2011/12

Service Agreement

An Agreement between: Director-General, NSW Department of Health and Northern Sydney Local Health District for the period 1 July 2011 - 30 June 2012

NSW GOVERNMENT | Health

AGREEMENT

This Agreement supports the devolution of decision making, responsibility and accountability for the provision of safe, high quality, patient centred care to Local Health Districts by setting out the service and performance expectations and funding for the Northern Sydney Local Health District.

The Northern Sydney Local Health District agrees to meet the service obligations and performance requirements outlined in this Agreement and approved Turnaround Plans and Recovery Plans.

The Director-General agrees to provide the funding and other support to the District outlined in this Agreement.

Parties to the Agreement

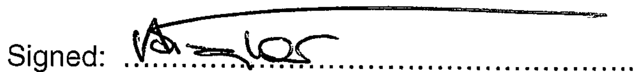
Local Health District

Professor Carol Pollock
Chair
On behalf of the
Northern Sydney Local Health District Board

Date: 23.12.2011

Ms Vicki Taylor
Chief Executive
Northern Sydney Local Health District

Date: 23.12.2011



NSW Department of Health

Dr Mary Foley
Director-General
NSW Department of Health

Date: ....

Signed: ....

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1. Objectives of the Local Health District Service Agreement

The objectives of the Local Health District Service Agreement are:

- To enable the Local Health District to deliver a coordinated, high quality health service to the communities serviced by the District and to support its teaching, training and research roles.
- To clearly set out the service delivery and performance expectations for the funding and other support services provided to the District.
- To promote accountability to Government and the community.
- To ensure NSW Government and national health priorities, services, outputs and outcomes are achieved.
- To establish with the Local Health District a Performance Management and Accountability System that assists the achievement of effective and efficient management and performance.
- To provide the framework for the Local Health District Chief Executive to establish service and performance agreements within the Local Health District.
- To facilitate the progressive implementation of a purchasing framework incorporating activity based funded services
- To address the requirements of the National Health Reform Agreement in relation to Service Agreements, noting that the requirements will commence at different stages over a number of years.

2. Strategic Context

The key goals of the NSW public sector health system are to help people stay healthy and to provide access to timely, high quality, patient-centred health care.

Achieving these goals requires clear priorities, supportive leadership and staff working together, underpinned by the core values of:

- **C**ollaboration – Improving and sustaining performance depends on everyone in the system working as a team.
- **O**penness – Transparent performance improvement processes are essential to make sure the facts are known and acknowledged, even if at times this may be uncomfortable.
- **R**espect – The role of everyone engaged in improving performance is valued.

- Empowerment – There must be trust on all sides and at all levels with responsible delegation of authority and accountability.

The recommendations and findings of a number of key State and Commonwealth initiatives inform the strategic directions of the NSW public health system. These include Keeping Them Safe, Closing the Gap and the Report of the Special Commission of Inquiry into Acute Care Services in NSW Public Hospitals.

NSW Health plays a key role in delivering the new State Plan, NSW 2021 goals of:

- Keeping people healthy and out of hospital
- Providing world class clinical services with timely access and effective infrastructure.

Local Health Districts are a core part of the NSW Health System and are fundamental to the delivery of key goals and outcomes. Collaboration with other entities of the NSW health system, NGOs and other Government agencies is essential for Local Health Districts to achieve these goals.

Local Health Districts are also part of the NSW Public Sector and its governance and accountability framework. District Boards must have effective governance and risk management processes in place to ensure compliance with this wider public sector framework.

The Report of the Director General, NSW – Future Arrangements for Governance of NSW Health and working in partnership with the Council of Australian Governments to develop the National Health Reform Agreement will further inform this Agreement, and may require updates or amendments to the Agreement.

3. Regulatory and Legislative Framework for this Agreement

Health Services Act 1997

The primary purpose of Local Health Districts is to promote, protect and maintain the health of the community, and to provide relief to sick and injured people through care and treatment (*s9*).

The functions of the Local Health District Board include (*s28*):

- Effective clinical and corporate governance
- Efficient, economic and equitable Operations
- Strategic planning
- Performance management
- Community and clinician engagement
- Reporting to government and local community.

Under the conditions of subsidy applicable to Local Health Districts, all funding which has been provided for specific purposes must be used for those purposes unless approved by the Department of Health.

Districts are also required to maintain and support an effective Statewide and local network of retrieval, specialty service transfer and inter-District networked specialty clinical services to provide timely and clinically appropriate access for patients requiring these services.

The Health Services Act 1997 provides that the Director-General may enter into an agreement with a public health organisation, which may:

- include the provisions of a service agreement, within the meaning of the National Health Reform Agreement (NHRA) for the organisation
- set operational performance targets for the organisation in the exercise of specified functions during a specified period
- provide for the evaluation and review of results in relation to those targets, and
- provide for the provision of such data or other information by a public health organisation concerning the exercise of its functions that the State determines is required to comply with the State's performance reporting obligations under the NHRA.

The Act also provides that the District Health Board is to approve the service agreement for the Local Health District (*s28(g)*).

National Agreements

The National Health Reform Agreement (NHRA) requires the NSW Government to establish a Service Agreement with each Local Health District and to implement a Performance Management and Accountability System including processes for remediation of poor performance.

Health Services are required to meet the applicable conditions of COAG National Agreements

and National Partnership Agreements between the NSW and the Commonwealth Government and commitments under any related Implementation Plans. Details of these Agreements can be found at - www.federalfinancialrelations.gov.au.

Under these National Agreements, Local Health Districts are required to adhere to the Medicare principles outlined in the National Healthcare Agreement.

While the Agreement recognises that clinical practice and technology changes over time and that this will impact on modes of service and methods of delivery, it requires NSW to provide health and emergency services through the public hospital system, based on the following Medicare principles which apply to Local Health Districts:

- eligible persons are to be given the choice to receive, free of charge as public patients, emergency department, public hospital outpatient and public hospital inpatient services.
- access to such services by public patients free of charge is to be on the basis of clinical need and within a clinically appropriate period; and
- arrangements are to be in place to ensure equitable access to such services for all eligible persons.

4. The NSW Health Performance Framework

The Service Agreement is a key component of the Performance Framework (PF) for Local Health Districts and other health services – providing a clear and transparent process for assessment and improvement of performance.

The Performance Framework:

- provides a clear and transparent outline of how the performance of Local Health Districts is assessed
- outlines how responses to performance concerns are structured.

It provides a single, integrated process for performance review, escalation and management, with the over-arching objectives of improving service delivery, patient safety and quality.

A detailed description of the Framework is available on the NSW Health website.

5. Variation of the Agreement

The Agreement may be amended at any time by agreement in writing by all the Parties.

The Agreement may also be varied by the Director-General or the Minister as provided in the Health Services Act 1997.

