



## Special Commission of Inquiry into Healthcare Funding

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Health  
South Western Sydney  
Local Health District



# Special Commission of Inquiry into Healthcare Funding: Public Submission

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South Western Sydney Local Health District

*transforming your  
experience*

## Introduction

The South Western Sydney Local Health District (SWSLHD) acknowledges there are a number of Parliamentary Inquiries into health related matters, including:

- Inquiry into Birth Trauma
- Inquiry into Equality, accessibility and appropriate delivery of outpatient and community mental health care in NSW
- Inquiry into the implementation of recommendations from the Select Committee on Remote, Rural and Regional Health
- Inquiry into the NSW Government’s use and management of consulting services;

and specifically the Inquiry; *Provision of Health Services in the South-West Sydney growth region*, when preparing its submission to the *Special Commission of Inquiry into Healthcare Funding*.

It is noted at section J of the letters patent that the Special Commission of Inquiry is “to have regard to existing reviews, reports and recommendations in relation to the national public hospital funding model and other national settings insofar as they impact on the delivery of high quality, timely, equitable and sustainable public hospital and community health services in NSW, in particular co-payments, oversight of compliance and influence of private capital on the health services market”.

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## Overview

SWSLHD covers an area of 6,243 square kilometres in south western Sydney from Bankstown to Bowral (seven LGAs). SWSLHD manages 14 major community health centres and six public hospitals:

- Liverpool Hospital
- Bankstown-Lidcombe Hospital
- Campbelltown Hospital
- Camden Hospital
- Fairfield Hospital
- Bowral & District Hospital

The District manages the following services:

- Primary & Community Health
- Mental Health
- Oral Health
- Drug Health
- Aboriginal Health
- Population Health

The District has ten Clinical Streams that are responsible for developing the strategic direction for clinical services in conjunction with the Hospital and Service General Managers:

- Aged Care & Rehabilitation
- Internal Medicine
- Cardiovascular
- Critical Care
- Liver, Urology, Gastrointestinal Surgery
- Surgical Specialties
- Medical Imaging
- Cancer Services
- Paediatrics & Neonatology
- Women's Health

### SWSLHD diverse communities and their health

Currently, over one million people live in SWSLHD, and the population is projected to increase to 1.3 million by 2031. In 2020, the fertility rate in SWSLHD was 1.8, higher than the State fertility rate of 1.5. SWSLHD recorded 11,529 births in 2021, which was the highest number of public hospital births in NSW.

The population in SWSLHD is ageing, it is estimated there are around 148,000 older adults in SWSLHD in 2021, this is expected to increase by 45% to approximately 215,000 older people by 2031.

It is projected that the fastest growing age group will be 80-84 (79% increase) followed by the 85 and over (64% increase) age group, who represent a substantial proportion of hospital users due to increased health needs and the management of aged-related conditions.

SWSLHD's communities are culturally and socioeconomically diverse. Some people in our community experience increased vulnerability and complexity due to social and/or health circumstances.

## People from Culturally and Linguistically Diverse (CALD) Backgrounds

- SWSLHD communities are culturally and linguistically diverse.
- Around 10% of the population identify they speak English 'not well or not at all' which is almost more than double the state average (4.5%). In Fairfield, 20% of people have little or no English language proficiency.

Patients requiring interpreters and those with limited English proficiency have been found to require longer mean outpatient appointment times (36.3 mins vs 28.0 mins), longer hospital stays (range 0.7 days to 4.3 days) and higher total hospital admission costs (range \$822-\$6900).

## Refugee Population

- Around 40% of humanitarian entrants to NSW have settled in south western Sydney, predominantly in Fairfield and Liverpool LGAs

People from refugee backgrounds often have complex or multiple health care, with 36% reporting long-term poor general health. They experience a 13% higher rate of ED care use, increased ED length of stay and decreased satisfaction with their care. Refugee healthcare requires more intensive case management, specialist health worker knowledge and interpreter utilisation.

## Aboriginal Population

- In 2021, around 22,000 people in SWSLHD identified as Aboriginal and/or Torres Strait Islander (2.2% of the total SWS population).
- The Aboriginal community of south western Sydney is growing rapidly. Between 2011 and 2021, the community grew by 66% reflecting a high birth rate and potentially, greater longevity because of improved health and social circumstances. Internal migration may also play a part in this population increase, with Aboriginal people choosing to live in south western Sydney in order to be close to family or the high-quality services and supports which are available.

