block funding, and specific enhancements funded by the Commonwealth, NSW Government or internally by NSW Health.

When reviewing and monitoring financial aspects of the administration of their organisation, LHD/SHN Chief Executives and Boards must ensure:

- arrangements are in place to enable proper conduct of the public health organisation's financial affairs and to monitor the adequacy and effectiveness of these arrangements
- arrangements are in place so that the public health organisation's financial affairs are conducted in accordance with the law and relevant regulations
- the financial standing of the public health organisation is soundly based and complies with statutory financial requirements, financial obligations, relevant codes and guidelines, level of reserves and provisions, financial monitoring and reporting arrangements, and the impact of planned future policies and known foreseeable future developments on the organisation's financial position
- proper arrangements are in place to monitor the adequacy and effectiveness of the public health organisation's systems of internal control, including systems of internal financial control
- adequate arrangements are in place to maintain proper standards of financial conduct, and to prevent and detect fraud and corruption
- systems of internal control are in place to ensure the regularity of financial transactions and that they are lawful
- the maintenance of proper accounting records
- preparation of financial statements that give a true and fair view of the financial position of the health organisation and its expenditure and income.

7.1.2 Finance and Performance Committee

7.1.2.1 Establishment

The Model By-Laws provide that LHDs/SHNs must establish a Finance and Performance Committee to assist the Board and Chief Executive to ensure operating funds, capital works funds and service outputs required of the organisation are being managed in an appropriate and efficient manner, and consistent with requirements of the LHDs/SHNs Service Agreement with the Secretary, NSW Health.

The Finance and Performance Committee is required to be established as a sub-committee of the Board, or the Board itself may act as the Finance and Performance Committee. Where the full Board fulfils the role of the Finance and Performance Committee, financial reports should be received and discussed at each ordinary meeting of the Board. Financial reports must not be noted or deferred.

7.1.2.2 Membership

Where a Finance and Performance Committee is established as a sub-committee of the Board, it should include the Chief Executive as a member and provide for attendance of the Director of Finance. Under the By Laws, the Chair of the Audit and Risk Management Committee cannot also be appointed as the Chair of the Finance and Performance Committee.

7.1.2.3 Meeting and procedures

Minutes

Where the Finance and Performance Committee is established as a sub-committee of the Board, its deliberations and minutes must be submitted to the Board for approval.

Reporting

Reporting processes must be in place to allow the Finance and Performance Committee to review the efficiency and effectiveness of the organisation in delivering its strategic objectives and in meeting its accountabilities, as prescribed in the annual Service Agreement.

The main purpose of reporting is to provide relevant information to enable the Finance and Performance Committee to understand the organisation's performance against service and activity levels, and the management of resources applied for the delivery of these services set out in the Service Agreement. This indicates but is not limited to budget consideration, use of staff resourcing and other inputs used in service delivery. Identification of any exposure to financial risks and the extent to which they are being effectively managed are key considerations when assessing the impact of these risks on the overall performance of the organisation.

Reports prepared for the Finance and Performance Committee must represent a fair and true view of the performance of the organisation and should include effective strategies which the Chief Executive proposes to utilise to mitigate and resolve risks. All reports to the Finance and Performance Committee should include advice from management which reconciles the information within any report to the Committee with monthly reports provided to the Ministry of Health.

Reports to the Finance and Performance Committee should be succinct and focus on key issues that require attention, in a narrative style rather than voluminous pages of detailed figures. Reports should be prepared in accordance with accounting standards and statutory requirements and guidelines issued from time to time by the Ministry of Health.

An executive summary should be included in the Finance and Performance Committee report to highlight key financial and performance issues requiring the attention of the Committee. The Finance and Performance Committee should ensure it receives monthly reports that include the following information as a minimum:

- year to date and end of year projections regarding the financial performance and financial position of the organisation
- financial performance of each major cost centre
- any mitigation strategy to resolve a financial performance issue to achieve budget
- liquidity performance
- the position of Special Purpose and Trust funds
- the financial impact of variations to activity targets
- advice on any investments
- bad debts and write-offs
- activity performance against indicators and targets in the organisation’s Service Agreement
- advice on the achievement of strategic priorities identified in the organisation’s Service Agreement
- year to date and end of year projections on capital works and private sector initiatives
- year to date and end of year projections on expenditure and achievements against efficiency improvements and other savings strategies
- progress against targeted strategies in Financial Recovery Plans required under the NSW Health Performance Framework (where the LHD/SHN has been escalated to Performance level 2 or above).

A copy of the monthly narrative report and supporting documentation provided to the Ministry of Health is to be tabled by management at the next Finance and Performance Committee following month end.

Letters to management from the Auditor-General, Minister for Health and the NSW Ministry of Health relating to significant financial and performance matters should be tabled at the next meeting of the Finance and Performance Committee.

Treasury Managed Fund results – both at premium and hindsight – for workers' compensation, motor vehicle, property, liability and miscellaneous insurance policies must be considered by the Finance and Performance Committee on at least a quarterly basis.

Attendance

The Chief Executive and Director of Finance should attend all meetings of the Finance and Performance Committee unless on approved leave.

7.2 State and National Health Funding

7.2.1 National Health Reform Agreement

In August 2011, the Council of Australian Governments agreed to the National Health Reform Agreement (NHRA). The NHRA sets out the shared intention of Commonwealth, State and Territory governments to work in partnership to improve health outcomes for all Australians and ensure sustainability of the Australian health system.

On 29 May 2020 the Commonwealth, States and Territories entered into a new agreement through the *Addendum to the National Health Reform Agreement 2020-21 to 2024-25*. The new Addendum provides an opportunity for the Commonwealth, States and Territories to work together to ensure the best possible outcomes for the Australian people through the collective investments that governments make in health.

7.2.2 Activity Based Funding

Under the *Addendum to the National Health Reform Agreement*, NSW remains committed to activity based funding (ABF), wherever practicable. ABF is a way of funding hospitals for the number and mix of patients they treat. ABF accounts for some patients being more complex and resource intensive to treat than others.

Under ABF in NSW, public health organisations are funded for their activity at a single price (weighted activity unit) based on activity targets agreed to in annual Service Agreements with the Secretary, NSW Health. This single price is known as the 'State Efficient Price'.

NSW public health organisations have an obligation to count and classify activity in a timely, meaningful and consistent way, to manage performance against agreed targets and so that activity is accurately costed for funding purposes.

7.2.3 Activity Based Management

Activity Based Management (ABM) is an evidence-based management approach, using patient level costing data to inform strategic and operational decisions.

NSW public health organisations submit costing data via the District and Network Return (DNR).

ABM provides analysis of costing and activity data, allowing stakeholders across the health system to identify areas for improvement and make informed decisions about patient care through the optimisation of resource allocation. Linking patient level costing data to outcomes can assist in assessing value. Maximising value supports NSW in improving financial sustainability. This ensures NSW can provide ongoing access to quality health care.

DNR Costing data submitted by NSW public health organisations through the

National Hospital Cost Data Collection (NHCDC) is used to inform the National Efficient Price (NEP). Based on the NEP and other available data, ABM are responsible for setting the State Efficient Price for each financial year.

7.2.4 NSW funding model

The NSW Treasury Outcome Budgeting initiative intends to transform the way budget decisions are made and resources are managed in the NSW public sector. The overarching objective of outcome budgeting is to shift the focus of the NSW Government to deliver better outcomes for the people of NSW with increased transparency, accountability and value.

NSW Health has identified five State outcomes that it will achieve for the people of NSW to 2022-23. The State outcomes cover the broad range of functions and services provided across care settings:

1. Keeping people healthy through prevention and health promotion
2. People can access care in out of hospital settings to manage their health and wellbeing
3. People receive timely emergency care
4. People receive high-quality, safe care in our hospitals
5. Our people and systems are continuously improving to deliver the best health outcomes and experiences.

Funding allocated to public health organisations is based on the five NSW State outcomes. Each outcome is broken down into service line items and is aligned with funding streams. In 2021-22 funding streams included:

- ABF:
  - acute admitted
  - emergency department (ED)
  - non-admitted (including dental) (NAP)
  - sub-acute admitted and non-admitted (SNAP)
- small rural hospitals
- mental health non-admitted
- mental health block funded hospitals
- other non-admitted patient services
- teaching, training and research
- State only block funded services
- gross-up private patient adjustments

The NSW funding model is reviewed on an annual basis. Annual considerations include:

- any fundamental changes to National classification systems or pricing frameworks that may impact Commonwealth funding to NSW public hospitals
- annual costing results submitted by public health organisations
- annual State budget allocation
- other budgetary matters.

7.3 NSW Health Performance Framework

The NSW Health Performance Framework (the Framework) outlines the NSW Ministry of Health process for setting performance expectations and monitoring performance of public sector health and support services. The Framework clearly outlines the process of assessing the performance of each health service.

The Framework applies to:

- **Health Services** - Local Health Districts (LHDs), Specialty Health Networks (SHNs), NSW Ambulance and St Vincent's Health Network; and
- **NSW Support Organisations** - Pillars, shared services and statewide health services.

The Framework promotes a culture of continuous improvement in the delivery of quality care to patients across the NSW Health System and ensures NSW Health strategic priorities including the Future Health: Strategic Framework, Regional Health Strategic Plan 2022-32 and NSW Government priorities are implemented

Service Agreement, Performance Agreement or Statement of Service

The Ministry and health organisations operate as a purchaser-provider relationship. Service agreements are developed between the Ministry and LHDs/SHNs on an annual basis. They establish the performance expectations for the funding provided.

The agreements include the annual budget, the mix and level of services purchased under activity-based funding and the key performance indicators (KPIs) and deliverables against which the performance of the health system is monitored and managed. These KPIs are developed by relevant Ministry branches.

Support organisations enter into performance agreements or statements of service with the Ministry. Like service agreements, these agreements set out service and performance expectations for the funding and other support provided. They also outline KPIs and deliverables.

KPIs and deliverables in service agreements, performance agreements and statements of service are designed to ensure NSW Health is aligned with its strategies and priorities.

Performance expectations set by the Ministry are underpinned by legislation and agreements as outlined in service agreements, performance agreements and statements of service.

Monitoring and Managing Performance

As system managers, the Ministry regularly monitors performance and escalates concerns. In ongoing communications concerning performance, the primary focus of the Ministry is to support the health service to maintain, improve or restore performance to agreed standards. Performance monitoring and management activity includes:

- **Health System Performance Reports** - The Ministry produces a monthly report for each LHD/SHN and NSW Ambulance, providing data on performance against KPI's listed in service agreements. The reports detail variation in performance from targets and from the previous year.
- **Safety and Quality Framework** - LHDs/SHNs are required to submit an annual Safety and Quality Account. The Safety and Quality Accounts provide a broad picture of safety and quality and across the state. The account documents outcomes achieved against planned safety and quality initiatives, performance against KPIs and commitment to consumer participation and staff culture.