6. Summary of Schedules

Requirements for the period of this Agreement are set out in the Schedules summarised below.

A. Strategic Priorities

This Schedule outlines the key priorities under the State Plan, NSW 2021, NSW Health plans, Local Health District plans and the recommendations and findings of a number of key State and Commonwealth initiatives. These initiatives include Keeping Them Safe, Closing the Gap and the Report of the Special Commission of Inquiry into Acute Care Services in NSW Public Hospitals. Progress against these priorities will be reviewed quarterly.

B. Services and Facilities under governance of, or supported by, the Local Health District

1. **Services and Facilities**
   A list of the Local Health District's key facilities and cross-District networked or state-wide services provided by the Local Health District. This range and level of services accords with approved Role Delineation levels and it may not be varied without prior agreement with the Department of Health.
2. **Affiliated Health Organisations or other services supported by the Local Health District**
   A list of Affiliated Health Organisations and other services
3. **Community Based Service Streams**
   A list of the Community Based Service Streams provided by the Local Health District. The Local Health District will continue to provide the same range of community-based health services to their local populations as previously delivered by the corresponding former Area Health Services, except for responsibilities that have subsequently been agreed to be provided by another entity.
4. **Population Health programs provided by the Local Health District**
   A summary of the Population Health Programs to be provided by the Local Health District.
5. **Aboriginal Health**
   An outline of the Local Health District's role in Closing the Gap for Aboriginal people.
6. **Teaching and Research**
   Teaching, training and research services to be provided by the Health Service.

C. Budget and Core Conditions of Funding

This Schedule outlines the operating and capital budget allocated to the Local Health District for the provision of its services and operations and capital works (including where applicable subsidies to Affiliated Health Organisations or other services), and target asset sales revenue. These budget allocations may be varied in light of other approved variations throughout the financial year.

The Schedule is a summary only, and the Health Service will also need to refer to the details contained in the conditions of subsidy, relevant policies, correspondence and other financial information.

D. Service Activity Volumes

This Schedule provides a summary of expected Service Activity Volumes for the Local

Health District.

E. Service Performance Measures

This Schedule lists:

- those Key Performance Indicators (KPIs) that, if not met, may contribute to escalation/de-escalation under the Performance Framework processes. Performance against these KPIs will be reported regularly to Districts in the Health System Performance Report prepared by the Department.
- a range of other Service Measures that assist the Local Health District to improve provision of safe and efficient patient care and are also included in the Health System Performance Report.

These Service Performance Measures are grouped under the four reporting domains of:

- Safety and Quality
- Patient Flow
- Finance and Management
- Population Health

In addition, a range of Monitoring Measures will continue to be collected for a variety of reasons, including implementation of new service models, reporting requirements to NSW Government central agencies and the Commonwealth, and participation in nationally agreed data collections.

A Data Dictionary – Key Performance Indicators and Service Measures for the 2011 /12 Service Agreement with Local Health Districts, which provides definitions that enable the calculation and interpretation of Service Performance Measures, accompanies this agreement.

F. Governance Requirements

This Schedule outlines the structures and processes a Local Health District is to have in place to fulfil its statutory obligations and to ensure good corporate and clinical governance.

SCHEDULE A: Strategic Priorities

This Schedule outlines the key priorities under the State Plan, NSW 2021, NSW Health plans, Local Health District plans, the recommendations and findings of a number of key State and Commonwealth initiatives (Keeping Them Safe, Closing the Gap and the Report of the Special Commission of Inquiry into Acute Care Services in NSW Public Hospitals) and other priorities for the period of this Agreement.

Progress against these priorities will be reviewed quarterly.

Safety and Quality

- **Accreditation of Health Services** – Participate in a recognised accreditation process by 2014.
- **Patient Satisfaction** – Continue improvement of the patient experience in the overall care received.
- **Patient Safety** – Continue implementation of Between the Flags Program, implement Sepsis Pathway and the Chest Pain Pathway and decrease Healthcare Associated Infections.

Patient Flow

- **Surgery** – Implementation of Emergency Surgery Guidelines and effective implementation and maintenance of the Predictable Surgery Program to decrease waiting times for all surgical procedures.
- **Patient Flow Systems** and **Predictive Capacity Planning** – Effective implementation, monitoring and maintenance to ensure improved access to Emergency Department care and to reduce Emergency Department Access Block.
- **Models of Care** – Implement evidence based Models of Care to contribute to a reduction of inappropriate clinical variation, better utilisation of hospitals and improved patient journeys.
- **Integrated Clinical Service Networks and Plans** – Ensure effective and integrated networks of care for the local population that also support cross District and Statewide networks.
- **Appropriate Utilisation of Hospitals** – Improve bed availability by: reducing inappropriate admissions; expanding community health, ambulatory and hospital in the home support services; addressing delays in transfer to rehabilitation and other sub-acute services; reducing rates of unplanned and unexpected hospital readmissions.
- **Community Health Services** – Strengthen a coordinated and integrated primary health care service and provide care targeting potentially preventable hospitalisations in partnership with Health Ones and other Primary Health Care Providers including Medicare Locals and Aboriginal Community Controlled Health Services.
- **Mental Health** – Reduce readmissions within 28 days and increase the rate of community follow up within 7 days upon discharge. Improve access for prisoners through Court Liaison and Adolescent Diversion Program.

- **Aboriginal Health:** Accurately identify Aboriginal patients, improve the patient journey, and build trust between Aboriginal people and Local Health District particularly through the Chronic Care for Aboriginal People Program, the Aboriginal Maternal and Infant Health Services and the Family Health Program.
- **Dental Health** – Implement the NSW Dental Health Action Plan being developed by the Ministerial Taskforce.

People and Culture

- **Health Professionals Workforce Plan** – Implement strategies to build a sustainable health workforce and promote Aboriginal employment.
- **NSW Public Sector Workplace Health and Safety and Injury Management Strategy 2010 – 2012** – Implement strategy.
- **Code of Conduct** – Implement the new Code of Conduct reflecting CORE Values.
- **Make a positive difference to workplace culture** – Implement Your Say Action Plan; embed the Workplace Culture Framework Characteristics; implement strategies aimed at eliminating bullying and harassment; identify and implement strategies to ensure staff are provided with a safe and supportive workplace.

Finance and Management

- **National Agreements and Initiatives –** Implement the National Health Reform Agreement as it applies to the Local Health District.
- **Performance Framework** (PF) – Embed the PF processes within the Local Health District's hospitals, clinical streams and networks.
- **E-Health Information and Communications Technology (e-health ICT)** – Effectively implement the State e-health ICT Strategy (including a seamless statewide network) and prepare for the implementation of the national personally controlled Electronic Health Record.
- **Best Practice Financial Management** – Continued implementation of the NSW Health Financial Management Framework.
- **Activity Based Funding** – Develop Local Health District capability to implement Activity Based Funding including management capability, achievement of clinical coding targets and contribution to Statewide Casemix costing.