Indigenous Australians have been reported to experience increased hospital re-presentation rates compared to non-indigenous Australians (20% vs 1%) for particular clinical conditions, such as respiratory disorders.

## Socio-economic Status

- The people of south western Sydney are socio-economically diverse with areas of significant disadvantage.
- Four out of seven LGAs in SWSLHD have an Index of Relative Socio-economic Disadvantage (IRSD) score lower than the average of 1000. Notably, Fairfield LGA records an IRSD of 814, the lowest IRSD score in NSW.

- In south western Sydney there are 560,753 people eligible for public dentistry (313,810 adults with Centrelink cards and 246,943 children) as a reflection of the higher disadvantage in SWSLHD.

People with lower incomes have a greater number of average co-morbidities, increased risk of mortality, readmission to hospital, lower acuity emergency department triage categorisation and increased ED length of stay.

### People impacted by Violence Abuse & Neglect

- Of the seven SWSLHD LGAs, three LGAs presented with higher rate of domestic assaults than the NSW average – Liverpool, Fairfield and Campbelltown. The average NSW rate for FY 2022-23 was 428.7 DV assaults per 100,000 population with Liverpool presenting with 524 per 100,000, Fairfield with 438.2 per 100,000 and Campbelltown with 561.7 per 100,000 (BOCSAR, 2023)
- In 2022-23, 6149 individuals were listed at Safety Action Meetings (SAMs), 1895 were victim-survivors, 1911 were perpetrators and 2343 were children.
- The average NSW rate for sexual assaults FY 2022-23 was 94.4 per 100,000 population with Wingecarribee presenting with 106.8 per 100,000 and Campbelltown with 114.8 per 100,000. (BOCSAR, 2023). The two LGAs show significantly higher rates of sexual assaults than the NSW average.
- In 2021-22, SWS had the third highest number of residents who were subject to a report to the Ageing and Disability Commission, for Elder Abuse, with the most prevalent forms in SWS being psychological abuse and neglect.

Violence Abuse and Neglect has serious impacts on people's physical, psychological, emotional, sexual health; contributing to a range of negative consequences in the immediate and longer term.

### People with disabilities

- More than 7% of the population of SWSLHD identified as requiring assistance with core activities, (NSW 5.75%).
- In 2022-23, there were 28,376 active NDIS participants in south western Sydney. 6,872 are from CALD backgrounds and 1,592 lived in supported accommodation.
- This is the second highest number of participants any service district in NSW and across Australia. It is also the only district in NSW where the growth in NDIS participant numbers is increasing, rather than slowing down.
  - The rapid growth in supported accommodation providers in south western Sydney means that people with very high support needs are moving into south western Sydney from outside the district.
- In 2022-23, there were 2021 registered NDIS providers in south western Sydney. This is highest number in all of NSW. The number of providers in south western Sydney has increased more than any other district in NSW.
  - This means that there are a high number of newer, less experienced providers supporting a large number of people with highly complex needs. Less experienced providers are more likely to seek support from hospital



emergency departments and community mental health services when struggling with the complex needs of participants.

- Only 8% of the 142,500 people in south western Sydney over the age of 16 with disability are NDIS participants. The remaining 92% may be ineligible for the NDIS due to age, temporary nature of their disability or they experience barriers to successfully gaining access to the NDIS. This group require “mainstream” services (including SWSLHD health services) and informal supports to meet their support needs.
  - People who are not Australian citizens or permanent residents are ineligible to access the NDIS. This includes people on Special Category (New Zealand Citizen), asylum seeker and student visas. Australian Census data indicates that these groups are concentrated in Greater Sydney, particularly south western and Western Sydney for those on temporary protection visas. South western Sydney therefore has a higher proportion of people with a disability who cannot access the NDIS for disability supports. They are dependent on the health system for disability supports.
- Approximately 77,104 people in south western Sydney are carers (9.2%)

People with disabilities may have multiple co-occurring health needs and chronic and complex conditions, combined with the need for assistance in managing and supporting their disability related needs. They experience longer hospital stays and higher likelihood of repeated, unnecessary admissions.

### The Burden of Chronic Disease

#### *Obesity*

- 62.9% of adults are overweight or obese (NSW 58%) (2022)
- 25.5% of children are overweight or obese (NSW 23.3%) (2022)

Overweight and obesity are risk factors for several chronic conditions including diabetes, cardiovascular disease, cancer and musculoskeletal diseases. Prevalence of overweight and obesity is affected by environmental, socioeconomical and cultural factors.