- **Financial Reports** - The Financial Requirements and Conditions of Subsidy (Government Grants) is a supporting document to service agreements and outlines NSW Health policy and expectations in relation to financial matters. Public health organisations must submit cost, budgeting and forecast data to the Ministry each month, as well as a narrative based on the results. In addition, Efficiency Improvement Plans reporting on strategies to improve financial sustainability regarding productivity, revenue and expenses also from part of the monthly financial reporting processes.
- **Performance Meetings** - Quarterly performance meetings are held between the Ministry and LHDs/SHNs. Ministry branches that are policy owners of service agreement KPIs nominate performance issues to be discussed at the meetings. Meetings cover the following:
  - Performance against service agreement KPIs.
  - Progress against Future Health strategic outcomes .
  - Priority areas impacting health service delivery.
  - The health service performance level.
  - Opportunities for the Ministry and the health service to collaborate to improve performance.

Biannual performance meetings chaired by the allocated Ministry Deputy Secretary partner are held between the Ministry and Support Organisations. Ministry branches that are policy owners of a KPI or are subject matter experts for performance deliverables in performance agreements/ statements of service are invited to the meetings. Meetings cover the following:

- Performance against performance agreement/statement of service KPIs.
- Progress against Future Health strategic outcomes.
- Achievement of service deliverables.
- Priority areas impacting service delivery.

Assessing Performance

Each health organisation is assigned a performance level between 0 and 4.

Performance Level	Description	Point of escalation
0	Nil performance concerns	N/A
1	Under review	Performance issue identified.
2	Under performing	The original performance issue that triggered a Level 1 response has not been resolved; or Other performance issue(s) emerge warranting Level 2; or A governance or management failure or sentinel event occurs warranting escalation to level 2.
3	Serious under-performance risk	Recovery activity is not progressing well and is unlikely to succeed without additional support and input from the Ministry
4	Health service challenged and failing	The recovery strategy has failed and changes to the governance of the health service may be required.

Process for Determining Performance Levels

Performance Advisory Meeting - The Ministry holds a monthly Performance Advisory Meeting to review the performance of LHDs/SHNs. Discussions are informed by Health System Performance Reports, financial reporting and other factors impacting health service performance LHD/SHN performance levels are considered on a quarterly basis.

Health System Performance Monitor Meeting - supports the Secretary monitor and manage system performance risks and issues of strategic importance across the NSW Health System. Meetings are held monthly and are chaired by the Deputy Secretary, System Sustainability and Performance Division. Participants include the Secretary, NSW Health and NSW Health Deputy Secretaries. The Secretary and Deputy Secretaries meet separately at the conclusion of the Committee meetings on a quarterly basis to confirm the performance levels of each LHD/SHN and endorse any changes. Once a decision has been made to escalate or de-escalate a performance level, the Chief Executive and Board Chair of the LHD/SHN will be formally notified via correspondence outlining the reasons for the change.

Performance Recovery

Where performance issues are identified the Ministry will support LHDs/SHNs in remediating performance. It is the responsibility of Ministry branches who are policy owners of KPI's to collaboratively work with LHDs/SHNs who have performed below target for a sustained period to undertake the recovery action.

Increased performance concern will result in broader more intensive recovery activity. Actions for Health services who have a performance level of three will include monthly performance recovery meetings attended by representatives from branches responsible for the underperforming KPI's and chaired by Deputy Secretary System Sustainability and Performance Division. The meeting will review the implementation of a comprehensive recovery strategy to address underperformance. Actions for Health services with a performance level of four will be determined by the nature of the performance issue. These may include Secretary of Health commissioning an independent review of LHD/SHN governance and management capability or the Minister determining to change the membership of the board and/or appointing an administrator.

Note that nothing in the Framework is to be taken as affecting or limiting the discretion to exercise powers under the Health Services Act 1997, including sections 29, 52 or 121H.

Finance & Performance Management – Resources & References

Funding Reform – NSW Health Performance Framework
http://www.health.nsw.gov.au/Performance/pages/frameworks.aspx

NSW Health, Accounts and Audit Determination for public health organisations:
http://www.health.nsw.gov.au/policies/manuals/Pages/accounts-audit-determination.aspx

NSW Health, Accounting Manual for public health organisations:
http://www.health.nsw.gov.au/policies/manuals/Pages/accounting-manual-pho.aspx

NSW Health, Fees Procedures Manual for public health organisations:
http://www.health.nsw.gov.au/policies/manuals/Pages/fees-manual.aspx

NSW Health, Goods and Services Procurement Policy Manual:
http://www.health.nsw.gov.au/policies/manuals/Pages/goods-services-procurement.aspx

NSW Health Policy Directive, *Episode Funding Policy 2008/2009 – NSW* (PD2008_063)
http://www.health.nsw.gov.au/policies/pd/2008/PD2008_063.html

NSW Health, Accounting Manual for the Ministry of Health:
http://www.health.nsw.gov.au/policies/manuals/Pages/accounting-manual-for-moh.aspx

NSW Health, Goods and Services Tax and Fringe Benefits Tax Manuals:
http://internal.health.nsw.gov.au/finance/taxissues.html

NSW Ministry of Health, Finance and Business Management Branch intranet site:
http://internal.health.nsw.gov.au/finance/index.html

NSW Public Sector, Community of Finance Professionals:
http://www.finacc.net.au/

Council of Australian Governments (COAG) National Health Reform Agreement:
http://www.coag.gov.au/node/96

Local Documentation

Service Agreement – annual agreement between the public health organisation and the Ministry of Health.

Individual Performance Agreements – Chief Executive and Tier 2 of Local Health District and the Ministry of Health

Recovery plans (if needed). A Recovery plan is generally an agreed strategy and timeline to address a specific performance concern.

8 Workforce & Employment

8.1 Employment Powers and Functions

8.1.1 The NSW Health Service

The NSW Health Service consists of those staff employed by the NSW Government in the service of the Crown, under Part 1 of Chapter 9 of the *Health Services Act 1997*. The NSW Government can employ staff to enable the Secretary, NSW Health and public health organisations to exercise their functions.

8.1.2 Role of the Secretary, NSW Health

Under section 116 of the *Health Services Act 1997*, the Secretary, NSW Health exercises the employer functions of the Government in relation to the staff employed in the NSW Health Service. These functions can be delegated by the Secretary, NSW Health, under section 21 of the *Health Administration Act 1982*.

Secretary, NSW Health has employer function of government under s116 of the *Health Services Act*

The Secretary, NSW Health approves:

- all non-standard contracts of employment / engagement; and
- statewide industrial matters.

As set out in the Combined Delegations Manual, the Secretary, NSW Health has nominated line managers (including chief executives) to conduct the performance review for non-chief health executives. The Secretary, NSW Health has delegated to the Board Chair of Local Health Districts the responsibility for conducting the performance review of its chief executive. Only the Secretary, NSW Health can remove a health executive from an executive position and terminate his/her employment contract. A board may recommend to the Secretary, NSW Health the removal of a chief executive of a local health district.

8.1.3 Role of Chief Executives

The Combined Delegations Manual provides chief executives with general responsibilities to manage staff of the NSW Health Service within the local health districts and other public health organisations.

This delegation is subject to:

- compliance with all Policy Directives and Instructions;
- compliance with specific delegations relating to particular aspects of the employment function:
  - conditions for approval of voluntary redundancies; and
  - conditions for re-grading and/or re-classification of positions.
- the provisions of all industrial awards, agreements and determinations where they prescribe the criteria to be followed in the grading / classification of positions – and the views of grading committees where relevant;
- maintenance of a staff profile in accordance with any instructions issued by the Ministry for the relevant Division of the NSW Health Service;
- the involvement of the Secretary, NSW Health's nominee in the selection process where an appointment requires the approval of the Secretary, NSW Health;

- compliance with the Ministry's policy regarding the right to private practice for salaried senior medical and dental practitioners; and
- prior written approval from the Deputy Secretary, NSW Health, Governance, Workforce & Corporate or Director, Workplace Relations in respect of the settlement of any employment or industrial dispute or termination of employment, of any member of the NSW Health Service which involves the payment of money or benefits over and above award or statutory conditions and entitlements.

Chief executives may authorise, in writing, the exercise of functions relating to managing staff to another person from within their Division of the NSW Health Service. However, only chief executives are authorised to:

- offer displaced staff members' voluntary redundancy or
- terminate staff of the NSW Health Service

These powers cannot be further delegated.

The chief executive's approval is required for the following functions:

- transferring health services employees between districts;
- re-grading and/or re-classifying positions; and
- developing a workforce strategy consistent with the NSW Health Professionals Workforce Plan 2012-22.

Health executives, including chief executives, cannot approve self-related matters under any of the Health Executive Service delegations (such as appointment to positions, salary rates and variations, approval of leave and acting in higher duties).

Other employment functions which must be approved by the Secretary, NSW Health include:

- determining any non-standard conditions for visiting practitioners; and
- determining any over-award payments or benefits.

8.2 Workforce Recruitment

The key NSW Health policy directives dealing with workforce recruitment are PD 2023_024 *Recruitment and Selection of Staff of the NSW Health Service* and PD2016_052 *Appointment of Visiting Practitioners in the NSW Public Health System*. Other policy directives deal with more specific aspects of recruitment. The information contained in this section is a summary of those matters which are considered to be of particular importance to the board to assist with fulfilling its governance responsibilities.

8.2.1 Aboriginal Workforce Participation

There are currently two major documents which guide NSW Health services in improving Aboriginal participation in the health workforce.

PD2023_046 Aboriginal Workforce Composition

The Aboriginal Workforce Composition policy provides direction to organisations to grow and develop their Aboriginal Workforce. It sets out the Aboriginal workforce development priorities, targets and KPI's for NSW Health. Information Bulletin IB2023_053 further establishes the reference to specific workforce targets, updated online annually. Relevant targets have been identified for inclusion in the annual agency Service Agreements.

NSW Health has updated their Aboriginal workforce targets to reflect the whole-of government strategy National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021-2031.

PD2022_028 Aboriginal Cultural Training – *Respecting the Difference*

The *Respecting the Difference* will assist in increasing cultural competencies and promote greater understanding of the processes and protocols for delivering safe and appropriate health services to Aboriginal people, and enabling appropriate support when working with Aboriginal patients, carers, community members, staff and volunteers.

All NSW Health staff must participate in the *Respecting the Difference* Aboriginal Cultural Training program comprised of *Respecting the Difference*: Know the Difference (eLearning) and *Respecting the Difference*: Be the Difference (face-to-face) elements. The *Respecting the Difference* policy, program and eLearning and face-to-face learning packages were fully refreshed in 2023. The eLearning package is now a pre-requisite for completion prior to undertaking the face-to-face training.

