ANNUAL REPORT 2007-08

NSW Department Of Health

NSW HEALTH

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DECEMBER 2008

Letter to the Minister

The Hon John Della Bosca MP
Minister for Health
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Minister

In compliance with the terms of the Annual Reports (Departments) Act 1985, the Annual Reports (Departments) Regulation 2005 and the Public Finance and Audit Act 1983, I submit the Annual Report and Financial Statements of the NSW Department of Health for the financial year ended 30 June 2008 for presentation to Parliament.

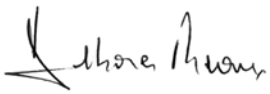
Submission of the Department's report by 31 October was not possible due to the late emergence of a number of issues requiring resolution by the Department:

- The clarification of the accounting treatment of various grants credited to the Department and its controlled Health Services with an expectation that expenses are incurred in 2008/09.
- The miscalculation of expenses and revenues associated with patient flows between Area Health Services.
- The need to clarify reporting requirements under the Charitable Fundraising Act.
- The revision of Health Service disclosures regarding their effectiveness as going concerns given the unique situation among Budget sector entities where Long Service Leave liability is predominantly shown as Current Liability and therefore results in a low current asset to current liability comparison.

All these accounting issues have now been satisfactorily addressed for 2007/08 audit.

Copies are being sent to the Auditor General, Members of Parliament, Treasury and other key Government departments.

Yours sincerely



Prof Debora Picone AM
Director-General

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Director-General's

YEAR IN REVIEW 2007/08

This has been a challenging yet rewarding year. The continued growth in demand for health services from an ageing population, the need for care of the chronically ill and the increased use of emergency department services are constant pressures on our health system.

We are striving to provide the best possible care for the people of NSW. To assist us in meeting demands and expectations we are implementing new models of care to provide greater flexibility and efficiency in our treatment of patients.

For example, we have instituted a Community Health Review to examine current investment in community health services operated by NSW Health, identifying challenges and gaps in service delivery, and make recommendations for reform.

The Review is examining linkages with other primary and community health providers, such as GPs, non-government organisations and other human service agencies of Government, as well as other parts of the health system.

NSW Health is a lead agency for five of the NSW Government's State Plan priorities. These priorities and our contribution to 11 other State Plan priorities drive our agenda for quality health services for the people of New South Wales. We have been making good progress against these targets.

During the last year, 1,961,602 people attended one of the 72 emergency departments in NSW. The performance in four of the five triage categories remained above national benchmarks with Triage 3 (within 30 minutes) improved and just below target.

Elective surgery waiting lists have been further reduced with the number of patients waiting longer than 12 months at its lowest rate ever.

With a budget of $12.5 billion in 2007/08, we have been working with NSW Treasury and the Department of Premier and Cabinet to improve health efficiency, introduce episode funding and working with health services to effectively manage their resources in light of continued increases in demand for services.

We are also committed to improving the efficiency of corporate services across the health system to deliver savings for reinvestment in frontline health services. In addition, we aim to harness the full purchasing power of the statewide health system to achieve optimal value, aligned with quality in the procurement of goods, services and infrastructure.

This year, Health Support Services became the delivery arm of the NSW Health Shared Services Program following the merger of HealthSupport and HealthTechnology. This merger presents a unique opportunity to maximise efficient, effective and innovative business practices to benefit healthcare delivery and it is one we intend to pursue. We have also increased our focus on early intervention services, recognising the important role health promotion, disease prevention and the delivery of health care services in the home and in the community play in our health care system.

The year has reaffirmed the critical and strategic importance of clinician engagement. We have reviewed priorities and strategies to strengthen formal clinical networks, consultation processes and communication mechanisms. We have seen the continued success of networks such as the Greater Metropolitan Clinical Taskforce which has provided opportunities for engagement and input into planning and health service delivery.

We have been active across a number of high level cross-jurisdictional and interagency forums including the Council of Australian Governments (COAG) and the Australian Health Ministers' Conference. We will continue to work with the Commonwealth through COAG to ensure the interests of NSW are represented in the delivery of the reform agenda and in the determination of cooperative Commonwealth-State financial arrangements.

Of the reform priorities being addressed by COAG the most significant and far reaching proposals relate to preventative health, complex chronic disease management, hospitals, the intersection of aged care and disability services and indigenous health. These reforms will complement the work being undertaken in examining the current funding formula of the new Australian Health Care Agreement including indexation arrangements and performance reporting requirements.

This year has also seen a number of inquiries being conducted. While inquiries can place additional demands on resources, the outcomes can be used to address areas of poor performance and assist in the development of a better health care system.

Commissioner Peter Garling was appointed to lead the Special Commission of Inquiry into the delivery of acute care services within the NSW public health system. The reporting date for the Special Commission of Inquiry has been extended until 28 November 2008, and the work of the Special Commission of Inquiry will add to the significant work underway to reform the public health system across NSW through 2008/09 and beyond.

We have also seen the initiation of a Legislative Council Inquiry into the management and operations of the Ambulance Service of NSW. We have already seen the Ambulance Service respond positively to issues raised by the Inquiry in relation to training and management.

Attracting and retaining quality staff is a key challenge for the NSW Health System, with shortages facing workforces worldwide. We have invested significantly in educational and professional development opportunities for our workforce and have worked to improve conditions to attract and retain staff.

A major focus this year was the development of bargaining agendas and negotiations for Memoranda of Understanding to operate post 1 July 2008, consistent with the Government's Public Sector Wages Policy 2007. Negotiations were successfully concluded and agreement was reached with the Nurses' Association and the Health Services Union, and Memoranda of Understanding were subsequently entered into with those unions.