#### *Diabetes*

- 77,570 people are known to have diabetes. SWSLHD has the highest rates of diabetes in the state (6.9% of the population versus 5.6% in NSW) and the third highest in the country according to National Diabetes Supply Scheme (NDSS) registration rates (NDSS data 2023).
- 23% of inpatients have diabetes and patients with diabetes are in hospital an average of 2.62 days longer than patients with diabetes.
- 88.5% of people who have diabetes have Type 2 diabetes (NSW 86.6%).
- SWSLHD had the second highest rate in NSW for hospitalisation with diabetes, hospitalisation for Type 1 diabetes, potentially preventable hospital admissions and total amputations.
- High rates of eye complications.

- High prevalence of gestational diabetes mellitus, with the rate as high as 24% of births.

Age is one of the most significant risk factors for the development of type 2 diabetes mellitus. The SWSLHD ageing population will directly impact the prevalence of diabetes.

#### *Chronic Kidney Disease*

- SWSLHD has a high prevalence of End-Stage Kidney Disease (ESKD).
- In 2020-21, the rate of Chronic Kidney Disease hospitalisations was 7,646 per 100,000, significantly above the State rate (5602.5)

#### *Dementia*

- In 2020-21, dementia hospitalisations for patients aged over 65 occurred at a higher rate than NSW with 2009.6 per 100,000 hospitalisations (NSW 1585.5)

Chronic diseases exert a substantial impact on both the health system and the individual, increasing healthcare expenses, while also negatively affecting health outcomes by increasing morbidity and reducing overall quality of life.



## SWSLHD Planning Framework

The SWSLHD Planning Framework supports the achievement of the District's vision through the *Strategic Plan 2022 - 2027 Framework*.

The SWSLHD vision of *Leading safe, sustainable care for healthier communities* underpins the Strategic Plan and drives the priorities of the organisation.

The Strategic Plan is tightly aligned to *NSW Future Health: a guide to the next decade of care 2022 - 2032*.

Transforming Your Experience is the District's plan to deliver safe and quality care, and positively transform how our patients, consumers, staff and communities experience our organisation and services.

The planning framework is supported by a number of Enabling Plans which outline specific approaches or responses to key patient populations or key conditions – refer over:

# Strategic Plan 2022 - 2027 Framework

South Western Sydney  
Local Health District



- NSW Premier's Priorities
- NSW Health *Future Health: Guiding the next decade of care in NSW 2022 - 2032*
- SWSLHD Clinical Services Planning

## Core Values

- Collaboration
- Openness
- Respect
- Empowerment

## Vision

Leading safe, sustainable care for a healthier community.

## Mission

Our mission is to deliver safe, consistent, timely and high-quality health services of value to all in our communities.

Our partnerships with communities promote, protect and maintain health and wellbeing.

Our service delivery is culturally responsive and shaped by innovation, continuous improvement, sustainability and translational research.

*transforming your experience*

### Deliver safe quality care and positive experiences



- Show kindness and compassion, delivering personalised and culturally responsive care.
- Deliver safe, consistent, timely, high-quality care through seamless networks.
- Strengthen integrated care across all care settings.
- Build our culture of continuous improvement.
- Engage with consumers, communities and our partners.

### Strengthen and promote healthier communities



- Close the gap for Aboriginal people and communities to improve equity of outcomes.
- Improve equity of outcomes for all priority populations including our culturally and linguistically diverse communities.
- Build capability in our communities and partner to create social and physical environments that promote health and wellbeing.
- Engage our communities in prevention, screening and early intervention programs.
- Enhance mental health and wellbeing of individuals and the community.
- Support people of all ages to live a meaningful and functional life, ensuring the best start in life and promoting healthy ageing.

### Support and develop our people



- Plan for and deliver a workforce that meets the future needs and reflects the diversity of our community.
- Embed positive workplace culture valuing the wellbeing and engagement of our people.
- Be the employer of choice for staff who value high-quality care.
- Equip our people with the skills and capabilities to be an agile, responsive workforce.

### Lead research and innovation



- Build capacity in research aligned with clinical service planning.
- Enable evidence-based and innovative models to improve healthcare and service delivery.
- Advance and translate research and innovation with institutions, industry partners, consumers and the community.
- Drive improvements through timely, integrated and accessible health data, information and analytics.
- Foster and facilitate an innovation culture across the organisation.