Per national accreditation requirements, *Respecting the Difference* has transitioned to cyclical training. All staff members' *Respecting the Difference* completions have been reviewed for both eLearning and face-to-face, to translate complete vs incomplete against the introduced cyclical training requirements; and this has been translated to individual MHL profiles for mandatory 'red flagged' training.

NSW Health's *Respecting the Difference* training targets is 90% for each of the mandatory training elements:

- *Respecting the Difference: Know the Difference (eLearning);*
- *Respecting the Difference: Be the Difference (face-to-face).*

Respecting the Difference mandatory training has been independently assessed as equivalent to the NSW Public Service Commission's "Everyone's Business" mandatory training requirements. NSW Health reports overall completions of *Respecting the Difference* to the NSW Public Service Commission annually on training outcomes achieved between April and March.

8.2.2 Recruitment of Medical Staff – Area of Need

The Area of Need program was developed to assist the recruitment of suitably qualified International Medical Graduates (IMGs) to vacant medical positions approved by the NSW Ministry of Health as an Area of Need.

The program is a strategy to temporarily assist services and locations experiencing medical workforce shortages. Certified positions are valid for up to three years, over which time it is expected the IMG progresses toward general or specialist registration with the Medical Board of Australia.

Eligibility for an Area of Need position requires an employer – either local health districts or private facilities – to apply to the Ministry of Health and satisfy the following criteria:

- Labour Market Testing (LMT): applicants must provide documented evidence that genuine attempts have been made through advertising over a period of time to recruit to the position locally.
- Evidence of Need: Non-public health employers must show that the position either provides services that have District of Workforce Shortage (DWS) determination or is located in an area that has a DWS classification. All applicants must detail the impact on service delivery if the position is not filled, and demonstrate that alternative ways have been explored to address the shortage of medical services in their facility prior to applying for Area of Need status.

- Stakeholder consultation has been undertaken prior to applying for Area of Need status with:
  - the chief executive or nominated delegates of the public health organisation in which the facility is located, and
  - the relevant Specialty College, and
  - the relevant Medicare Local (for GP positions only).

When recruiting through the Area of Need program, local health districts should be diligent with respect to a number of matters, including but not limited to:

- confirmation of qualifications;
- verification that the applicant does not have a criminal history which would preclude employment;
- confirmation of competency in both written and verbal communication skills;
- provision of induction and ongoing support to the IMG towards obtaining specialist registration; and
- continuation of their efforts to permanently fill vacancies with Australian citizen/permanent resident medical practitioners holding specialist registration.

8.2.3 Recruitment of Junior Medical Officers

The annual recruitment campaign of approximately 3,500 Junior Medical Officers (JMOs) to positions in hospitals across NSW Health commences in July each year. JMOs are primarily doctors seeking positions in vocational training programs, but can also include non-vocational positions, career medical officers and clinical superintendents.

Recruitment is conducted online through an e-Recruitment system accessed through the JMO Recruitment webpage on the NSW Health website. The campaign is also supported and marketed through targeted media both nationally and internationally.

The e-Recruitment system is managed by the Ministry of Health and HealthShare NSW in accordance with PD2023_024 *Recruitment and Selection of Staff of the NSW Health Service.* The loading of advertisements, co-ordination of interviews and processing of successful and unsuccessful applicants are managed by the Local Health District at an individual facility level, by training networks or statewide recruitment panels.

Outside of the annual recruitment campaign, ad hoc recruitment of JMOs is conducted online through the general e-Recruitment system (NSW Health eRecruit).

8.2.4 Employment Arrangements for Medical Officers

NSW Health policy directive PD2019_027 *Employment Arrangements for Medical Officers in the NSW Public Health Service* outlines the employment arrangements to be applied by public health organisations when engaging medical officers under the Public Hospital (Medical Officer) Award and to facilitate a consistent application of employment provisions by public health organisations when medical officers are required to rotate between facilities as part of their pre-vocational or vocational training program.

8.2.5 Locum Medical Officers

The NSW Health *Register of Medical Locum Agencies* contains details of Medical Locum Agencies that comply with NSW Health requirements. Public health organisations may only use Medical Locum Agencies listed on this Register.

The NSW Ministry of Health Policy Directive PD2012_046 *Remuneration Rates for non-specialist medical staff – short term/casual (locum)* regulates the remuneration rates payable to medical staff engaged as employees on a short term or locum basis. The rates vary by location. Chief executives are able to approve above-cap rates, and reporting of such approvals is required by the Ministry.

These policies do not apply to the appointment of Visiting Medical Officers (VMOs), Dentists, Staff Specialists or any medical professional whose appointment requires recommendation through the Medical and Dental Appointments Advisory Committee (MDAAC).

8.2.6 Recruitment from Overseas

When engaging the services of a recruitment agency to carry out overseas recruitment of health professionals, employers must use a member of the Panel of Overseas Recruitment Agencies (PORA) The approved agencies on the PORA are available on the NSW Health website.

NSW Health Policy Directive PD2013_041: *Recruitment of Overseas Health Professionals – Panel of Overseas Recruitment Agencies (PORA)* outlines the roles of the employer, the PORA and the NSW Ministry of Health in the process of overseas recruitment and implementation of the policy by those parties. The internet link to this policy directive is provided under 'Workforce & Employment – Resources & References at the end of this section.

When recruiting from overseas, local health districts should be diligent with respect to a number of matters, including, but not limited to: confirmation of qualifications; verification that the applicant does not have a criminal history which would preclude employment; confirmation of competency in both written and verbal communication skills; provision of induction and ongoing support.

8.3 Workforce Development

8.3.1 The NSW Health Professionals Workforce Plan

The NSW *Health Professionals Workforce Plan 2012-2022* (HPWP) was released in September 2012. Its central tenets include effective workforce planning, support for local decision making and recognition of the value of generalist and specialist skills. These principles will provide the platform to realise the vision of right people, right skills, and right place. The implementation of the HPWP, combined with effective Local Health District initiatives and continued dialogue with all stakeholders, will lead to better regional health services and better local outcomes. The implementation of the HPWP is evaluated regularly.

8.3.2 Health Education and Training Institute (HETI)

The Health Education and Training Institute (HETI) was established in April 2012 and has a broad role to lead, develop, conduct, coordinate, support and evaluate clinical education and training programs across the NSW public health system. HETI works closely with LHDs, specialty health networks, other public health organisations and health education and training providers to ensure the development and delivery of health education and training across the system.

HETI is responsible for prevocational accreditation and also manages a broad range of programs including: the Financial Management Education Program; the Hospital Skills Program; Interdisciplinary Clinical Training Networks and ClinConnect. HETI is also one of the leaders of the implementation of the *Health Professionals Workforce Plan*.

8.3.3 Medical Training Networks

Medical Training Networks link rural and regional hospitals with metropolitan hospitals to encourage equity of access to high-quality care for patients and training for all trainees.

They also include specialist training programs. Training Networks cross local health district boundaries to ensure a complete and varied experience for trainees in different clinical contexts and hospital settings.

Training Networks currently operate for pre-vocational training, basic physician training, psychiatry, surgery, paediatrics, cardiology and emergency medicine. The specialty training networks are typically resourced by a part-time Network Director of Training (medical specialist) and a full-time Education Support Officer (Health Manager). Both these positions have accountability for all sites within the Training Network, which will span across local health district boundaries. Area Directors of Hospital Training and an Education Support Officers are funded to support training for non-specialist medical staff.

Local health districts are required to support the specialist training programs and networks.

8.3.4 Specialist Training Program

The Specialist Training Program is a Commonwealth-funded program to expand specialist training positions outside major teaching hospitals. New positions in rural and regional public hospitals have been funded through the program, as well as community positions and positions in private hospitals.

Where the position is funded in a public hospital, a contract exists with the Specialist College administering the program for that particular specialty.

The Treasury Managed Fund does not provide insurance coverage for doctors while they are in the non-public hospital setting.

Local health districts are encouraged to seek funding opportunities through this program where appropropriate to support growth in available NSW vocational training positions in specialities of workforce need.

8.3.5 Specialist Medical Training

To be eligible for specialist registration, medical practitioners must have fellowship qualifications from an Australian Medical Council-accredited specialist medical college. While specialist medical colleges conduct examinations and determine the curriculum, the specialty training itself occurs in hospitals. To ensure quality training and uniformity of training across sites, medical colleges have developed training standards. Speciality training can only occur in those sites/hospitals that have been accredited by the relevant medical college as meeting the training standards. Public health organisations should maintain a record of the status of accreditation for speciality training, including positions accredited in each speciality.

It is recognised that specialist trainees do have a service role while they undertaking training, however, in considering whether to apply for accreditation or to expand the number of accredited positions at the facility, it is important to consider local as well as state and national workforce requirements. Where specialist workforce requirements are adequate at a state/national level, local service requirements may be met through other workforce such as Senior hospitalists or career medical officers or non-accredited registrar positions.

Employment arrangements by public health organisations for Medical Officers can be found in PD2019_027 *Employment Arrangements for Medical Officers in the NSW Public Health Service*

8.3.6 Pre-vocational General Practice Placement Program

The Pre-vocational General Practice Placement Program is a Commonwealth-funded program where a pre-vocational doctor rotates to a GP practice for a term.

These positions must be accredited by HETI.

The Treasury Managed Fund does not provide insurance coverage for doctors while they are in the non-public hospital setting.

Local health districts are encouraged to support access to the pre-vocational general practice placement program as a way of expanding training opportunities for interns and second postgraduate year doctors and providing them with valuable general practice experience.

8.3.7 Emergency Department Workforce Planning Process

The Emergency Department Workforce Analysis Tool (EDWAT) is a web-based application that provides a step-by-step guide for Emergency Departments to review their staffing profile in relation to skill mix and workforce planning guidelines. Completion of the tool will result in the identification of strategies to optimise existing staffing resources, as well as prioritising strategies for implementation to ensure alignment with recommended guidelines.

8.3.8 Internships

Completion of a medical internship is a requirement for a medical graduate to gain general medical registration. The Medical Board of Australia Registration Standard "Granting general registration as a medical practitioner to Australian and New Zealand medical graduates on completion of intern training" sets out internship requirements.

At the 14 July 2006 Council of Australian Governments (COAG) meeting, states and territories agreed to guarantee intern training for Commonwealth Supported Places medical students. NSW has expanded this guarantee to include domestic full fee paying students of NSW universities.

Intern positions are accredited by the Health Education and Training Institute (HETI).

All Local Health Districts are required to increase and maintain the number of available intern positions in line with projected growth of medical graduates and to ensure that NSW continues to meet its COAG commitment.

8.3.9 International Medical Graduates

NSW Health policy directive PD2009_011 *International Medical Graduates: Overseas Funded*, sets out the minimum requirements for the engagement of overseas funded international medical graduates in the NSW public health system, including assessment of competence, employment screening, checks, letters of offer, written agreements with the overseas funding body, supervision, and record keeping. It also provides guidance on indemnity and insurance, professional; registration and visa matters.

