



Adjunct Professor Anthony Schembri AM
Chief Executive
Northern Sydney Local Health District

Dear Anthony

Updated Board Priorities for Chief Executive 2023/24

I refer to my letter dated 21 June 2023 (**June letter**) that identified the Board Priorities for 2023/24.

I am writing to you now in light of the impending State budget and its likely impact on the 2023/24 Service Agreement. Although we do not know their exact contents at this time, we know very clearly the direction in which things are heading. It is therefore appropriate that you and the Board should be on the front foot to prepare for the inevitable.

The district has weathered many tough budgets in recent years. Despite the past challenges of a tough budget, the CE and the district's leadership have generally managed to juggle demands and outcomes to still achieve satisfactory financial and performance outcomes.

This time the State will face a harsh budget and the district a correspondingly severe Service Agreement, one where customary juggling will not work. The usual approach of cost control and revenue strategies are unlikely to be sufficient and radical actions will be required. Inevitably there will need to be cut backs, sacrifices and the de-prioritisation of services.

This letter sets out the Board's views in relation to these matters. Going forward, you should interpret the June letter in light of this letter.

The district can be rightly proud of its culture, its staff engagement, its focus on the wellbeing and personal development of its staff, its track record on safety and quality, its consumer engagement and its '0' performance rating. These matters need to be given the highest ongoing priority.

Even with the constraints of a severe Service Agreement, and subject to those matters identified above that are to be given the highest ongoing priority, the Board is supportive of ongoing priority being given by you to the following:

- achievement of access KPIs for ED
- close out of overdue elective surgery
- successful commencement of voluntary assisted dying
- planetary health and sustainability
- diversity and inclusion
- research
- partnerships
- philanthropy
- close out of outstanding campus amenity issues at RNSH
- rebuild of Ryde Hospital
- materially substandard infrastructure at Macquarie Hospital and at some community health centres
- completion of the master plan for RNSH and refining of opportunities for the Herbert Street precinct
- encouragement of clinical innovation.

The Board is supportive of tough and potentially radical decisions being made by you in relation to the following:

- high cost, low value services
- services provided to the community that duplicate offerings from the private and NGO sectors
- from a procurement perspective, streamlining inventory acquisition and restricting the choices of medical instruments and prostheses
- patient presentations that are likely to lead to fee waivers and bad debt write-offs
- management of third party relationships eg NBH and Ventia especially where there is underperformance or concerns about value for money
- viability of the Urgent Care Centre at Mona Vale as a 24/7 service
- consolidation of services within the district.

For the two preceding paragraphs, the Board encourages you to investigate and to pursue the use of existing and new technologies to bring about or to enhance the desired outcomes.

As you know, there are a number of enquiries underway, none of which is specific to the district and none of which is within the district's (and in some cases, the Ministry's) control. It is important that these not be allowed to become distractions to you and your team.

The Board's view is that the messaging to staff about the 'new' normal will be important. The Board endorses honest and transparent communication with staff, not only because it is the right thing to do but for the reasons mentioned earlier about culture, staff engagement and staff wellbeing, as well as more generally because of the importance of recognising and valuing the worth of our staff and their invaluable contributions to the reputation and success of the district. The Board is happy to give you whatever support you need in this regard.

I am available to discuss this letter with you.

Yours sincerely



Trevor Danos AM FTSE
Chair
Northern Sydney Local Health District
11 September 2023

cc: Susan Pearce