### Build a sustainable future



- Build clinical service sustainability and value-based healthcare approaches.
- Plan for and deliver future-focused, fit-for-purpose infrastructure.
- Drive digitally-enabled and innovative patient care solutions and service delivery.
- Pursue environmental sustainability across the organisation.
- Strengthen financial sustainability now and plan for the future.

## Performance

### Emergency Department Presentations

- In FY 2022/23 Emergency Department (ED) presentations were 305,975 – up 7.59% from 2017/18.
- This contributed 9.95% to the overall activity of NSW in FY 2022/23 compared to 9.87% in FY 2017/18.

### Acute Overnight Separations

- In FY 2022/23 acute overnight separations were 103,573 – down 5.1% from 2017/18.
- SWSLHD contributed to 12.1% of the overall activity of NSW in FY 2022/23 remaining unchanged from FY 2017/18.

### Elective Surgery Admissions

- In FY 2022/23 elective surgery admissions were up from 22,859 in FY 2017/18 to 23,066 in 2022/23, representing an increase in elective surgery admissions of 0.91%.
- SWSLHD contributed to 10.25% of the overall activity in NSW in FY 2022/23, slightly increased from FY 2017/18 at 10.09%.

There are significant future opportunities for SWSLHD, to ensure our community has continued access to high-quality, safe care. These include, but are not limited to:

- Ongoing expansion of community / primary care services.
- Ongoing expansion of the bed base of our hospitals.
- The establishment of renal transplant services in SWSLHD.
- The capital works program and aligning the continuum of care for our patients through primary, secondary and tertiary levels of care.
- Developing urgent care services.
- Increase the number of alternate ambulance pathways to give more opportunity for patients to be followed up via other agencies and avoid ED presentations.
- Increased links with residential aged care facilities (RACFs) to provide improved pathways for RACF patients to avoid ED admissions.
- Collaboration with the private sector to develop shared service agreements and reduce duplication of services.
- Partnering with our local communities to ensure care is delivered in a culturally, equitable, safe and responsive manner, that aligns with the significant multicultural and marginalised community that SWSLHD services.
- Increased self-sufficiency for provision of specialist and complex dental care to reduce transfer out of District.
- Ongoing partnership with Department of Communities and Justice to identify and act early to support families to stay safely together.

- Ongoing focus on growing services to support a Healthy First 2000 days to increase healthy weight, growth and development in order to achieve their best potential and reduce the burden of chronic disease and disability.

## 2.1 Funding

### Expenditure

SWSLHD's 2023-24 recurrent expense budget is \$2.457 billion, an increase of \$146.2 million or 6.33% on the previous financial year. Since 2012-13, the SWSLHD expense budget has increased by \$1.1 billion, which equates to an average per annum growth rate of 7.1%. In comparing publicly available service agreement budgets over the period 2012-13 to 2022-23, this would result in SWSLHD being the highest funded 'metro' local health district (LHD) with the exception of Nepean Blue Mountains LHD.

Despite this funding growth, SWSLHD faces significant ongoing and emerging financial pressures that require consideration within the NSW Health funding model. These specifically are:

- The future recurrent expenditure requirements associated with a record number of Hospital Redevelopment projects that have recently been commissioned or will be over the next 7-8 years.
- The highest population growth in NSW apart from Western Sydney LHD.
- High socio-economic disadvantage and low relative health utilisation compared to other 'metro' LHDs. This includes a high refugee population.
- A significant multicultural population that requires additional resources for interpreter services and public health initiatives.

In terms of the NSW Health Funding model, SWSLHD receives approximately 77-80% by way of activity-based funding (ABF) and the remainder through Block Funding, e.g., Population Health Services, Aged Care Services and Affiliated Health Organisations and Non-Government Organisations grants.

Since the inception of the ABF model, SWSLHD has consistently been the most or one of the most efficient LHDs, with its cost per NWAU well below the state average and State Efficient Price at which activity is allocated in the Service Agreement with NSW Health.

Through the COVID-19 pandemic, SWSLHD was significantly impacted in terms of the volume of activity delivered and expenditure incurred. Currently SWSLHD's cost per NWAU has increased to a point where it is well above the State Efficient Price used in the 2023-24 Service Agreement.

This poses a serious risk to SWSLHD's expense budget performance over the coming financial year.

In addition to the initial expense budget provided in the Service Agreement, all LHDs receive additional budget supplementation throughout the financial year. The amount can vary from year to year and this funding is generally outside of the ABF Model.