8.4 Local Health District – Training Responsibilities and Programs

Local health districts have a responsibility to:

- provide training and development opportunities for staff, including access to both mandatory (e.g. fire, Work Health and Safety, CPR [specified staff]) and other programs which will enhance staff skill level;

- assess individual staff competency and skill and, where identified, improve these through training and development opportunities;
- undertake training needs analysis and facilitate access to appropriate training programs;
- support staff undertaking educational initiatives;
- facilitate compliance with relevant NSW Health policy and award provisions (e.g. staff specialist training, education and study (TESL); and
- maintain training records.

8.5 Workforce Reporting

NSW Health regularly reports on the performance of the public health system in regards to its workforce. This is undertaken on a monthly, quarterly and annual basis. Reports are generated from the Health Information Exchange (HIE) which is a data warehouse repository with local instances and a State HIE.

Payroll and workforce demographic data is recorded weekly in local HIE instances with monthly transfers of data to the State HIE. The process of transfer to the State HIE creates workforce reporting on the monthly cost of staffing and the number of full-time equivalent employees (FTE) by staff grouping (e.g. medical, nursing, allied health) and other dimensions such as employment type. The HIE is configured to ensure that all payroll-related data and calculations of FTE are consistent and standard across the whole of the health system.

It is expected that this methodology will be replaced with a weekly reporting solution using the State Management Reporting Tool (SMRT) . From the data produced, reporting on particular issues can be generated such as sick leave and overtime, front line/back office rations, performance reviews undertaken and use of premium labour. A copy of the information transferred to the State HIE is retained within each local HIE instance enabling local reporting requirements from the same data sets.

Routine reporting from the State HIE enables ongoing monitoring of performance and key performance indicators on monthly, year to date, previous period comparisons and trend indicators. This data also provides valuable information for workforce relations matters.

Three financial year to date reporting periods occur in September, February and June through the HIE which are then published by the Public Service Commission in the NSW Public Sector Workforce Profile. This data collection is a mandatory requirement of the Public Service Commission, and is used by both the Ministry and the Public Service Commission for workforce reporting and planning.

Information provided for the June collection also forms part of the NSW Public Sector Workforce Profile published by the Public Service Commission and tabled in parliament annually.

The Ministry of Health is required to report against a number of indicators in the NSW Health Annual Report. These include the number of FTE by staff grouping, the percentage of clinical staff as a proportion its total workforce, Aboriginal staff as a proportion its total workforce, equal employment opportunity and annual average sick leave per FTE.

Chief executives are required to confirm FTE numbers by staff groupings, as defined by the Ministry, including corporate service staff by functional group, at local health district level, for the Annual Report.

Workforce & Employment – Resources & References

NSW Health policy directives relating to Personnel / Workforce – by functional group

Conditions:
http://www.health.nsw.gov.au/policies/groups/pers_conditions.html
– General employment conditions applicable to staff of the NSW Health Service.

Employment Screening:
http://www.health.nsw.gov.au/policies/groups/pers_employscr.html
Mandatory requirements and procedures for the undertaking of Employment Screening of preferred applicants seeking employment. .

Industrial and Employee Relations:
http://www.health.nsw.gov.au/policies/groups/pers_employrel.html
Wage rates and conditions of employment in accordance with the relevant industrial Instrument

Learning and Development:
http://www.health.nsw.gov.au/policies/groups/pers_learning.html
A framework of key components to develop local learning and development strategies.

Leave:
http://www.health.nsw.gov.au/policies/groups/pers_leave.html
Rules associated with all the types of leave available.

Recruitment and Selection:
http://www.health.nsw.gov.au/policies/groups/pers_recruitment.html
NSW Health policies on recruitment and selection, as well as a step-by-step guide for any staff in the NSW Health Service involved in recruitment and selection processes.

Other NSW Health policy directives / guidelines / information bulletins relating to Personnel / Workforce

NSW Health Policy Directive, *Managing Excess Staff of the NSW Health Service* (PD2021_021)
http://www.health.nsw.gov.au/policies/pd/2012/PD2012_021.html

NSW Health Policy Directive, *Locum Medical Officers – Employment and Management* (PD2013_022)
http://www.health.nsw.gov.au/policies/pd/2013/PD2013_022.html

NSW Health Policy Directive, *Remuneration Rates for Non-Specialist Medical Staff – Short Term/Casual* (Locum) (PD2012_046)
http://www.health.nsw.gov.au/policies/pd/2012/PD2012_046.html

NSW Health Policy Directive, *Recruitment of Overseas Health Professionals –Panel of Overseas Recruitment Agencies (PORA)* (PD2013_041)
http://www.health.nsw.gov.au/policies/pd/2013/PD2013_041.html

NSW Health Guideline, *Allied Health Assistant Framework* (GL2013_005)
http://www.health.nsw.gov.au/policies/gl/2013/GL2013_005.html

NSW Health Policy Directive, *Engagement of Therapists on a Sessional Basis* (PD2013_008)
http://www.health.nsw.gov.au/policies/pd/2013/PD2013_008.html

NSW Health Policy Directive, *Aboriginal Workforce Strategic Framework 2016 - 2020* (PD2016_053)

https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2016_053.pdf

NSW Health Policy Directive, *Respecting the Difference: An Aboriginal Cultural Training Framework for NSW Health* (PD2011_069)
http://www.health.nsw.gov.au/policies/pd/2011/PD2011_069.html

NSW Health Information Bulletin, *Definition of an Aboriginal Health Worker* (IB2014_001)
http://www.health.nsw.gov.au/policies/ib/2014/IB2014_001.html

Other resources and references

NSW Health Professionals Workforce Plan 2012-2022:
http://www.health.nsw.gov.au/workforce/hpwp/pages/default.aspx

NSW Health *Register of Medical Locum Agencies*:
http://www.health.nsw.gov.au/aboutus/business/locums/index.asp

NSW Health *Combined Delegations Manual*:
http://www.health.nsw.gov.au/policies/manuals/Pages/combined-delegations.aspx

Health Education and Training Institute: http://www.heti.nsw.gov.au/

Local Documentation

Workforce strategic plans, including initiatives and support for learning and development

Aboriginal workforce plans

Needs analysis to identify priorities for staff learning and development

Training records

Selection, recruitment and employment records

9 Ethical Framework & External Agency Oversight

9.1 NSW Health Framework for Promotion of Ethical Behaviour

The government sector core values are consistent with the standards contained in the NSW Health Code of Conduct.

9.1.1 NSW Health Code of Conduct

NSW Health Code of Conduct standards, implementation and reporting requirements

A Code of Conduct ensures a clear and common set of standards of ethical and professional conduct that apply to everyone working in NSW Health, the outcomes we are committed to, and the behaviours which are unacceptable and will not be tolerated.

A Code of Conduct assists with building a positive workplace culture based on NSW Health Core Values.

- **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 can make well informed and confident decisions about their care and treatment.

The Code provides a framework to promote ethical day-to-day conduct and decision making. It does not and cannot cover every situation that can arise in the workplace. The Code does not replace the need for common sense in how staff conduct themselves. If staff are in doubt as to what conduct is appropriate in any situation, or how the Code should be applied, they should seek advice and direction from their manager or a more senior member of staff.

By signing the declaration board and committee members make a commitment to abide by ethical principles in carrying out their duties as a member, including:

- to act honestly and in good faith and in the overall interest of the public health organisation.
- to use due care and diligence in fulfilling the functions of the officer and exercising powers, duties, and functions under the Health Services Act 1997.

- to not use the powers of office for any improper purpose or take improper advantage of the position a member holds.
- to not allow personal interests or the interests of an associated person to conflict with the interest of the public health organisation.
- to become acquainted with Government policy and NSW Health policy as they apply to the public health organisation.
- to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the public health organisation.
- to not engage in conduct likely to bring discredit upon the public health organisation.

It is recommended that board members read and accept the undertakings contained in this document at, or prior to attending their first meeting of the board.

9.2 Major NSW External Oversight Agencies

9.2.1 Public Service Commissioner

The establishment of the NSW Public Service Commission (PSC) under the *Government Sector Employment Act 2013* recognises that delivering improved services to the public can only be achieved through having a capable, ethical, service-oriented, accountable public service that is able to serve successive governments in a non-partisan manner.

The principal objectives of the Commissioner are:

(a) to promote and maintain the highest levels of integrity, impartiality, accountability, and leadership across the government sector,

(b) to improve the capability of the government sector to provide strategic and innovative policy advice, implement the decisions of the Government and meet public expectations,

(c) to attract and retain a high calibre professional government sector workforce,

(d) to ensure that government sector recruitment and selection processes comply with the merit principle and adhere to professional standards,

(e) to foster a public service culture in which customer service, initiative, individual responsibility, and the achievement of results are strongly valued,

(f) to build public confidence in the government sector,

(g) to support the Government in achieving positive budget outcomes through strengthening the capability of the government sector workforce.

The core values for the government sector and the principles that guide their implementation are as follows:

Integrity

(a) Consider people equally without prejudice or favour.

(b) Act professionally with honesty, consistency and impartiality.

(c) Take responsibility for situations, showing leadership and courage.

(d) Place the public interest over personal interest.

Trust

(a) Appreciate difference and welcome learning from others.
(b) Build relationships based on mutual respect.
(c) Uphold the law, institutions of government and democratic principles.
(d) Communicate intentions clearly and invite teamwork and collaboration.
(e) Provide apolitical and non-partisan advice.

Service

(a) Provide services fairly with a focus on customer needs.
(b) Be flexible, innovative and reliable in service delivery.
(c) Engage with the not-for-profit and business sectors to develop and implement service solutions.
(d) Focus on quality while maximising service delivery.

Accountability

(a) Recruit and promote employees on merit.
(b) Take responsibility for decisions and actions.
(c) Provide transparency to enable public scrutiny.
(d) Observe standards for safety.
(e) Be fiscally responsible and focus on efficient, effective and prudent use of resources.

9.2.2 Independent Commission Against Corruption

The Independent Commission Against Corruption (ICAC) is established by the *ICAC Act 1988*. Its aims are to protect the public interest, prevent breaches of public trust and guide the conduct of public officials. The ICAC is a public authority, but is independent of the government of the day, and is accountable to the people of NSW through the Parliament.

The principal objectives of the *ICAC Act* are to promote the integrity and accountability of public administration through the establishment of the ICAC to:

- investigate, expose and prevent corruption involving or affecting public authorities or public officials, and
- educate public authorities, public officials and members of the public about corruption and its detrimental effects on public administration and on the community.

Complaints, investigations and public interest disclosures

The NSW community expects public officials (including members appointed to public sector boards) to perform their duties with honesty and in the best interests of the public. The ICAC has the authority to investigate any matter involving public sector corruption in NSW.