Population Health

- **Population health** - Provide preventive care targeting:- smoking, overweight/obesity, risk drinking, fall injuries vaccine preventable diseases , potentially avoidable deaths, blood borne virusinfections, sexually transmissible infections, tuberculosis and coordination of immunisation services to population groups.
- **Connecting Care Program** - Enrolment of patients onto Program and implementation of integrated Connected Care Plans, to reduce potentially preventable hospitalisations.
- **Aboriginal Health Strategies** – Target smoking, overweight/obesity, Aboriginal Infant Mortality, physical inactivity, risk drinking, injury from self-harm and other key contributors to the health disparity between Aboriginal and non-Aboriginal people, including those outlined in the Close the Gap on Indigenous Health Outcomes National Partnership

Agreement, the Aboriginal and Torres Strait Islander Health Performance Framework, and Two Ways Together.

- **Keep Them Safe** – Continue implementation of the Government's response to the Inquiry into Child Protection.
- **Emergency Response Planning and Readiness** – Particularly for biopreparedness and infectious disease outbreaks in collaboration with local public health units.

SCHEDULE B: Services and Facilities under governance of, or supported by, the District

This schedule will be revised on completion of the implementation of the Governance Review and transfer of services from the Health Reform Transitional Offices to Local Health Districts.

SECTION 1 – Services and Facilities

1.1 Facilities

- Greenwich
- Hornsby
- Manly
- Macquarie
- Mona Vale
- Neringah
- Royal North Shore
- Royal Rehabilitation
- Ryde

1.2 Networked Services

Local Health Districts are part of an integrated network of clinical services to ensure timely access to appropriate care for each resident in NSW.
No variation to these service provisions should occur without prior agreement with the Department of Health.

1.2.1 Statewide Services

The Local Health Districts provides number of networked services for which specific funding has been provided so as to ensure access to these services for all residents of NSW. These services are listed below.

- Blood and Marrow Transplantation
- Brain Injury Rehabilitation Service
- Cerebrovascular Embolisation (CVE)
- Centre for Genetic Education
- High Risk Maternity
- Major Trauma Service
- Neonatal Intensive Care Unit
- Radiotherapy

- Severe Burns Service
- Spinal Injury Service

1.2.2 Cross District Referral Networks

Every Local Health District is part of a referral network with other Districts and Health Services. The Local Health District must ensure the continued effective operation of these networks, especially the following:

A NSW Critical Care Tertiary Referral Networks and Transfer of Care (Adults)

This network relates to critically ill adult patients and patients at risk of critical deterioration requiring referral and transfer. The NSW Critical Care Tertiary Referral Networks (Adults) define the links between Local Health Districts and tertiary referral hospitals and take into account established functional clinical referral relationships. (PD2010_021)

B Network for Adult Patients Requiring Specialist Care

This network is for the transfer of adult patients requiring specialist care where existing clinical referral pathways do not exist or access to safe and timely care is delayed. Nominated tertiary referral centres are designated for this purpose and require senior clinicians with facility Patient Flow Units to coordinate the safe and timely transfer of patients. (PD2011_031)

1.2.3 Key Clinical Services provided to other Districts and Health Services

The Local Health District is to ensure continued provision of access by other Districts and Health Services as set out in the following table:

Service	Other LHDs and Health Services
Mental Health Intensive Care Unit (MHICU)	CC LHD
Long Stay & Rehabilitation Beds (Macquarie Hospital)	CC LHD
Radiotherapy	CC LHD
After Hours Cardiac Angiography and Intervention	CC LHD
Cardiothoracic Surgery	CC LHD
Renal Transplants	CC LHD
Neurosurgery	CC LHD
Burns Services	SES LHD
Interventional Cardiology	MNC LHD
Brain Injury	SES LHD
Mental Health Intensive Care Service	SES LHD

To be informed by the implementation of the Governance Review and the transfer of services from the Health Reform Transitional Offices to Local Health Districts.

Service	Other LHDs and Health Services
Counter Disaster	Central Coast
Health Service Planning	Central Coast
Mental Health	Central Coast
Radiation Oncology	Central Coast
Cancer Services	Central Coast
Breastscreen	Central Coast
IM&T	Central Coast
Patient Access and Transport Unit	Central Coast

1.3 Services and Facilities to be commissioned within the period of the Agreement

Facility	Service	Milestone Date
Northern Beaches Health Service	Emergency Department upgrade of reception in line with Hughes Walters report	August 2011
Northern Beaches Health Service	Dalwood Heritage Building upgrade including replacement of roof	October 2011
Northern Beaches Health Service	Roll out of Electronic Medical Record program – FirstNet and SurgiNet at Manly & Mona Vale Hospitals	October 2011
Northern Beaches Health Service	Medical Air Compressor replacement program at Manly & Mona Vale Hospitals – Stage I	November 2011
Northern Beaches Health Service	Manly Psychiatric Emergency Care Centre (PECC)	November 2011
Northern Beaches Health Service	Mobile X-Ray service incorporating purchase of x-ray machine and motor vehicle to provide a mobile x-ray service to nursing homes, hostels as part of MTEC project	January 2012
Northern Beaches	Mona Vale Hospital façade	February 2012

Health Service	rectification works	
Northern Beaches Health Service	PACS/RIS Medical Imaging at Manly & Mona Vale	April 2012
Hornsby Ku-ring-Gai Health Service	PACS/RIS Medical Imaging at Hornsby Hospital	November 2011
Hornsby Ku-ring-Gail Health Service	Roll out of Electronic Medical Record program – FirstNet and SurgiNet at Manly & Mona Vale Hospitals	November 2011
Hornsby Ku-ring-Gai Health Service	Reroofing of Operating Theatres and Lumby Building, Hornsby Hospital	January 2012
Hornsby Ku-ring-Gai Health Service	Medical Assessment Unit commissioning	January 2012

SECTION 2 – Affiliated Health Organisations or other services supported by the Local Health District

- HammondCare Health and Hospitals - Greenwich Hospital
- HammondCare Health and Hospitals - Neringah Hospital
- Royal Rehabilitation Centre Sydney

2.1 Services and Facilities to be commissioned within the period of the Agreement

Facility	Service	Milestone Date
Neringah	Extension of palliative care beds	August 2011

– Community Based Service Streams

The final configuration of Community Based Services are to be informed by the implementation of the Governance Review and the transfer of services from the Health Reform Transitional Offices to Local Health Districts.
The following community based service streams are to be maintained by the Local Health District:

3.1 Child, Youth and Family Services – including:

- Child and Family Health (including Early Childhood Health Services and HealthOne NSW)
- Immunisation (including infant, adolescent & adult services)
- Sustaining NSW Families Programs
- Building Strong Foundations for Aboriginal Children
- Families and Communities Programs
- Out of Home Care Health Assessments and Coordination
- Statewide Eyesight for Preschoolers Screening
- Statewide Infant Screening – Hearing
- Child Protection (including Physical Abuse and Neglect of Children services)
- Domestic and Family Violence Services
- Sexual Assault Services
- Victims of Crime Services
- Youth Health Services

3.2 Chronic Care, Rehabilitation and Aged Health Services – including:

- Aged Health (geriatric medicine aged care assessment and transitional aged care)
- Chronic Care (Connecting Care, other Chronic Care Services, and HealthOne NSW services)
- Dementia Services
- Home and Community Care
- Palliative Care
- Rehabilitation Services

3.3 Mental Health and Drug & Alcohol Services – including:

Community-based Specialist Mental Health Services, including

- Community- based Care and Support
- Family and Carer Participation and Support Services
- Prevention & Promotion
- Specialist Adult
- Specialist Child and Adolescent
- Specialist Older Person's Mental Health Services

Community-based Specialist Drug and Alcohol Services, including

- Prevention and Promotion
- Specialist Drug & Alcohol Services (incl. services to the criminal justice system and across government)
- Secondary Needle and Syringe Program services
- Specialist Drug & Alcohol Treatment Services

3.4 Oral Health Services – including:

- Oral health promotion
- Early Childhood Oral Health Program services
- Specialist and special needs dental services
- Dental services for Aboriginal communities and older people
- Clinical training placements of dental and oral health students
- Dental services delivered through Justice Health

3.5 Priority Population Services – including:

- Aboriginal Health
- Breast Cancer & Cervical Screening
- Carer Support Services
- Disability Services
- Men's Health
- Multicultural Health
- Refugee Health
- Women's Health
- Specialist HIV and Related Programs (HARP) services including
  - HIV and Hepatitis C outpatient
  - sexual health and specialist sexually transmitted infections (STI) clinics
  - any other funded HARP clinical services
  - secondary Needle and Syringe Program service

SECTION 4 – Population Health Services provided by the Local Health District

To be informed by the implementation of the Governance Review and the transfer of services from the Health Reform Transitional Offices to Local Health Districts.

SECTION 5 – Aboriginal Health

Health Services will work collaboratively with the Department of Health, Centre for Aboriginal Health and Aboriginal Community Controlled Health Organisations to achieve the targets for "closing the gap" in Aboriginal Health.

Services specifically targeting Aboriginal people include:

- Alliance and development of a Partnership agreement with Aboriginal Medical Service Cooperative Limited, Redfern
- Metropolitan Local Aboriginal Land Council
- Chronic Care for Aboriginal People Program
- Aboriginal Health Promotion Strategic Priority Areas
- Implementation of Aboriginal Health Impact Statement
- Explore the development of MOU with Mid North Coast Local Health District regarding the referral and access of services from out of area patients

SECTION 6 – Teaching, Training and Research

In accordance with Sections 10(i) and 10(m) of the Health Services Act 2007, the functions of the Local Health District include:

- To establish and maintain an appropriate balance in the provision and use of resources for health protection, health promotion, health education and treatment services;
- To undertake research and development relevant to the provision of health services

Teaching and Training

To be informed by the implementation of the Governance Review and the transfer of services from the Health Reform Transitional Offices to Local Health Districts.

Research

Major research facilities and organisations based within the Local Health District:

- Kolling Institute of Medical Research Joint Venture
- North Shore Heart Research Foundation
- Kolling Foundation (previously the Northern Medical Research Foundation)
- The Northcare Foundation
- Sydney Neuro Oncology Group
- Lincoln Bone and Joint Foundation
- Institute for Bone and Joint Research
- Pain Management Research Institute

SCHEDULE C: Budget and Core Conditions of Funding

The 2011-2012 Budget incorporates five elements:

- the annualised base 2010/11 budget (as submitted via SMRT)
- budget supplementation to reflect background cost increases, including approved wage increases and implementation of the new nursing hours per patient day ratios
- annualized recurrent funding for the 2010/11 COAG National Health Reform funding for beds and elective surgery (inclusive of escalation)
- funding for NSW government election commitments to be delivered by the Local Health District and other approved service enhancements
- funding (at 50% of nominal price) for the increase in acute inpatient and ED activity that the Local Health District is to deliver in line with expected Service Activity Volume level.

Operating and Capital Budget

The following tables outline the 2011-12 base operating and capital budget allocations.

The base **operating budget** allocation:

- reflects the budget allocation to entities as advised by the Local Health District to the Department of Health in SMRT.
- includes (where applicable) the Activity Based Funding component as set out in schedule D; and
- includes (where applicable) the subsidy to be provided to Affiliated Health Organisations supported by the Local Health District.

This budget will be varied through approved variations throughout the year.

Table 1	2011/12 Expense, Revenue and Net Cost of Services initial budget by fund type and cost line item
Table 2	2011/12 Initial Budget Adjustments
Table 3	Subsidy to Affiliated Health Organisations

The base **capital budget** allocation:

- Reflects the allocations for works in progress, new works commencing in 2011/12 and own sourced funding provisions as approved in the Health Asset Acquisition Program. Advice on both COAG and new Locally Funded Initiative projects, if applicable will be provided by 30 September 2011.
- Includes the budget year and three year forward cashflows and revenue projections as at July 2011.
- Includes assets listed for disposal in support of the capital budget allocation.

Table 4	Capital Budget Allocations for New Works and Works in Progress
Table 5	Asset Disposal Revenue Budget Cashflow

LHDs and entities are to undertake a final review of the four year cash flow and provide advice of any adjustments required, noting that offsets will need to be considered where there is an increase in cash flow required.