An increasing feature of the overall funding model is to set higher efficiency dividends, i.e., SWSLHD has had \$20 million of budget removed based on savings to be delivered. This represents a significant uplift from \$5.5 million in 2022-23.

The methodology of how these efficiency dividends are allocated is not transparent, and appears to be based proportionately on the size of an LHDs budget. There is no consideration of LHDs that have historically been able to deliver savings and have a lower cost per NWAU.

### **Own Source Revenue**

For 2023/24 SWSLHD has an Own Source Revenue budget of \$1.1 billion. This includes Commonwealth contributions of \$893 million under the National Health Reform Agreement which had previously been included under Government Recurrent Subsidy. Excluding Commonwealth contributions, the initial Own Source Revenue budget for 2023/24 is \$245 million, representing an \$8.2 million or 3.47% increase. Since 2012/13, the SWSLHD Own Source Revenue budget has increased by \$81 million, which equates to an average per annum growth rate of 4.1%.

The majority of the revenue is sourced from private inpatients, Department of Veterans' Affairs (DVA), Motor Vehicle Accident Authority (SIRA), staff specialist facility fees and Commonwealth Aged Care grants.

The SWSLHD population has the lowest private health insurance coverage in Sydney, which creates a challenge in meeting the Own Source Revenue budget. Additionally, the year-on-year mechanism to increase the budget is largely based on price, which although 'gazetted,' is not in line with what private health insurers will pay for private single rooms. i.e., creating a gap in revenue realised against budget.

### **Capital Funding outside of Hospital Redevelopments**

SWSLHD currently holds plant and equipment at a gross carrying amount of over \$200 million.

The main Ministry funding source to replace equipment at end of useful life is the consolidated minor works and equipment budget. For SWSLHD this has been set at \$4 million and has not changed in over the last 5 years.

Where possible, Locally Funded Initiatives utilising Restricted Financial Assets (RFAs) are created to fund medical equipment above \$250,000. SWSLHD relative to other 'metro' LHDs has lower RFA funds as these are primarily grown through annual infrastructure fees generated off staff specialist private billing, noting that SWSLHD's population has low private health insurance coverage.

The Ministry capital funding model has historically lacked transparency; however this is improving with the advent of Strategic Asset Management Plan.

## Capital expenditure

### Completed

- Liverpool Hospital Redevelopment
  - Stage 1 - \$397 million - completed in 2012
  - Stage 2 - Liverpool Health and Academic Precinct (LHAP) – Multi Storey Car Park - \$50 million – completed in 2022
  - Stage 2 - LHAP – Early Enabling and Electrical Infrastructure Works – completed in 2022
- Campbelltown Hospital Redevelopment
  - Stage 1 - \$134 million - completed in 2016
  - ARRP Boiler Project - \$0.5 million – completed in 2023 (other than commissioning / fine-tuning)
  - Multi-level carpark - \$34 million - completed in 2020
  - Stage 2 - Campbelltown Hospital Mental Health Services plus additional \$44 million funding from the State-wide Mental Health Infrastructure Program to build two additional mental health units – completed in 2022
- Campbelltown (other):
  - Browne Street Community Mental Health Centre - \$7 million - completed in 2020
- Fairfield Hospital
  - Emergency Department - \$7 million - completed in 2020
  - ARRP Power Project - \$4 million - Packages A-D inclusive completed in late 2022 (other than commissioning / fine-tuning / defects / deliverables)
  - ARRP Boiler Project - \$0.3 million - completed in 2023 (other than commissioning / fine-tuning)
- Bankstown-Lidcombe Hospital
  - Emergency Department Redevelopment - \$25 million – completed in 2021
  - ARRP Power Project - \$6.4 million - Packages A-D inclusive completed in mid-2023 (other than commissioning / fine-tuning / defects / deliverables)
- The Bowral Hospital Redevelopment \$65 million combined
  - Stage 1 – \$68.6 million - completed in 2020
  - Stage 2 – early works completed and handover of CSSD, Renal and Pharmacy achieved over 2020-2021

Note: Packages A – D are mainly front of house, administration and clinical affected areas.