Corrupt conduct could involve:

- the dishonest or partial exercise of official functions, or
- a breach of public trust, or
- the misuse of information or material acquired in the course of official functions.

All principal officers of NSW public agencies have an obligation under section 11 of the *ICAC Act* to report any matter that the officer suspects on reasonable grounds, concerns or may concern corrupt conduct. A principal officer is the person who heads the agency, its most senior officer or the person who usually presides at its meetings. This is most commonly the chief executive or Secretary, NSW Health of a state government agency, or the general manager of a local council. For health

organisations, the principal officer is the chief executive.

Chief executives are required to report allegations of corrupt conduct to the ICAC in accordance with NSW Health policy. Where matters are reported by local health districts, the ICAC can adopt a monitoring role to confirm that appropriate investigations are conducted, findings made, and recommendations implemented. For more serious matters, the ICAC may decide to take a more active role.

The ICAC also accepts public interest disclosures from public sector staff and officials about corrupt conduct and publishes a range of publications of probity, tendering and other issues which provide useful guidance to agencies (see Public Interest Disclosures below).

9.2.3 NSW Ombudsman

The NSW Ombudsman deals with complaints about NSW public sector agencies including councils, public health organisations, government departments, correctional centres and universities. The complaints may include:

- complaints about maladministration (for example conduct by an agency or its employee that is contrary to the law, unreasonable, unjust, oppressive, discriminatory or made without giving proper reasons);
- public interest disclosures from public sector staff and officials about maladministration.
- reportable allegations against employees of designated agencies and other public authorities, and complaints about how such allegations were handled by the agency concerned.
- complaints from members of the community about unfair treatment by a NSW government agency or employee, or certain non-government service providers and their employees; and
- complaints about the provision, failure to provide, withdrawal, variation or administration of a community service.

The NSW Ombudsman's Office is a public authority, but is independent of the government of the day, and is accountable to the people of New South Wales through the New South Wales Parliament.

Public interest disclosures

The *Public Interest Disclosures Act 2022* (*PID Act*) applies to all NSW public sector agencies. The *PID Act* provides a framework for public officials to report serious wrongdoing in the public sector, and to be protected when they do so. Reports can be made to a disclosure officer within their agency, the head of an agency, a person's manager and to disclosure officers within other agencies, such as integrity agencies.

Public interest disclosures can be made internally to the public health organisation or externally to the appropriate agency including the Independent Commission

Against Corruption, the Attorney General, NSW Ombudsman, Police Integrity Commission, or the Information Commissioner. The *PID Act* provides protection to staff from reprisals. ++

The *PID Act* provides the Ombudsman's Office with an oversight role concerning the management of public interest disclosures by public authorities.

9.2.4 NSW Audit Office

The New South Wales Auditor-General is responsible for audits and related services under the *Public Finance and Audit Act 1983*, the *Corporations Act 2001* and other New South Wales Acts. The Auditor-General also provides certain assurance services in respect of Commonwealth grants and payments to the State under Commonwealth legislation.

The NSW Audit Office is a public authority, but is independent of the government of the day, and is accountable to the people of New South Wales through the Parliament. The Audit Office's core services are:

Financial audits

Financial audits provide an objective and independent opinion on the consolidated financial statements of the NSW general government and total state sectors, NSW government agencies, NSW. Financial audits are a key part of effective public sector governance and assess the adequacy of the financial reporting and internal control frameworks of audited entities. A report on each financial audit is provided to the Minister responsible for the agency, to the agency and the Treasurer and to the Parliament through the Auditor-General's Reports to Parliament.

Compliance audits

Compliance reviews seek to confirm that specific legislation, directions and regulations have been adhered to by government agencies.

Performance audits

Performance audits determine whether an agency is carrying out its activities efficiently, economically and in compliance with the law. These audits may review all or part of an agency's operations. Some audits consider particular issues across a number of agencies. Results of these audits are reported to the chief executive officer of the agency concerned, the responsible Minister, the Treasurer and Parliament.

9.2.5 The Information and Privacy Commission NSW

The Information and Privacy Commission NSW (IPC) is an independent statutory authority that administers New South Wales' legislation dealing with privacy and access to government information.

The IPC was established on 1 January 2011 to support the Information Commissioner and the Privacy Commissioner in fulfilling their legislative responsibilities and functions and to ensure individuals and agencies can access consistent information, guidance and coordinated training about information access and privacy matters.

The IPC administers the following NSW legislation:

- *Government Information (Public Access) Act 2009* (GIPA Act)
- *Government Information (Information Commissioner) Act 2009* (GIIC Act)
- *Privacy and Personal Information Protection Act 1998* (PPIP Act)
- *Health Records and Information Privacy Act 2002* (HRIP Act)

The IPC reviews the performance and decisions of agencies and investigates and conciliates complaints relating to government agencies, health service providers (both public and private) and some large organisations that deal with health information.

The IPC also provides feedback about the legislation and relevant developments in the law and technology.

The Information and Privacy Commissioners report to the Parliamentary Joint Committee on the Ombudsman, the Police Integrity Commission and the Crime Commission, which oversees their functions.

Office of the Information Commissioner

The *Government Information (Public Access) Act 2009* (GIPA Act) was established to provide an open and transparent process for giving the public access to information from New South Wales public sector agencies and to encourage the proactive public release of government information.

The IPC provides support by helping government agencies with their responsibilities under the GIPA Act and helping the public in accessing government information.

The goal of the IPC is to ensure that the purpose of the law is achieved by:

- promoting and educating the community and public sector agencies alike about rights and roles in accessing information
- reviewing public sector agency decisions, investigating and resolving complaints and monitoring agency performance
- assisting public sector agencies and the community to understand and use the law
- providing feedback about the law and advice about developments and technology relevant to the law.

Office of the Privacy Commissioner

The role of the Office of the Privacy Commissioner includes promoting the adoption of and compliance with the two privacy laws in NSW:

- The *Privacy and Personal Information Protection Act 1998* (the PPIP Act)
- The *Health Records and Information Privacy Act 2002* (the HRIP Act)

The role of the Office of the Privacy Commissioner includes:

- promoting the adoption of and compliance with the privacy principles set out in each of the privacy laws.
- assisting agencies manage personal and health information.
- assisting in the resolution of privacy complaints
- implementing privacy management plans
- initiating privacy codes of practice
- recommending legislative, administrative, or other action in the interests of privacy
- conducting inquiries and investigations into privacy related matters.

Ethical Requirements – Resources & References

NSW Health Policy Directive, *Code of Conduct* (PD2012_018):
http://www.health.nsw.gov.au/policies/pd/2012/PD2012_018.html

NSW Health Policy Directive, *Conflicts of Interest and Gifts and Benefits* (PD2010_010):
http://www.health.nsw.gov.au/policies/pd/2010/PD2010_010.html

For a listing of policy directives and guidelines relating to Conduct and Ethics:
http://www.health.nsw.gov.au/policies/groups/pers_conduct.html

NSW Health Policy Directive *Physical Assaults* (PD2012_043)
http://www.health.nsw.gov.au/policies/pd/2012/PD2012_043.html

NSW Health Policy Directive *Public Interest Disclosures* (PD2011_061)
http://www.health.nsw.gov.au/policies/pd/2011/PD2011_061.html

Declaration of Ethical Behaviour and Confidentiality Undertaking for board and committee members: http://www.health.nsw.gov.au/resources/lhdboards/ethical_conduct_nsw_healt_doc.asp

Information presented in this compendium about the role and functions of key external review agencies has been sourced from the relevant websites for each organisation as follows:

Further information about the Public Service Commission is available at www.psc.nsw.gov.au

Further information about the Ombudsman and the types of issue the Ombudsman may investigate is available at www.ombo.nsw.gov.au

Further information about the ICAC and what constitutes corrupt conduct is available at www.icac.nsw.gov.au

Further information about the Audit Office of NSW is available at www.audit.nsw.gov.au

Further information about the Information and Privacy Commission and the GIPA Act is available at www.ipc.nsw.gov.au

Local Documentation

Code of Conduct – easily accessible to all staff

Signed Declarations of Ethical Behaviour and Confidentiality Undertaking, by all board members

Conflict of Interest Register and signed Conflict of Interest declaration forms

Register of ethical issues, arising within the clinical setting, and which need to be managed in accordance with NSW Health policy

Documented procedure for receipt of protected disclosures, including nominated officers

Register of issues which are reported to, or notified by, the external oversight agencies: the ICAC, NSW Ombudsman, NSW Audit Office, Privacy Commissioner

10 Stakeholder Engagement

10.1 Stakeholder Engagement

Engagement with stakeholders is a key activity for public health organisations, as required both in Local Health District functions under the *Health Services Act* and through Standard 6 in the corporate governance framework, which emphasises the importance of stakeholder engagement in decisions that affect them (see section 2.2.6).

Engagement with stakeholders develops an open and inclusive environment where information, comment, opinion and criticism is valued and utilised.

Government organisations must be open and transparent, act with integrity and be accountable to the public they serve. Government oversight agencies, such as the Audit Office of NSW[3] have stated that government organisations, should engage key stakeholders, to 'shine a light' on who they are, how they operate, what they are doing and how well they are doing it.

Public Health Organisations are expected to have Stakeholder Management Plans and ongoing consultation programs in place

With these objectives in place, well managed stakeholder participation is fundamental to the effective planning, and delivery of health service delivery formulated to improve patient safety and better health outcomes for the consumer and the community.

3 NSW Auditor-General's Report Volume Two 2011 CORPORATE GOVERNANCE – STRATEGIC EARLY WARNING SYSTEM 2011 p13

The recent structural reforms to the NSW public health sector has demonstrated a strong commitment to devolve decision making to the local level and to actively involve clinicians, Medicare Locals, aged care and other care providers, patients and the community in public health services.

Effective and meaningful stakeholder engagement is fundamental to achieving the public health organisations objectives in the planning, development and delivery of improved outcomes to our stakeholders.

Public health organisations should have stakeholder management plans and ongoing consultative programs in place as part of their strategic planning processes and performance requirements.

It is also important that public health organisations comply with the principles of publicly available information concerning health services and management. There are key legislative requirements concerning the recording, access and availability, storage and retention of public information which must be complied with as well as NSW Health policy directives.

Stakeholder engagement programs and consultative processes involving clinicians, consumers and the community

Areas where a public health organisation may engage stakeholders and the community include:

- the development and implementation of a Community Participation Framework;
- development of a Communications Plan with key internal and external stakeholders;
- active engagement with community organisations and groups to promote positive health, quality integrated and co-ordinated care and the open exchange of information;
- community participation in the development, implementation and review of health service plans, operations and health programs;
- the development of strategic priorities and plans for the organisation;
- activity based funding programs and services;
- the integration of diversity and innovation into health services to reduce social disadvantages and to meet community health needs;
- working with the Aboriginal community and ACCHSs to develop and implement strategic and operational plans;
- the availability and provision of public health information including emerging health issues and public health trends;
- the outcomes of research and technological innovations and developments;
- participation in specialist technical, clinical and consumer forums;

The stakeholder engagement program should consider the participation of clinician, consumer, carer and the community in a wide range of activities such as:

- strategic planning and priority setting;
- health services planning and service delivery;
- finance/budget planning and the allocation of funds;
- local policy making and related procedures;
- specific service reviews and setting service standards;
- project working groups;
- quality and accreditation processes;
- advisory processes and other district committees.