TABLE 1 2011/12 Expense, Revenue and Net Cost of Services initial budget by fund type and cost line item

	General Fund Budget $000	SP&T Budget $000	TOTAL Budget $000
EXPENDITURE			
Employee Related	613,065,341	7,861,926	620,927,267
VMO Payments	35,492,652	863	35,493,515
Goods & Services	280,615,404	5,269,821	285,885,225
Repairs, Maintenance & Renewals	12,934,792	1,691,146	14,625,938
Depreciation and Amortisation	35,801,076	0	35,801,076
Grants	9,756,798	213,000	9,969,798
Recurrent Third Schedules	42,338,602	0	42,338,602
Borrowing Costs	119	0	119
Other Expenses	0	0	0
Total Expenditure	**1,030,004,784**	**15,036,756**	**1,045,041,540**
REVENUE			
Patient Fees	(101,194,666)	0	(101,194,666)
User Charges	(63,123,600)	(3,733,132)	(66,856,732)
Other Sources of Revenue	(3,248,854)	(565,891)	(3,814,745)
Interest Revenue	(631,886)	(2,598,796)	(3,230,682)
Grants and Contributions	(6,606,233)	(8,570,401)	(15,176,634)
Total Revenue	**(174,805,239)**	**(15,468,220)**	**(190,273,459)**
OTHER GAINS / (LOSSES)			
Doubtful Debts	1,441,085	0	1,441,085
Gain Loss Sale of Asset	0	0	0
NET COST OF SERVICES	**856,640,630**	**(431,464)**	**856,209,166**
GOVERNMENT CONTRIBUTIONS			
Crown Acceptance	(7,736,376)	0	(7,736,376)
Asset Transfers - Internal	(16,584,921)	16,584,921	0
State Subsidy	(796,671,284)	0	(796,671,284)
FULL YEAR RESULT	**35,648,049**	**16,153,457**	**51,801,506**
Current Assets	(36,398,604)	(15,822,411)	(52,221,015)
Current Liabilities	750,555	(331,046)	419,509
Equity	35,648,049	16,153,457	51,801,506

Table 2 2011/12 Initial Budget Adjustments

GENERAL FUND	Expense	Revenue	Other	Government Contribution	Total Assets	Total Liabilities	Equity
BASE Budget	991,130,649	(152,713,239)	1,441,085	(804,210,446)	(36,398,604)	750,555	35,648,049
General CPI Escalations 2011/12	7,050,243	(3,776,957)	-	(3,273,286)	-	-	-
Award Escalation-Nurses 2011/12	8,701,925	-	-	(8,701,925)	-	-	-
Additional Beds-Acute Beds	10,712,000	-	-	(10,712,000)	-	-	-
Additional Beds-Planned Surgery	3,497,000	-	-	(3,497,000)	-	-	-
Additional Beds-Bariatric Surgery	100,000	-	-	(100,000)	-	-	-
Other New Initiatives-Winter ED Strategies	220,000	-	-	(220,000)	-	-	-
High Cost Drugs 2011/12 Additional Costs	1,369,000	(1,369,000)	-	-	-	-	-
Maternity Services	485,000	-	-	(485,000)	-	-	-
Nurse Awards Offsets	(419,159)	-	-	419,159	-	-	-
Nursing Hours Provision - Additional Nurses	3,756,126	-	-	(3,756,126)	-	-	-
More Nurses	208,000	-	-	(208,000)	-	-	-
LHD Governance	169,000	-	-	(169,000)	-	-	-
General Growth	3,025,000	-	-	(3,025,000)	-	-	-
Revenue Increase	-	(6,782,043)	-	6,782,043	-	-	-
Transfer of HACC funding from Confund to Revenue	-	(10,164,000)	-	10,164,000	-	-	-
TOTAL	**1,030,004,784**	**(174,805,239)**	**1,441,085**	**(820,992,581)**	**(36,398,604)**	**750,555**	**35,648,049**

Special Purpose & Trust Funds	Expense	Revenue		General Fund Transfer	Total Assets	Total Liabilities	Equity
BASE Budget	15,036,756	(15,468,220)		16,584,921	(15,822,411)	(331,046)	16,153,457
General CPI Escalations 2011/12	-	-		-	-	-	-
Award Escalation-Nurses 2011/12	-	-		-	-	-	-
Additional Beds-Acute Beds	-	-		-	-	-	-
Additional Beds-Planned Surgery	-	-		-	-	-	-
Additional Beds-Bariatric Surgery	-	-		-	-	-	-
Other New Initiatives-Winter ED Strategies	-	-		-	-	-	-
High Cost Drugs 2011/12 Additional Costs	-	-		-	-	-	-
Maternity Services	-	-		-	-	-	-
Nurse Awards Offsets	-	-		-	-	-	-
Nursing Hours Provision - Additional Nurses	-	-		-	-	-	-
More Nurses	-	-		-	-	-	-
LHD Governance	-	-		-	-	-	-
General Growth	-	-		-	-	-	-
Revenue Increase	-	-		-	-	-	-
Transfer of HACC funding from Confund to Revenu	-	-		-	-	-	-
TOTAL	**15,036,756**	**(15,468,220)**		**16,584,921**	**(15,822,411)**	**(331,046)**	**16,153,457**

Table 3 Subsidy to Affiliated Health Organisations

Facility	Subsidy
Neringah	5,168,821
Greenwich	9,515,049
Royal Rehabilitation Centre Sydney	22,976,663