## Ongoing

- The Bowral Hospital Redevelopment
  - Stage 2 main works (balance) - \$55 million (less works already completed and handed over early) - due for completion in late 2025
- The Campbelltown Hospital Redevelopment
  - Stage 2 main works (balance) - \$632 million – completion due Q1 2024 (new clinical services building and multiple refurbishments already delivered and handed over)
  - Lang Walker AO Medical Research Building – Macarthur (LWMRB / MMRB) - \$56 million project with partner co-contributions (LHD contribute land and \$7 million + GST) - due for completion in late 2025
- Liverpool Hospital Redevelopment
  - Stage 2 main works - \$740 million - due for completion in late 2027
- Liverpool Hospital (other)
  - Liverpool Education and Research Hub ‘ERH’ – c. \$200 million project (TBC) with partner co-contributions - LHD contribute land only - start date still to be advised, but with an expected due date for completion in late 2027
- Bankstown-Lidcombe Hospital (existing)
  - ARRP Power Project - \$0.7 million - Package E – to be completed end of 2023
- New Bankstown acute Hospital Redevelopment
  - \$1.3 billion announced in 2019 but placed on hold pending new site selection announcement. Funding re-confirmed as committed in September 2023. Project remains on hold pending new site selection announcement.
- Fairfield Hospital
  - ARRP Power Project - \$0.3 million - Package E – to be completed end of 2023
  - New redevelopment - total investment of \$550 million announced and committed over future years - \$2 million budget allocated for planning work for FY23/24

Note: Package E is back of house mechanical boards only.

## **Health services expenditure**

- The expense budget increase for the District between 2011-12 to 2018-19 was \$658M or 53%.
- In 2019-20 the initial expense budget for the District was almost \$2 billion – an increase of almost \$94 million or 4.9 per cent on the 2018-19 budget.

## 2.2 Governance & Accountability

SWSLHD, like the NSW Health System, is committed to the principles and practice of good governance, in a way that involves stakeholder and community participation.

SWSLHD ensures that the authority, roles and responsibilities of its governance, management and operating structures are clearly defined documented and understood. This is achieved by the development and implementation of:

- Appointment of SWSLHD Board, and establishment of Board Committees in accordance with SWSLHD By-laws and the Corporate Governance & Accountability Compendium
- SWSLHD By-laws
- SWSLHD Delegations Manual
- SWSLHD web-based Corporate Governance Framework
- SWSLHD organisational structure
- SWSLHD committee structure
- Integrated Reporting Framework (Strategy, Risk, Performance)
- SWSLHD Framework for Policies and Procedures & Guidelines
- SWSLHD Legislative Compliance Management Framework
- Position Descriptions for employees, contractors, contingent workers
- SWSLHD Managing for Performance policy (PDRs)

The COVID-19 pandemic underscored the necessity of adopting flexible and contemporary approaches to community engagement, particularly with CALD, NESB and those with low health literacy.

- Marginalised communities frequently experience poorer health outcomes, increasing the complexity (and cost) of healthcare.
- Consumers consistently express a desire for active participation in co-design and co-production of services, emphasising the shift towards more meaningful and collaborative forms of consumer engagement.
- Modern healthcare demands a broader community perspective, extending beyond the traditional consumer participation model, emphasising the importance of flexible, targeted and digitally enabled programs
- Consideration is required for how to best structure funding mechanisms for community and consumer engagement, particularly how this is applied within the local context.

LHDs operate within a complex health environment involving health pillars (i.e. NSW Ministry of Health / Agency for Clinical Innovation / Clinical Excellence Commission) and other health organisations (e.g. eHealth, HealthShare, NSW Pathology).

- Inefficient communication processes between LHDs and state wide bodies (and internally within state wide bodies) limits the ability to streamline the delivery of programs and services

- Cross-organisational collaboration and maintaining consistent partnerships are vital to maximising impact and improving health outcomes, such as those established through Precincts
- Formal partnerships between LHDs are effective in establishing referral and service support networks, particularly for rural communities
- The clinical stream structure established within SWSLHD has been effective in providing district-wide strategic guidance for specialty services, as opposed to an isolated facility-based approach.

Formal partnerships between LHDs, particularly metropolitan and rural LHDs are effective in establishing referral and clinical support networks. Historically, NSW Ministry of Health delegated partnerships (such as the Menopause Hubs) are inconsistent and do not reflect the existing formal and informal partnership arrangements. Establishing consistent LHD support networks will improve the continuity of service delivery and effectiveness of collaboration. Noting the different size and scale of the LHDs, there is opportunity for this alignment to support clinical (such as referral pathways, clinical training and specialist workforce networks) and non-clinical (such as Digital Health and Procurement) collaborations between the LHDs.