Some of the types of stakeholder engagement involving clinicians, consumers and the community by local health districts and specialty networks are:

- Health services forums;
- Consumer advisory committees;
- Consumer and community groups;
- Aboriginal health councils and advisory committees;
- Community health participation forums;
- Community reference groups;
- Quality councils;
- Nursing, allied and clinical councils;
- Medical staff councils;
- GP liaison committees/Medicare Locals.

Principles for engaging and partnering with Aboriginal leaders, communities and organisations[1]

Engagement with Aboriginal leaders, communities and organisations should always be culturally appropriate and respectful, and facilitate Aboriginal health governance and decision-making.

Best practice principles for engaging and partnering with Aboriginal leaders, communities and organisations are as follows:

- The impact of past and ongoing trauma experienced by Aboriginal communities is acknowledged
- The diversity, context and capacity of Aboriginal communities is understood, and that partnership and engagement practices reflect diverse and multiple Aboriginal voices
- Partnerships and engagement with Aboriginal communities are characterised by high levels of cultural safety, whereby engagement is culturally appropriate and respectful
- Partnerships that are mutually beneficial, where knowledge and expertise are shared in ways that benefit Aboriginal people and the department
- Capacity building through partnerships that support participatory governance and a willingness to share power
- Aboriginal people lead the monitoring and evaluation processes accompanying governance frameworks and strategic health plans.

1 Referenced from Victorian Government's Aboriginal Governance and Accountability Framework (https://dhhs.vic.gov.au/publications/aboriginal-governance-and-accountability-framework)

Stakeholder Engagement – Resources & References

Local Documentation

Documentation which demonstrates community consultation e.g. Community Engagement Plan; Communication Plans etc

Documentation which demonstrates consultation with and involvement of Aboriginal communities

- Refer to and complete Aboriginal Health Impact Statement: https://www1.health.nsw.gov.au/pds/ActivePDSDocuments/PD2017_034.pdf
- Refer to signed partnership agreements

11 Audit & Risk Management

11.1 Audit and Financial Governance Framework

The NSW Health Audit and Risk Management Framework operates within a whole-of-government suite of legislative, policy, procedural, reporting and review mechanisms. Some key NSW government administrations that are involved in overseeing these requirements are NSW Treasury, and the Cabinet Office and Premier's Department of NSW. In addition, the Audit Office of NSW undertakes the external audit function for NSW public sector organisations such as NSW Health.

The NSW Health Audit and Risk Management Framework requires NSW Health organisations to maintain internal audit and risk management functions consistent with best practice in the NSW public sector, in order to support the responsible use of government resources and the efficiency and effectiveness of health services delivery in NSW.

11.2 Audit Requirements

11.2.1 Internal audit function

The NSW Health Policy Directive, *Internal Audit* (PD2022_022) outlines the minimum requirements and standards for internal audit across the NSW Health system. This policy describes the internal audit procedures and governance practices that NSW Health organisations must implement and maintain to ensure objective oversight of their activities. It is also complementary to the NSW Health Policy Directive, *Enterprise-wide Risk Management* (PD2022_023) and consistent with NSW Treasury's *Internal Audit and Risk Management Policy for the General Government Sector* (TPP20-08).

Internal audit is a key pillar of governance in any organisation. It is an independent, objective assurance activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. All NSW Health organisations must have an effective and adequately resourced Internal Audit function, with clear independence from operational management.

The Chief Executive is required to appoint a Chief Audit Executive who is responsible for the internal audit function. The Chief Executive must consult with the Audit and Risk Committee when designating, appointing or removing a Chief Audit Executive. The Deputy Secretary, People, Culture and Governance, NSW Health, must be notified of the intention of a NSW Health organisation to advertise for a Chief Audit Executive position, to appoint a new Chief Audit Executive, and prior to removing an appointed Chief Audit Executive.

The Chief Audit Executive is to have a dual reporting line that reports administratively to the Chief Executive to facilitate day-to-day operations of the internal audit function, and functionally to the Audit and Risk Committee for strategic direction and accountability of the internal audit function.

The role of Chief Audit Executive may be a dedicated role, or it may be a responsibility within another role. However, the Chief Executive cannot appoint themselves or the Chief Financial Officer as the Chief Audit Executive. The Chief Audit Executive must not have the Chief Financial Officer (or equivalent) as a direct report, or vice-versa.

The Chief Audit Executive must:

- be classified at a sufficiently senior level to ensure they can discuss and negotiate internal audit results with senior management on a reasonably equal footing; and
- possess relevant qualifications, skills, knowledge, professional standing, and personal qualities that ensure the credibility and acceptance of the internal audit function.

NSW Health organisations must have an Internal Audit Charter that is reviewed annually and that is consistent with the NSW Health Model Internal Audit Charter. The Internal Audit Charter must be provided to the Audit and Risk Committee for review. The internal audit reporting lines are to be clearly documented within both the Internal Audit Charter and the Audit and Risk Committee Charter.

The internal audit function is to have sufficient financial resources and professional staff with the necessary skills and experience relative to the risks and assurance needs facing the organisation. The Chief Audit Executive must also inform the Audit and Risk Committee about the professional development of the internal audit function.

NSW Health organisations are to determine the appropriate service delivery model for the internal audit function based on the organisation's needs. The organisation's size, complexity, risk profile and geographical and functional distribution, in addition to the viability, costs and capacity of alternative service delivery models, should also be taken into consideration.

The service delivery model selected must provide assurance on risk management, control and governance processes that is independent from operational management. The service delivery model may be either in-house, co-sourced or outsourced.

Where the internal audit function is established using a co-sourced or outsourced service delivery model, the Chief Audit Executive must be the central point of contact and/or contract manager for any internal audit services delivered by a third-party provider. This is to ensure that the Chief Audit Executive retains control of the internal audit strategic direction and can actively monitor the performance of the third-party provider. In all service delivery models, responsibility for the internal audit function remains with the NSW Health organisation. The Chief Audit Executive shall be an employee of the organisation and cannot be outsourced.

Shared arrangements, such as sharing the cost of the Audit and Risk Committee, the Chief Audit Executive, and/or the internal audit function, may be formed between NSW Health organisations. All NSW Health organisations entering into a shared arrangement must seek approval from the Deputy Secretary, People, Culture and Governance. Once approved, the Chief Executives of each organisation must agree and sign a shared arrangement agreement. Regardless of the form of a shared arrangement, each Chief Executive remains responsible for meeting their obligations under the NSW Health Policy Directive, *Internal Audit* (PD2022_022).

If an NSW Health organisation is contemplating a shared arrangement for a Chief Audit Executive or internal audit function, the Chief Executive must consider the likely demands and issues that may arise as a result of the shared arrangement. This includes whether the Chief Audit Executive or internal audit function will have the capacity to understand the different business activities of multiple organisations and manage the larger workload.

11.3 Audit and Risk Management Committee

11.3.1 Role of the Audit and Risk Management Committee

The Chief Executive must establish efficient and effective arrangements for an Audit and Risk Committee to oversee and monitor governance, risk and control issues affecting the operations of the organisation.

The Audit and Risk Committee is to have no fewer than three and no more than five Members. All Members (including the Chair) must be independent and sourced from NSW Treasury's *Audit and Risk Committee Prequalification Scheme*. The Chair and Members of Audit and Risk Committees in NSW Health organisations are subject to the NSW Health Code of Conduct (PD2015_049). The *NSW Government Boards and Committees Guidelines* (M2013-06) set out the process and criteria for managing conflicts of interest and imposes a duty on each Member to declare any interest that has the potential to be perceived as influencing the performance and decisions of a Committee Chair or Member.

The Chair of the Audit and Risk Committee is to be appointed for a single term only, of at least three years and not greater than five years. The term of appointment may be extended, but any extension must not cause the total term to exceed five years as the Chair.

The initial term for Members of the Audit and Risk Committee must be at least three years and must not exceed five years. Members may be reappointed or extended for further terms, but the total period of continuous membership on the Committee must not exceed eight years (inclusive of any term as Chair of the Committee).

NSW Health organisations are to notify the Ministry of Health and NSW Procurement of all appointments, extensions, and reappointments to, or resignations and terminations from, the organisation's Audit and Risk Committee.

Remuneration of the Chair and Members, including the Chair and Members of a shared Audit and Risk Committee, shall be in accordance with NSW Treasury's *Prequalification Scheme for Audit and Risk Committee Chairs and Members Scheme Conditions*.

The Audit and Risk Committee must have a Charter that is reviewed annually and that is consistent with the NSW Health Model Audit and Risk Committee Charter.

The Board (or Chief Executive, where the organisation is Chief Executive governed), in consultation with the Chair of the Audit and Risk Committee, must ensure a mechanism is established to review and report on the Committee's performance as a whole, and the performance of the Chair and each Member of the Audit and Risk Committee, at least annually.

A shared Audit and Risk Committee operates as an individual Committee for each separate NSW Health organisation. This requires Members of the Committee to liaise with the respective Chief Executives, ensure separate records and confidentiality are maintained, and provide independent advice and oversight for each participating organisation. Before entering into a shared arrangement for an Audit and Risk Committee, the Chief Executives considering the arrangement are to ensure the Chair and Members all have the time and capacity to sufficiently cover all organisations in the shared arrangement.

11.3.2 Internal Audit Standards

The internal audit function must operate in accordance with the *International Professional Practices Framework* issued by the Institute of Internal Auditors. Internal audit work must be performed in accordance with the *International Standards for the Professional Practice of Internal Auditing*. An Internal Audit Manual for the internal audit function is to be developed and maintained.

The audit report is the key means of communicating the findings and recommendations of internal audit services. The Chief Executive and Audit and Risk Committee are to receive an appropriate summary of findings, recommendations, and management responses for each internal audit report. Final copies of all internal audit reports are to be available at any time on request to the Chief Executive, Audit and Risk Committee and Board.

The Audit and Risk Committee may request the Chief Audit Executive to undertake follow-up audits or reviews based on the risks posed to the organisation if the agreed actions are not implemented in a timely manner, or request the person in the position responsible for implementing the agreed action plan to attend a Committee meeting to provide an update on the progress of implementation.

An external assessment of the internal audit function is to be conducted at least once every five years by a qualified, independent assessor selected in consultation with the Audit and Risk Committee. The results of external assessments must be communicated to the Audit and Risk Committee, Board, Chief Executive, and to the staff within the internal audit function of the organisation.