Table 4 Capital Budget Allocations for New Works and Works in Progress

AUTHORISATION LIMITS 2011/12 New Works & Works in Progress	DOHRS	BP4 ETC 2011/12 $	Revised ETC 2011/12 $	EXP TO 30/06/2011 $	Cost to Complete at Jun 2011 $	BP4 Allocation 2011/12 $	Revised Allocation 2011/12 $	BP4 Est. 2012/13 $	BP4 Est. 2013/14 $	BP4 Est. 2014/15 $	BP4 Est. 2015/16 $
NORTHERN SYDNEY LHD											
MAJOR NEW WORKS 2011-12											
MONA VALE MATERNITY	4805	1,700,000	1,700,000		1,700,000	1,700,000	1,700,000				
RYDE HOSPITAL - AGED AND SURGICAL WARDS	4823	5,000,000	5,000,000		5,000,000	500,000	500,000	4,500,000			
TOTAL MAJOR NEW WORKS		6,700,000	6,700,000		6,700,000	2,200,000	2,200,000	4,500,000			
MAJOR WORKS IN PROGRESS											
MEDICAL IMAGING IMPLEMENTATION	4255	6,869,000	6,869,000	6,850,527	18,473		18,473				
MONA VALE HOSPITAL FACADE RECTIFICATION WORKS	4762	704,000	704,000	52,151	651,849	600,000	651,849				
PPP CYCLICAL MAINTENANCE - RNSH	4252	62,377,000	62,377,000	4,761,639	57,615,361	2,916,000	2,916,000	4,682,000	5,422,000	6,077,000	38,494,000
TOTAL MAJOR WORK IN PROGRESS		69,950,000	69,950,000	11,664,317	58,285,683	3,516,000	3,586,322	4,682,000	5,422,000	6,077,000	38,494,000
COAG INITIATIVES											
COAG EMERGENCY DEPARTMENT	4659		1,316,000	913,259	402,741						
COAG SUB-AC ALLIED HLTH	4785		181,700	9,184	172,516						
COAG ELECTIVE SURGERY	4660		4,093,875	1,879,926	2,213,949		1,500,000				
TOTAL COAG INITIATIVES			5,591,575	2,802,369	2,789,206		1,500,000				
LOCAL INITIATIVES											
DALWOOD HERITAGE BUILDING REPAIRS	4623		350,000	295,970	54,030		54,030				
HAEMATOLOGY / BMT WARD INITIATIVES	4763		383,781	212,520	171,261						
HORNSBY & NORTHERN BEACHES RADIOLOGY PACS / RIS	4626		800,000	412,615	387,385		387,385				
HORNSBY THEATRE RE-ROOFING	4618		1,000,000	6,183	993,817	794,000	993,817				
MANLY PSYCHIATRIC EMERGENCY CARE CENTRE (PECC)	4709		1,340,000	948,595	391,405	140,000	140,000				
NORTHERN BEACHES MEDICAL AIR COMPRESSORS	4624		520,000	390,425	129,575		129,575				
TOTAL LOCAL INITIATIVES			4,393,781	2,266,308	2,127,473	934,000	1,704,807				
Total NSLHD		76,650,000	86,635,356	16,732,994	69,902,362	6,650,000	8,991,129	9,182,000	5,422,000	6,077,000	38,494,000
HEALTH INFRASTRUCTURE MANAGED PROJECTS											
GRAYTHWAITE REHABILITATION CENTRE	4803	41,180,000	41,180,000	3,130,000	38,050,000	23,000,000	23,000,000	15,050,000			
HORNSBY HOSPITAL ADULT ACUTE MHU & CHILD/ADOLESCENT	4082	33,590,000	33,590,000	1,607,945	31,982,055	26,556,000	26,556,000	5,472,000			
NORTHERN BEACHES HOSPITAL	3985	29,000,000	28,296,000	1,478,133	26,817,867	5,000,000	5,000,000	5,000,000	17,141,000		
PLANNING - HORNSBY STAGE 1 PLANNING & LAND ACQUISITION	4774	1,750,000	1,750,000	232,104	1,517,896	500,000	500,000				
PLANNING - HORNSBY- KU RING GAI HOSPITAL		500,000	500,000			500,000	500,000				
PLANNING - RYDE HOSPITAL SITE PREPARATION (GRAYTHWAITE	4363	980,000	980,000	265,198	714,802	726,000	726,000				
RNS SERVICES REDEVELOPMENT - AREA HEALTH SERVICE CO	4024	9,912,551	9,912,551	7,605,234	2,307,317	975,000	975,000	975,000	13,000		
RNS SERVICES REDEVELOPMENT - CHATSWOOD & DUNTRIM LA	4453	2,800,000	2,800,000	329,658	2,470,342	2,514,000	2,514,000				
RNS SERVICES REDEVELOPMENT - ENABLING WORKS	4025	40,821,000	40,821,000	23,441,030	17,379,970				11,989,000	3,698,000	
RNS SERVICES REDEVELOPMENT - RNSH PHASES 1-3	4029	73,035,000	73,035,000	24,338,775	48,696,225	8,800,000	8,800,000	36,430,000	360,000	517,000	
RNSH ADDITIONAL INPATIENT CAPACITY	4809	55,000,000	55,000,000		55,000,000	8,000,000	8,000,000	13,500,000	18,500,000	15,000,000	
RNSH CLINICAL SERVICES BUILDING	4531	91,800,000	89,400,000	1,576,272	87,823,728	6,134,000	6,134,000	28,874,000	53,179,000		
RNSH PUBLIC PRIVATE PARTNERSHIP (PPP)	4356	721,672,000	721,672,000	49,565,000	672,107,000				650,118,000	21,979,000	10,000
RNSH RESEARCH & EDUCATION BUILDING	4026	68,078,555	68,078,555	66,831,453	1,247,102	1,246,000	1,246,000				
RNSH RESEARCH & EDUCATION BUILDING UNI	4192					2,249,000	2,249,000				

Table 5 Asset Disposal Revenue Budget Cashflow

Assets listed for Disposal	Asset Class/ Type	2011/12 $000		2012/13 $000		2013/14 $000		2014/15 $000	
		Tied	Untied	Tied	Untied	Tied	Untied	Tied	Untied
NORTHERN SYDNEY LOCAL HEALTH DISTRICT PROPERTIES DECLARED SURPLUS				Future Year disposals to be separately discussed and agreed.					
NSLHD Approved Asset Disposals 2011/12									
Lot 1 DP631013 31-41 Twin Rd, **North Ryde**, NSW 2113	Land	675							
NSLHD Total Proceeds Declared Surplus		675							
NSLHD Total Proceeds Declared Surplus (Tied + Untied)		675							

Core Conditions of Funding

Local Health Districts are to:

- comply with the provisions of the relevant Accounting Manual and the Accounts and Audit Determination for Public Health Organisations and other applicable Government Policies (including Treasurer's Directions and Public Sector Employment requirements)
- ensure compliance with specific conditions attached to funding.
- correctly differentiate between General Fund and Special Purpose and Trust Funds.
- operate within approved Net Cost of Services for both General Fund and Special Purpose and Trust Funds.
- achieve approved Efficiency, Revenue and Turnaround Plans.
- pay creditors within benchmark.
- report on financial performance on a monthly basis through SMRT with accompanying narrative and submit financial reports and narratives by the 10th calendar day

The document outlining the Subsidy Conditions of Funding accompanies this Agreement.

SCHEDULE D: Service Activity Volumes

Table 1 Summary of Expected Service Activity
Table 2 Elective Surgery Activity
Table 3 Projected Activity by Facility

The Activity Based Funding Policy accompanies this agreement.

Table 1: Summary of Expected Service Activity

Service Category	Unit of Measure	Volume
Acute Inpatient	Cost Weighted Separations	110,000
Emergency Department (ED)	Urgency Disposition Age Group (UDAG) weights	179,523
Intensive Care (ICU)	Occupied Bed Days	8,911
ICU Chargeable	Occupied Bed Days	2,640
ICU Non Chargeable	Occupied Bed Days	6,271
Sub & Non Acute Patients (SNAP)	SNAP Weights	3,885

Table 2: Elective Surgery Activity (cases)

LHD Total	13,057

Table 3: Projected Activity by Facility

The Projected Activity by Facility has been used to derive Expected Service Activity for the LHD This table is for information only. It outlines projected activity by facility, which has been determined in consultation with the LHD. The LHD may reallocate activity between facilities. The Department of Health should be advised of revisions to this schedule to allow update of monthly reporting.