It should be noted there has been significant work across the health system to review the efficiency and governance of the NGO program.

Consideration is required for the relationship of Affiliated Health Organisations to NSW Health / Public Health organisations and structures, including the role of LHDs, AHOs and NSW Health in the governance, accountability and reporting, budget subsidies, underperformance intervention in budget and/or activity and disinvestment processes.

## 2.3 Sustainability

*Build a sustainable future* is one of the five strategic directions for the SWSLHD. The key objectives for this direction are:

- Build clinical service sustainability and value-based healthcare approaches
- Plan for and deliver future-focused, fit-for-purpose infrastructure
- Drive digitally-enabled and innovative patient care solutions and service delivery
- Pursue environmental sustainability across the organisation
- Strengthen financial sustainability now and plan for the future

### SWSLHD Environmental Sustainability Framework to 2028

The SWSLHD Strategic Direction *Build a sustainable future* is underpinned by the objective to *Pursue environmental sustainability across the organisation*.

The District has developed the *SWSLHD Environmental Sustainability Framework to 2028* to address the following priorities:

- Utilities, assets, capital works and infrastructure
- Waste reduction and recycling
- Greener travel
- People, engagement and clinical care
- Sustainable procurement
- Sustainable leadership, governance and planning

Under the *SWSLHD Environmental Sustainability Framework to 2028* there are twelve month operational plans to drive sustainability projects monitored by a SWSLHD executive sponsor to ensure appropriate progress is made.

## 2.4 Procurement

SWSLHD, like the NSW Health System, takes a risk considered approach to procurement seeking to maximising value for money, meeting all requirements related to probity and fairness, and encouraging sustainability and diversity of suppliers in compliance with the Small to Medium Enterprise Policy and Indigenous Procurement Policy.

To progress this SWSLHD has completed a recent reform of its procurement program and procurement team structure achieving the below outcomes:

- Established category management across its business operations
- Established stronger procurement governance
- Introduced a procurement education program for frontline staff and the executive
- Improved business compliance with the Procurement Policy
- Improved its record keeping practices
- Enhanced compliance with local tenders being released via eTendering, and
- Established procurement roadmaps leading to savings via consolidations of vendors by streams, assets and/ or services.

## 2.5 Workforce / Education & Training

*Support and develop our people* is one of the five strategic directions for the SWSLHD. The key objectives for this direction include:

- Plan for and deliver a workforce that meets the future needs and reflects the diversity of our communities
- Be the employer of choice for staff who value high-quality care
- Embed positive workplace culture valuing the wellbeing and engagement of our people
- Equip our people with the skills and capabilities to be an agile, responsive workforce

### SWSLHD Workforce Plan 2022 - 2028

*Support and develop our people* is one of the five key strategic directions for the District. The *SWSLHD Workforce Plan 2022 – 2028* defines four objectives and fourteen priorities which align to the needs of the communities we serve and are underpinned by SWSLHD philosophy of Transforming Your Experience. The four objectives are:

1. Plan for and deliver a workforce that meets the future needs of our community and reflects its diversity
2. Be the employer of choice for staff who value high quality care
3. Embed a positive workplace culture that values the wellbeing and engagement of our people
4. Equip our people with the skills and capabilities to be an agile, responsive and resilient workforce

The *SWSLHD Workforce Plan 2022 – 2028* is one of the key documents required of Standard 3 of the *Corporate Governance and Accountability Compendium for NSW Health*.

SWSLHD Retention rates have still not recovered to pre-COVID-19 rates (around 90%) and are remaining around 86%. Ongoing high recruitment numbers are also reflective of the retention rates. An increase of 72.7% of recruitment actions have been recorded when compared to 2020, whilst Recruitment timeframes have dramatically expediated and are now consistently around or under 40 business days.

Upon further review the number and quality of applications per requisition has reduced in comparison to the number of recruitment actions. In 2019 and 2020 there were on average 14.2 applicants per requisition. Currently there are on average of 9.1 applicants across all classifications and roles.

Exploration into the failed recruitment campaigns has further supported the reduction in suitable candidates and inability for SWSLHD to match the competitive nature of the private sector and other government sectors due to factors aside from remuneration, including geographical location and travel time, onboarding timeframes and working environment (level of flexibility).

Geographical location for SWSLHD includes the complexity of the District being in the outer metropolitan area reaching into rural locations. Whilst the working environment and working conditions are informed by the industrial awards, which no longer meet the expectations of our workforce or contemporary delivery of services.