All records, documentation and information accessed in the course of undertaking internal audit activities are to be used solely for the conduct of these activities. The Chief Audit Executive and individual internal audit staff are responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work. All documentation from internal audits is to be retained, stored and managed in accordance with the *State Records Act 1998* and record disposal authorities approved under that Act. All internal audit documentation is to remain the property of the NSW Health organisation, including where the internal audit services are performed by a third-party provider.

11.4 Enterprise-wide Risk Management

The NSW Health Policy Directive, *Enterprise-wide Risk Management* (PD2022_023) describes the requirements for NSW Health organisations to establish, maintain and monitor risk management practices in accordance with whole of government policies and international standards. It is complementary to the NSW Health Policy Directive, *Internal Audit* (PD2022_022) and consistent with both the International Organisation for Standardisation (ISO) 31000:2018 *Risk Management – Guidelines and NSW Treasury's Internal Audit and Risk Management Policy for the General Government Sector* (TPP20-08).

Risk is the effect of uncertainty on objectives. Risk management involves identifying the types of risk exposure within an organisation, measuring those potential risks and proposing means to mitigate or exploit them. Risk management is essential to good management practice and effective corporate governance and ensures decisions are made with sufficient information about risks and opportunities. While it is impossible to remove all risk, the overall goal is to identify, understand, manage and reduce risk to an acceptable level, to ensure effective operation, service provision and resource utilisation across an organisation.

All NSW Health organisations must establish and maintain a risk management framework that is appropriate, fit for purpose, and tailored to the needs of the organisation.

All NSW Health staff (permanent, temporary or contract) are accountable for managing risk in their day-today roles, including carrying out their roles in accordance with policies and procedures, identifying risks and inefficient or ineffective controls and reporting these to the appropriate level of management. Chief Executives have ultimate responsibility and accountability for risk management in their organisation. All staff are to contribute to a positive risk culture that encourages desirable risk management behaviours, with concerns about business practices raised and acted upon promptly.

Managers and decision makers at all levels in NSW Health organisations are accountable for managing risk within their sphere of authority and in relation to the decisions they take. In addition to the responsibilities above, senior executives are responsible for managing specific strategic risks and ensuring necessary controls and treatment plans are in place to effectively manage that risk, including providing adequate resources.

NSW Health organisations are to nominate or appoint an appropriately skilled Chief Risk Officer who is responsible for the oversight and promotion of risk management, for designing the risk management framework, and for the oversight of activities associated with coordinating, maintaining and embedding the framework. The Chief Risk Officer is to be considered a senior role within the organisation and be either a member of the senior executive, or directly report to a member of the senior executive team.

The internal audit function is responsible for providing assurance to the Chief Executive and to the organisation's Audit and Risk Committee on the effectiveness of the risk management framework, including the design and operational effectiveness of internal controls. The organisation's enterprise-wide risk management framework must be the subject of an internal audit at least once every five years.

Audit and Risk Committees across NSW Health can provide independent advice to the Chief Executive and Board by monitoring, reviewing and providing advice about the organisation's risk management framework. The Board is responsible for approving the organisation's enterprise-wide risk management framework, including the levels of risk appetite and tolerance, and for seeking appropriate assurance on the effectiveness of the framework.

Risk management and reporting is to be a standing agenda item for senior executive team meetings, for Audit and Risk Committee meetings, and for Board meetings. Reporting is to be appropriate for the size and complexity of the organisation and must periodically include the number of risks that are operating outside the organisation's risk tolerance and the number of risks that are overdue for review.

11.4.1 Risk Management Framework

All NSW Health organisations must have an enterprise-wide risk management procedure in place that outlines how the organisation will identify, assess, manage and monitor risks. It must include processes for escalating risks and for providing risk reports to the senior executive team, the Chief Executive, the Audit and Risk Committee and Board. The organisation's risk appetite is also to be documented, communicated and regularly reviewed.

All NSW Health organisations are to maintain a risk register that provides an accurate and complete record of risk assessment and management activities. The risk register is to be subject to regular review and updated as risks are addressed and new risks identified. The NSW Health Risk Matrix must be used by all NSW Health organisations when assessing risk.

MOH.0010.0256.0110

Risk owners must reduce a risk to an acceptable level through implementing additional controls or improving existing controls. Where the current level of a risk is outside the organisation's risk appetite, it is to be escalated to more senior levels of management. Where an NSW Health organisation is unable to manage a risk to be within its appetite, the risk is to be escalated to the Ministry of Health for further advice or support. The ownership and management of a risk that has been escalated remains the responsibility of that organisation. Where a new or emerging risk that has the potential to be system-wide is identified, the organisation is to notify the Ministry of Health.

11.5 Internal Audit and Risk Management Attestation

As outlined above, the NSW Health Audit and Risk Management Framework is underpinned by the NSW Health Policy Directive, *Internal Audit* (PD2022_022) and NSW Health Policy Directive, *Enterprise-wide Risk Management* (PD2022_023).

NSW Health organisations are required to submit an Internal Audit and Risk Management Attestation Statement to the Ministry of Health by 17 July each year. This is an annual statement to the NSW Health Secretary explaining that organisation's compliance with both of these policy directives during that financial year. Advice, opinion or feedback may be sought from the Audit and Risk Committee in relation to the organisation's compliance.

Where an NSW Health organisation is not able to comply with any of the requirements of these policy directives, the Chief Executive may apply in writing to the Secretary, NSW Health for an exception from the relevant policy requirements prior to 31 March of the financial year for which the exemption is sought. The request must include an outline of why the organisation has not been able to comply with the policy requirements. A determination with respect to an exception will be for the reporting period only and, even if circumstances for the initial exception are ongoing, further exceptions must be renewed annually. Where an exception is granted, the exception must be indicated on the Attestation Statement. The Audit and Risk Committee and Board must be notified of the request for exception.

11.6 Accounts and Audit Determination for Public Health Entities in NSW

The NSW Health Audit and Risk Management Framework also encompasses *the Accounts and Audit Determination for Public Health Entities in NSW* (the Determination). The Determination is a key component of the NSW Health framework for good financial governance, accountability and performance, and should be read in conjunction with other governance policies issued by the Health Secretary or Minister for Health.

NSW Health organisations must comply with the Determination, along with the *Accounting Manual for Public Health Organisations* and accounting policies as published by the NSW Ministry of Health's Finance Division. Compliance with this Determination is also required under the annual *Financial Requirements and Conditions of Subsidy* (Government Grants), issued each financial year in conjunction with the Service Agreement and budget allocation advice.

These controls have been put in place (in part) to ensure the proper undertaking of accounting procedures, the adequacy of internal controls, the accuracy of financial and other records and the proper compilation and accuracy of statistical records.

In particular, the Determination requires that the internal control, internal audit and risk management systems of NSW Health organisations meet the applicable standards and the requirements of NSW Health Policy on Internal Audit and Risk Management (as outlined above).

Audit and Risk Management – Resources & References

NSW Health Policy Directive, *Internal Audit* (PD2022_022)

NSW Health Policy Directive, *Enterprise-wide Risk Management* (PD2022_023)

Accounts and Audit Determination for Public Health Entities in NSW

NSW Treasury's *Internal Audit and Risk Management Policy for the General Government Sector* (TPP20-08)

Audit Office of NSW website: https://www.audit.nsw.gov.au/

International Organisation for Standardisation (ISO) 31000:2018 *Risk Management – Guidelines* - https://store.standards.org.au/product/as-iso-31000-2018

The following documents are available on the NSW Health intranet only:

NSW Health Guidance on Internal Audit - https://internal.health.nsw.gov.au/cgrm/rmra/health_audit_network.html

NSW Health Guidance on Risk Management - https://internal.health.nsw.gov.au/cgrm/rmra/risk_management/risk_mgmt.html

NSW Health Enterprise-wide Risk Management Reporting Forms (Potential System-level Risks and Escalation of Organisational Risks) - https://internal.health.nsw.gov.au/cgrm/rmra/risk_management/enterprise_wide_rm.html

NSW Health Corporate Governance, Internal Audit and Risk Management and Conflict of Interest and Gifts and Benefits Templates and Forms - https://internal.health.nsw.gov.au/cgrm/forms.html#form5

12 Procurement & Asset Management

12.1 Procurement of Goods and Services

12.1.1 Goal

The primary purpose of the procurement of goods and services by NSW Health is to provide supplies, in a timely manner, that are fit for purpose and sufficient in quality and/or quantity to meet NSW Health objectives at an affordable and sustainable cost.

The key policy principles supporting the above goal are:

- the high standards of public sector governance are to be met by complying with required procurement procedures, codes of practice and financial delegations as these provide the legal rights and obligations of NSW Health staff to procure goods and services;
- value for money is to be achieved by seeking best prices for simple supplies, considering the total cost of ownership for more complex and strategic supplies, and employing innovative strategies to reduce overall whole of life costs;
- risk is to be managed by ensuring that strategies developed for the procurement of goods and services, across all aspects of planning, implementation, management and closure, are continually focussed on the mitigation of evolving risks;
- transparency, accountability, responsiveness and fairness in dealing with all government stakeholders, industry and the community are to be ensured; and
- the Government's commitment to broader community requirements such as a sustainable environment, opportunities for small to medium enterprises, aboriginal businesses and disability enterprises participation, is to be realised.

12.1.2 Legal Framework

The NSW Procurement Board (that replaced the State Contracts Control Board) is responsible for overseeing the procurement and disposal of goods and services by the NSW public sector service, under the *Government Sector Employment Act 2002* and Regulation 2014. The Board has directed agencies to undertake their own procurement of goods and services subject to the following conditions:

- Use Whole of Government contracts wherever applicable;
- Comply with NSW procurement policy and code of practice; and
- Be an accredited agency to procure goods and services.

On 1 December 2011, the former State Contracts Control Board delegated to the Health Administration Corporation (HAC), under the Agency Accreditation Scheme for Goods and Services Procurement, level 2A accreditation for three years, commencing 1 January 2012.

Under this level 2A accreditation, HAC can undertake the procurement of goods and services, outside of whole of government contracts, between $250,000 and $30m without reference to the NSW Procurement Board.

The Ministry of Health and HealthShare NSW are the accredited entities within NSW Health as "advanced procurement agencies", and the Secretary, NSW Health has subsequently granted appropriate delegations to undertake the procurement of goods and services not available under Whole of Government contracts up to the value of $30m. All other entities within NSW Health have a delegation for such procurement of up to $250,000[4].

12.1.3 Governance

NSW Health seeks to observe high ethical standards and conduct in commercial engagements. Government and public officials must be able to demonstrate high levels of integrity in processes while pursuing value for money outcomes for the NSW Government and meeting the public interest.