Code	Hospital	Service Category	Unit of Measure	Volume
B208	Greenwich Home of Peace Hospital	Acute Inpatient	Cost Weighted Separations	-
		Emergency Department (ED)	Urgency Disposition Age Group (	-
		Intensive Care (ICU)	Occupied Bed Days	-
		ICU Chargeable	Occupied Bed Days	-
		ICU Non Chargeable	Occupied Bed Days	-
		Sub & Non Acute Patients (SNAP)	SNAP Weights	887
B209	Neringah Home of Peace	Acute Inpatient	Cost Weighted Separations	-
		Emergency Department (ED)	Urgency Disposition Age Group (	-
		Intensive Care (ICU)	Occupied Bed Days	-
		ICU Chargeable	Occupied Bed Days	-
		ICU Non Chargeable	Occupied Bed Days	-
		Sub & Non Acute Patients (SNAP)	SNAP Weights	352
B210	Hornsby and Ku-Ring-Gai Hospital	Acute Inpatient	Cost Weighted Separations	15,892
		Emergency Department (ED)	Urgency Disposition Age Group (	32,000
		Intensive Care (ICU)	Occupied Bed Days	1,317
		ICU Chargeable	Occupied Bed Days	379
		ICU Non Chargeable	Occupied Bed Days	938
		Sub & Non Acute Patients (SNAP)	SNAP Weights	540
B212	Manly District Hospital	Acute Inpatient	Cost Weighted Separations	22,356
		Emergency Department (ED)	Urgency Disposition Age Group (	25,267
		Intensive Care (ICU)	Occupied Bed Days	-
		ICU Chargeable	Occupied Bed Days	-
		ICU Non Chargeable	Occupied Bed Days	-
		Sub & Non Acute Patients (SNAP)	SNAP Weights	-

Code	Hospital	Service Category	Unit of Measure	Volume
B214	Mona Vale District Hospital	Acute Inpatient	Cost Weighted Separations	-
				-
		Emergency Department (ED)	Urgency Disposition Age Group (	27,872
		Intensive Care (ICU)	Occupied Bed Days	-
		ICU Chargeable	Occupied Bed Days	-
		ICU Non Chargeable	Occupied Bed Days	-
		Sub & Non Acute Patients (SNAP)	SNAP Weights	598
B218	Royal North Shore Hospital	Acute Inpatient	Cost Weighted Separations	60,759
				-
		Emergency Department (ED)	Urgency Disposition Age Group (	66,804
		Intensive Care (ICU)	Occupied Bed Days	7,594
		ICU Chargeable	Occupied Bed Days	2,261
		ICU Non Chargeable	Occupied Bed Days	5,333
		Sub & Non Acute Patients (SNAP)	SNAP Weights	-
B221	Royal Rehabilitation - Hospital units	Acute Inpatient	Cost Weighted Separations	-
				-
		Emergency Department (ED)	Urgency Disposition Age Group (	-
		Intensive Care (ICU)	Occupied Bed Days	-
		ICU Chargeable	Occupied Bed Days	-
		ICU Non Chargeable	Occupied Bed Days	-
		Sub & Non Acute Patients (SNAP)	SNAP Weights	1,350
B224	Ryde Hospital	Acute Inpatient	Cost Weighted Separations	10,992
		Emergency Department (ED)	Urgency Disposition Age Group (	27,581
		Intensive Care (ICU)	Occupied Bed Days	-
		ICU Chargeable	Occupied Bed Days	-
		ICU Non Chargeable	Occupied Bed Days	-
		Sub & Non Acute Patients (SNAP)	SNAP Weights	158

SCHEDULE E: Service Performance Measures

The performance of a Health Service will be assessed in terms of whether it is meeting the performance targets for individual KPIs.

✓ Performing - Performance at, or better than, target

↘ Underperforming - Performance within a tolerance range

X Not performing - Performance outside the tolerance threshold

KPIs have been designated into two categories:

Tier 1 - Will generate a performance concern when the Health Service performance is outside the tolerance threshold for the applicable reporting period.

Tier 2 - Will generate a performance concern when the Health Service performance is outside the tolerance threshold for more than one reporting period.

In addition, a range of Service Measures have been identified to assist the Health Service to improve provision of safe and efficient patient care and to provide the contextual information against which to assess performance.

Summary

Safety and Quality	
Tier 1	Staphylococcus aureus bloodstream infections (SA-BSI) (per 10,000 occupied bed days)
	Unplanned hospital readmissions: all admissions within 28 days of separation (%)
Tier 2	ICU Central Line Associated Bloodstream (CLAB) Infections (number)
	Incorrect procedures: Operating theatre - resulting in death or major loss of function (number)
	Mental Health: readmission within 28 days (%)
Service Measure	Deteriorating Patients: • Rapid response calls • Cardio respiratory arrests (rate per 1,000 separations)
	Clostridium Difficile Infections (per 1,000 separations)
	Hand hygiene compliance (%)
	Root Cause Analysis – completed in 70 days (%)
	Complaints Management – resolved within 35 days (%)
	Unplanned and Emergency Re-Presentations to same ED within 48 hours (%)
Patient Flow	
Tier 1	Off Stretcher time: < 30 minutes (%)
	Emergency Department Presentation: Triage 3 - treated within benchmark time (%)
	ED patients admitted, referred or discharged within 4 hours of presentation (%)
	Overdue elective surgery patients: Category1; Category 2; Category 3 (number)

Tier 2	Presentations staying in ED > 24 hours (number)
	Elective Surgery: Activity against target (%)
	Mental Health: Emergency Admission Performance: patients admitted to an inpatient bed within 8 hours of arrival in the ED (%)
	Mental Health: Presentations staying in ED > 24 hours (number)
	Mental Health: Acute Post-Discharge Community Care follow up within seven days (%)
	Mental Health ambulatory (provider) contacts (number)
Service Measure	Emergency Admission Performance - Patients admitted to an inpatient bed within 8 hours of arrival in the ED (%)
	ED presentations (number)
	ED presentations admitted to ward/ICU/Operating Theatre (%)
	Emergency Department presentations: Triage 1, 2, 4 & 5 treated within benchmark times (%)
	Elective surgery patients admitted within clinically appropriate time (%): Category1; Category 2; Category 3
	Waiting List Turnover ratio: Elective patients (%)
	Elective Surgery Theatre Utilisation: operating room occupancy (%)
	Intensive Care Unit occupied bed days (number)
	Oral Health: Adult treatment code C patients seen within 6 months (Priority Oral Health Program benchmark time) (%)
	Separations – Acute: Overnight; Same day(number)
	Average Length of Episode Stay - Overnight patients (days)
	Out of hospital acute care (Number)
	Avoidable Hospital Admissions: for targeted conditions (Number)
	Available beds (number)
	Bed Occupancy (%)
	ICU High Dependency Unit transfer of care performance (days)
Finance and Management	
Tier 1	Cost weighted acute separations: Volume to date variation from target (%)
	Expenditure matched to budget (General Fund): Year to Date; June projection (%)
	Revenue Matched to budget (General Fund): Year to Date; June projection (%)
	Recurrent Trade Creditors > 45 days as a percentage of rolling prior 12 months G&S Expenditure (excluding VMOs) (%)
Tier 2	Coding timeliness – records with valid DRGs (%)
Service Measure	Patient Fee Debtors > 45 days as a percentage of rolling prior 12 months Patient Fee Revenues (%)
	Workplace injuries (%)
	Sick leave - average paid hours per FTE
	Premium staff usage - average paid hours per FTE
	Leave liability - average paid hours per FTE
Population Health	
Tier 2	Connecting Care Program: Enrolled people (number)
Service Measure	Connecting Care Program: Enrolled Aboriginal people (number)
	Low birth weight babies: Weighing less than 2,500g (%): Aboriginal; Non-Aboriginal