There are specific workforce groups and specialty areas that are difficult to recruit, including psychiatrists, some mid-grade critical care medical positions (ED, ICU), digital health staff and specialist critical care nursing workforce. This results in the need to pay premium labour, outsource services and potential delays and impact on availability of timely services for the community.

As a result of the recruitment and retention challenges SWSLHD is focussing on different aspects of the attraction journey aiming to differentiate SWSLHD as an employer of choice in the current tight labour market. In addition, our workforce planning, recruitment and education practices are evolving to ensure the District's approaches are contemporary and competitive, including fast onboarding and positive candidate experience.

#### SWSLHD Education and Organisational Development Plan 2022 – 2028

The health education and organisational development environment within NSW is highly complex and involves an interplay between the education and health sectors. SWSLHD works collaboratively with the Health Education and Training Institute (HETI), education providers, specialty colleges and a range of other organisations to ensure that the health workforce has the knowledge, skills and experience to provide safe consistent quality care. It is also a delivery site for the NSW Health Registered Training Organisation.

The District identified four priorities and action areas to guide the direction of education and organisational development, the priorities underpin the strategic objectives set out in the SWSLHD Strategic Plan 2022 – 2027 and the SWSLHD Workforce Plan 2022 – 2028.

Priority 1: Promote workforce potential

Priority 2: Innovative, agile and responsive

Priority 3: Organisational development and culture

Priority 4: Strategic collaborations

The *SWSLHD Education and Organisational Development Plan 2022 – 2028* is one of the key documents required of Standard 3 of the *Corporate Governance and Accountability Compendium for NSW Health*.

#### SWSLHD Wellbeing Framework and Plan 2022 – 2028

The central objective is to *embed a positive workplace culture that values the wellbeing and engagement of our people* and the District's wellbeing intent to *establish an environment where people will thrive*. The SWSLHD Wellbeing Framework and Plan 2022-2028 details three key priorities:

Priority 1: Thrive (optimise wellbeing and productivity)

Priority 2: Prevent (minimise harm and protect against risk)

Priority 3: Support (support and accommodate illness and injury)



## 2.6 Models of Care / Clinical Innovations

Recognising successful innovations and scaling them across the system is essential to ensure widespread benefits, as opposed to maintaining isolated pilot projects.

Investment in models of care that demonstrate positive clinical and health outcomes should complement the focus on strategic models of care, with a commitment to scaling them throughout the healthcare system (e.g. Direct Access Colonoscopy, Osteoporosis Refracture Prevention).

Within the innovation space, knowledge exchange alone is insufficient to achieve meaningful impact. Integration of workforce and financial considerations is crucial in the planning of clinical services, ensuring that changes in the model or infrastructure account for the impact on the workforce.

The current funding model encourages increasing inpatient activity over investment in primary and community services as well as preventative approaches aimed at keeping people out of hospital. This focus on inpatient activity is also demonstrated in performance monitoring and clinical services planning models.

One of SWSLHD's strategies for ensuring the health and wellness of citizens in the context of the growing population, is the creation of Integrated Health Neighbourhoods (IHN). An integrated primary and community care model has long been identified as a future direction for the District. This would provide comprehensive services across primary, community, hospital and other health related services, linked along the continuum to provide seamless patient care. The IHN approach involves a shift from inpatient models to ambulatory, primary (general practice) and community models and non-hospital services to decrease admission rates and length of stay for some groups of patients as well as reduce reliance on hospitals as the major providers of health care.

A proposed feature of an IHN is the Integrated Community Health Hub (ICHH) which would deliver a comprehensive range of clinical services that can support 'stepped-up care' for local primary care providers and, where possible, outreach models of care for clinical services traditionally delivered from hospital sites. The ICHH approach aims to provide innovative and evidence-based care close to homes and transport links. The contemporary approach of the ICHH provides new opportunities for greater collaboration and skill enhancement of the primary care sector and will be supported by seven day per week services for patients who require frequent care. Hospital based care would remain at the nearby acute facilities, many of which are undergoing significant redevelopments to expand and develop services.

The ICHH could offer a mix of complex care services able to be delivered safely and effectively in a community environment. The services provided would be dependent on the needs and size of the local population but may include community health services, renal dialysis, chemotherapy chairs and cancer services, oral health, drug health, mental health and specialist clinic outreach.