A state wide Procurement Governance Committee is convened by the Chief Procurement Officer with Terms of Reference to develop goods and services procurement policy and regulation; and to coordinate with HealthShare NSW to oversee:

- procurement policy compliance,
- NSW Health's procurement savings program,
- the development of NSW Health's procurement systems, tools and practices to improve procurement effectiveness, and
- the planning and evaluation stages of whole of government or cross Agency projects where Health is appointed as procurement lead.

Roles for Local Health Entities

The Chief Executive of the Entity is responsible and accountable for the procurement of goods and services in accordance with the Secretary, NSW Health Instrument of Delegations.

A Procurement Advisory Board is to be established by the Chief Executive to provide assurance that governance issues have been appropriately managed over all stages of all procurement projects conducted by the Entity.

A Responsible Officer is to be appointed by the Chief Executive to manage all stages of a procurement project (with the support of the appropriate HealthShare NSW Service Centre) and, for projects valued over $250,000 or which attract high risk, to establish a Project Steering Committee including HealthShare NSW or the Ministry procurement resources to provide project assurance.

Roles of Ministry and HealthShare NSW

The Ministry Chief Procurement Officer is responsible for coordinating policy and regulation of the procurement of goods and services across NSW Health. This role is supported by the Procurement Advisory Service which is available to provide procurement advice, particularly in the areas of policy and probity, and ongoing general advice primarily to Ministry Branches, but also to other Entities on the planning, market document preparation, and evaluation stages.

The Procurement Portal on NSW Health's intranet provides policy, procedures, templates and guidance on the procurement of goods and services, as well as links to the delegations manuals.

The role of HealthShare NSW is to support Local Entities in procurement transactions and the ensure appropriate procurement governance structures, processes and practises are in place; and to participate on Governance

4 In this document the term "Entity" means Local Health Districts, Board Governed Statutory Health Corporations, chief executive Governed Statutory Health Corporations, Specialty Network Governed Statutory Health Corporations, Affiliated Health Organisations and NSW Ambulance Service.

Committees where appropriate. Under the terms of procurement accreditation as outlined above HealthShare NSW is to support all procurements over $250,000 by providing QA of relevant documentation and participation throughout the carriage of the tender process.

Also as noted above the Ministry is also accredited for specific and specialist procurement should this be deemed appropriate at the direction of the Chief Procurement Officer.

12.1.4 Value for Money

Value for Money is a central objective in using public funds to procure goods and services.

It means a balanced benefit measure covering quality levels, performance standards, risk exposure, other policy or special interest measures (e.g. environment impacts), as well as price. Generally, value for money is assessed for increasingly complex supplies on a 'whole of life' or 'total cost of ownership' basis, which includes the transitioning in, contract period and transitioning out phases of a contractual relationship. It is often used in the sense of the 'long term sustainability of value for money', denoting that NSW Health focuses on choices that ensure value for money outcomes are promoted and protected in successive anticipated contracts.

For simple supplies value for money will generally be focused on price.

Whilst competition is a major procurement strategy to achieve this objective, other strategies are also acceptable as long as value for money can be demonstrated.

12.1.5 Risk Management

Risk management is central to NSW Health's overall procurement management philosophy, noting that the mitigation of general and specific risks forms the basis of its policies, strategies and plans to procure and manage the delivery goods and services to clients.

All projects embody a degree of risk that can never be completely eliminated, noting that different risks may evolve through the varying stages of the procurement process. However, risks can be identified and managed. This management of risks requires containment strategies to mitigate risk and contingency planning to respond to other risks that may emerge.

The aim of procurement risk management is to protect and enhance the reputation and efficacy of NSW Health by avoiding, or minimising the potential for, any harm arising from its relationship with potential and existing suppliers.

Any issues of significant procurement risk should be referred to the Chief Procurement Officer and or the State-wide Procurement Governance Committee.

12.1.6 Transparency, Accountability and Fairness

Consistency and transparency of process

Each commercial engagement must be conducted in a transparent and fair manner, consistent with the policies and procedures set out on the Procurement Portal and including a documented selection process that is to be described generally to all potential bidders, noting that the evaluation plan detailing criteria, their respective weightings etc. is not to be provided to potential bidders. To assist transparency, and in accordance with the Government Information (Public Access) Act 2009 the details of all contracts with the private sector valued in excess of $150,000 are to be publicly disclosed.

Accountability

The Chief Executive remains solely accountable for all procurement projects for which they are responsible, regardless of the devolution of their authority.

The Chief Executive must ensure that a Responsible Officer is appointed for each procurement project with direct tasking for ensuring the adherence to procurement policy guidance and related procedures, and to make project-specific decisions in relation to the procurement.

Probity advisors can be sourced internally from the Ministry of Health or HealthShare NSW and from other agencies provided they have demonstrated experience in procurement policy and practices.

Project Specific Steering Committee/s also to be established to oversee the procurement process and advise the Responsible Officer on strategic and operational issues as well as procurement policy requirements, governance aspects and procedural matters for projects valued over $250,000 or that attract high risk.

The Chief Executive is to establish a local procurement advisory board to review and approve all proposed procurement activities to provide assurance they align with local strategic objectives.

Fairness

Responsible Officers need to treat bids and potential bidders in a fair and even handed way, providing bidders with the same information and avoiding preferential treatment, consistent with the approved procurement process and tender evaluation criteria.

Where relevant, the Entity should specify a process that ensures the appropriate management of information by both the Entity and the private sector. The process should ensure the security and confidentiality of intellectual property and proprietary information, to the extent allowed by law and government policy. The Entity must ensure that processes are adopted to identify, declare and address any actual or perceived conflict of interest throughout the procurement process.

The Entity is to ensure that there is a satisfactory segregation of duties across the procurement process based on an assessment of risk. Traditional segregation of duties includes separating proposal/business case submission from approval, evaluation of responses from approval, requisition ordering from receipt/acceptance of supplies, requisition ordering from payment of invoices, and receipt/acceptance of supplies from the payment of invoices.

Probity

Where the risk and complexity associated with a procurement process is considered high the option of appointing a probity adviser is strongly recommended.

Probity advisors can be sourced internally from the Ministry of Health ro HealthShare NSW and from other agencies provided they have demonstrated expreience in procurement policy and practices.

External independent probity practitioners should be sourced from the NSW Government's Prequalification Scheme for Consultants: Performance and Management Services.

12.1.7 Whole of Government Context

Strategic Commissioning

The NSW Procurement Board has endorsed the concept of Strategic Commissioning based around strategic needs assessment, selection and prioritisation of program objectives, and the exploration of alternative models for service provision.

The NSW Government Goods and Service Procurement Policy Framework includes the following description of strategic commissioning within the market engagement methods and advises that strategic commissioning is a key activity to be considered within the Stage 1 – Needs Analysis of the procurement process.

"Strategic commissioning is broader than contracting, purchasing or procuring. It involves designing commissioning systems by which government can access, deepen and develop supply markets for public services. These supply markets range across public, private and not for profit organisations. Effective commissioning arrangements, and choice of procurement objectives, contracting models, and service delivery methods."

Competition

Entities are to encourage competition between suppliers and are not permitted to mandate requirements for prospective suppliers to have experience in providing goods and services to the NSW Government or a government agency, without the endorsement of the Chief Procurement Officer that exceptional circumstances apply. However, when evaluating prospective suppliers through an open competitive procurement process (e.g. tendering), entities may use a weighted score to recognise and give value to a supplier's evidence of government or equivalent experience if relevant.

Environmental Sustainability

Entities are to purchase goods and services that have reduced impacts on the environment compared with competing products and services that achieve the same function and value for money outcomes. Entities are required to consider environmental impacts and opportunities during the procurement process with attention given to the early stages of the procurement process when defining business needs, market analysis, tender and quotation strategy, before leading to market engagement.

Australian Disability Enterprises (ADE)

Australian Disability Enterprises (ADEs) are commercial businesses that provide employment for people with a disability. They have been included in a register through an order made by the Minister for Disability Services. The register is maintained by National Disability Services (NDS) and details of the businesses on the register can be found on the National Disability Services website.

Entities may procure goods and services from an ADE for any amount without seeking alternate quotes/tenders and are exempt from the mandatory use of a Whole of Government or Lead Agency contracts as long as value for money can be demonstrated.

Purchasing from Aboriginal Businesses

Entities and Branches may procure goods and services from a recognised Aboriginal business up to $150,000, without seeking alternate quotes/ tenders, and are exempt from existing Whole of Government or Health contracts, as long as value for money can be documented.

A 'recognised Aboriginal business' is one which:

- is certified as an Indigenous business by Supply Nation (formerly the Australian Indigenous Minority Supplier Council), or
- is certified as an Indigenous business by the NSW Indigenous Chamber of Commerce, or
- meets the definition of an Indigenous business under the definition used in the Australian Government's Indigenous Opportunity Policy (the Indigenous Opportunities Policy currently defines an Indigenous business as a business that has an ABN and 51 per cent Indigenous ownership).

Regional Purchasing

Government purchasing can have a positive impact on local communities, encouraging regional and local firms to grow and innovate, and to generate employment opportunities. The NSW Government seeks to maximise opportunities for local suppliers to sell to government and thus Entities should give consideration to regional sourcing as a factor in the procurement planning stage.

12.1.8 Training and Development

Training in procurement is provided through general courses provided by the Institute of Public Administration Australia (NSW Division) as well as Health specific training in procurement and risk management principles, and contract management delivered in-house.

All Health staff have a responsibility to procure goods and services in support of their specific work function, and develop procurement competence through experience, supported by guidance provided at the Procurement Portal on NSW Health's intranet as well as from the Procurement Advisory Service or HealthShare NSW.

12.1.9 References

Legal Framework

Public Sector Employment and Management Act 2002:
http://www.austlii.edu.au/au/legis/nsw/consol_act/pseama2002379/

Public Sector Employment and Management Regulations 2009:
http://www.austlii.edu.au/au/legis/nt/consol_reg/pseamr488/

Government Information (Public Access) Act 2009:
http://www.legislation.nsw.gov.au/maintop/view/inforce/act+52+2009+cd+0+N

Policy Framework

NSW Procurement:
http://www.procurepoint.nsw.gov.au/

NSW Health:
http://procurementportal.moh.health.nsw.gov.au/Pages/default.aspx

MOH.0010.0256.0118

NSW MINISTRY OF HEALTH
1 Reserve Road
ST LEONARDS NSW 2065
Tel. (02) 9391 9000
Fax. (02) 9391 9101
TTY. (02) 9391 9900
www.health.nsw.gov.au

This work is copyright. It may be reproduced in whole or in part for study and training purposes subject to the inclusion of an acknowledgement of the source. It may not be reproduced for commercial usage or sale. Reproduction for purposes other than those indicated above requires written permission from the NSW Ministry of Health.

© NSW Ministry of Health 2024

SHPN (LRS) 230544
ISBN 978-1-76023-589-5

Further copies of this document can be downloaded from the NSW Health website www.health.nsw.gov.au

June 2024