Children fully immunized at I year of age (%): Aboriginal, Non Aboriginal

Detail – targets and performance thresholds

KPIs		Target	Not Performing X	Underperforming ↘	Performing ✓
Safety and Quality					
Tier 1	Staphylococcus aureus bloodstream infections (SA-BSI) (per 10,000 occupied bed days)	2	> 2.5	> 2 and ≤ 2.5	≤ 2
Tier 1	Unplanned hospital readmissions: all admissions within 28 days of separation (%):	< Previous year	≥ 2% points above previous year	< 2% points above and ≥ previous year	< Previous year
Tier 2	ICU Central Line Associated Bloodstream (CLAB) Infections (number)	0	≥ 1	N/A	0
Tier 2	Incorrect procedures: Operating Theatre-resulting in death or major loss of function (number)	0	≥ 1	N/A	0
Tier 2	Mental Health: Unplanned readmission within 28 days (%)	13	≤ 20%	> 13% and < 20%	≤ 13
Patient Flow					
Tier 1	Off Stretcher Time - < 30 minutes (%)	90	< 75%	≥ 75% and < 90%	≥ 90%
Tier 1	Emergency Department Presentations: Triage 3 – treated within benchmark times (%)	75	< 70%	≥ 70% and < 75%	Target of 75% met or better
Tier 1	ED patients admitted, referred or discharged within 4 hours of presentation (%)	70	< 65%	≥ 65% and < 70%	≥ 70%
Tier 1	Overdue elective surgery patients (number):				
	• Category 1	0	> 5	>0 and ≤5	0
	• Category 2	0	> 25	>5 and ≤25	≤5
	• Category 3	0	> 25	>5 and ≤25	≤5
Tier 2	Presentations staying in ED > 24 hours (number)	0	>5	≥1 and ≤5	0
Tier 2	Elective Surgery: Activity against target	13,057	> 2% below target	≤2% below target	Target met or better
Tier 2	Mental Health: Emergency Admission Performance - patients transferred to an inpatient bed within 8 hours of arrival in the ED (%)	80	< 75%	≥ 75% and < 80%	≥ 80%
Tier 2	Mental Health: Presentations staying in ED > 24 hours (number)	0	> 5	≥ 1 and ≤ 5	0
Tier 2	Mental Health: Acute Post-Discharge Community Care - follow up within seven days (%)	70	< 50%	≥ 50% and < 70%	≥ 70%

Tier 2	Mental Health: ambulatory (provider) contacts (number)	239,309	> 10% less than target	≤ 10% under target	Target met or better

Finance and Management					
Tier 1	Cost weighted acute separations: Volume to date variation from target (%)	110,000	>2% less than or above target	≤2% less than or above target	Target met
Tier 1	Expenditure matched to budget (General Fund): Year to Date; June projection				
	a) Year to date - General Fund (%)	+/- 0.5	≥ 2.0% Unfavourable	≥ 0.5% but < 2.0% Unfavourable	Favourable or < 0.5% Unfavourable
	b) June projection - General Fund (%)	0	≥ 1.0% Unfavourable	< 1.0% Unfavourable	On budget or Favourable
Tier 1	Revenue Matched to budget (General Fund): Year to Date; June projection				
	a) Year to date - General Fund (%)	+/- 0.5	≥ 2.0% Unfavourable	≥ 0.5% but < 2.0% Unfavourable	Favourable or < 0.5% Unfavourable
	b) June projection - General Fund (%)	0	≥ 1.0% Unfavourable	< 1.0% Unfavourable	On budget or Favourable
Tier 1	Recurrent Trade Creditors > 45 days as a percentage of rolling prior 12 months G&S Expenditure (excluding VMO's) (%)	< 1	≥ 1%	n.a.	< 1%
Tier 2	Coding timeliness – Records with valid DRGs (%)	95	< 85%	≥ 85% and < 95%	≥ 95%
Population Health					
Tier 2	Connecting Care Program: Enrolled people (number)	2,682	> 10% under target	≤ 10% under target	Target met or better

SCHEDULE F: Governance Requirements

The Local Health District Board is responsible for having governance structures and processes in place to fulfil statutory obligations and to ensure good corporate and clinical governance, as outlined in relevant legislation, NSW Health policy directives and policy and procedure manuals.

Local Health Districts are also part of the NSW Public Sector and its governance and accountability framework. District Boards must have effective governance and risk management processes in place to ensure compliance with this wider public sector framework. Compliance is to be reported Quarterly by exception.

Local Health Districts will report annually through their ***Health Service Corporate Governance Statement*** on activity to:

- **Establish robust governance and oversight frameworks:** To ensure that the authority, roles and responsibilities of its governing, management and operating structures are clearly understood.
- **Ensure clinical responsibilities are clearly allocated and understood:** To ensure that clinical management and consultative structures within the organisation are appropriate to its needs of those of its clients
- **Set the strategic direction for the organisation and its services:** All accountable levels of the NSW public health system should have clear, articulated and relevant plans for protecting and promoting the health of their communities – including a clear vision and strategies to meet the health needs of these communities over time.
- **Monitor financial and service delivery performance:** Boards 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.
- **Maintain high standards of professional and ethical conduct:** Systems must be in place to ensure that staff and contractors are aware of and abide by the NSW Health code of conduct and relevant professional registration requirements. Local Health District must also have policies, procedures and systems in place to ensure that any breaches of recognised standards of conduct are managed efficiently and appropriately.
- **Involve stakeholders in decisions that affect them:** Systems must be 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.
- **Establish sound audit and risk management practices:** An effective internal audit function must be established and maintained to oversee the adequacy and effectiveness of the organisation's system of internal control, risk management and governance. The Implementation of the Enterprise Wide Risk Management Framework must follow the Australian New Zealand Standard 4360:2004, updated to 3100:2010, *Risk Management.*
- **Disaster preparedness:** A current understanding of NSW Health disaster management policy and practice must be maintained in light of Commonwealth and State developments and advances in disaster medicine and technology; Undertake ongoing assessment of preparedness for disasters; and regularly exercise and review response capacity in concert with other emergency service agencies.