We have also seen the making of new awards providing an integrated structure and better career path for a number of allied health professional classifications, including social workers and therapists. Improved conditions for Ambulance Officers with the agreement of a death and disability award, along with improved conditions for oral health staff with agreement of altered structures and salary rates, are further examples of the work being done to attract and retain staff.

Health facilities play a central role in the delivery of health care. The recently established Health Infrastructure Board chaired by Mr Bob Leece is managing and overseeing the delivery of the NSW Government's hospital building program.

The Board's purpose is to ensure that appropriate planning and consultation is undertaken on every major health infrastructure project. This will assist in delivering projects on time and on budget.

A key priority for the department is to provide more effective support and build partnerships to improve the health outcomes of Aboriginal communities. We have been increasing our focus on screening and early intervention programs to prevent chronic disease from taking hold.

The Aboriginal Health Partnership Agreement was renegotiated in 2007/08. It provides a strong framework for NSW Health, the Aboriginal Health and Medical Research Council of NSW, and Aboriginal Controlled Community Health Services to work together to deliver real improvements in health for Aboriginal communities.

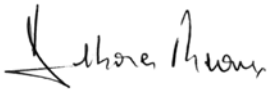
From 2007/08, we will see $4.4 million per annum allocated to extend the NSW Aboriginal Maternal Infant Health Strategy from 14 to 31 sites across the state. This program is aimed at engaging community midwives and Aboriginal health workers to reach Aboriginal women in a culturally appropriate way on the importance of antenatal and postnatal care.

We are also working to create better experiences for those using public health services by ensuring services are of high quality, appropriate, safe, available when and where needed, and coordinated to meet individual needs. Our health system should provide ready access to health services while keeping patients and their carers informed and involved in decisions.

We have undertaken a number of initiatives to facilitate this. In 2007/08, the first annual patient survey was conducted with around 75,000 responses from patients in nine different health service categories. I have also strongly supported open disclosure. Open disclosure refers to the frank discussion with a patient and their support person about an incident that may have resulted in harm or injury to the patient.

Following the report from Federal Court Judge, Deirdre O'Connor, into the issues relating to the appointment of Dr Graeme Reeves, we have seen the passing of the *Medical Practice Amendment Bill 2008* through NSW Parliament. This legislation provides further protection for patients against medical misconduct. Provisions under this legislation include the introduction of mandatory reporting by medical practitioners of their colleagues in instances of serious misconduct.

Overall, the health of all Australians continues to rate well on a global basis, with Australian Institute of Health and Welfare Report *Australia's Health 2008* reporting that in 2005, Australia's life expectancy at birth had risen to be one of the highest in the world. We are doing well, but as always there is much more to do.



Prof Debora Picone AM
Director-General

Governance

About us

NSW DEPARTMENT OF HEALTH

We work to provide the people of NSW with the best possible health care

The NSW Department of Health supports the NSW Minister for Health and two Assistant Ministers to perform their executive and statutory functions.

This includes promoting, protecting, developing, maintaining and improving the health and wellbeing of the people of NSW, while considering the needs of the state and the finances and resources available.

The NSW Department of Health was established in 1982 under section 6 of the Health Administration Act 1982.

The Department has statewide responsibility for providing:

Advice to Government

Provides advice and other support to the Minister for Health and the Ministers Assisting the Minister for Health (Cancer and Mental Health Services) in the performance of their role and functions.

Strategic planning and statewide policy development

Undertakes system-wide policy and planning in areas such as inter-Government relations, funding, corporate and clinical governance, clinical redesign, health service resources and workforce development.

Improvements to public health

Enhances community health through health promotion, preventative health, management of emerging health risks and protective regulation.

Performance management

Monitors health services' performance against key performance indicators and improvement strategies such as performance agreements, statewide reporting, and managing property, infrastructure and other assets.

Strategic financial and asset management

Manages financial resources and assets, coordinates business and contracting opportunities and provides financial accounting policy for NSW Health.

Community participation

Liaises and fosters partnerships with communities, health professionals and other bodies.

Employee relations

Negotiates and determines wages and employment conditions and develops human resource policies for the NSW health system.

Workforce development

Works in collaboration with other agencies and stakeholders to improve health workforce supply and distribution.

Regulatory functions

Manages professional registration, licensing, regulatory and enforcement functions to ensure compliance with the Acts administered by the health portfolio.

Legislative program

Provides advice and support for the Legislative Program and Subordinate Legislative Program for the health portfolio.

Corporate governance

Provides advice, support and coordination for sound corporate governance across the health system.

Corporate support

Provides resources and support to enable Department staff effectively fulfil their roles.

Department of Health Priorities

The Department of Health is a lead agency for achieving five of the Government's priorities in the NSW State Plan. They are:

S1 Improved access to quality health care

S2 Improved survival rates and quality of life for people with potentially fatal or chronic illness through improvements in health care

S3 Improved health through reduced obesity, smoking, illicit drug use and risk drinking

F3 Improved outcomes in mental health

F5 Reduced avoidable hospital admissions

It is also a contributing agency for the following State Plan priorities:

R1 Reduced rates of crime, particularly violent crime

R2 Reduced re-offending

R3 Reduced levels of antisocial behaviour

R4 Increased participation and integration in community activities

S8 Increased customer satisfaction with Government services

F1 Improved health and education for Aboriginal people

F2 Increased employment and community participation for people with disabilities

F4 Embedding the principle of prevention and early intervention into Government service delivery in NSW

F6 Increased proportion of children with skills for life and learning at school entry

F7 Reduced rates of child abuse and neglect

P7 Better access to training in rural and regional NSW to support local economies

E8 More people using parks, sporting and recreational facilities and participating in arts and cultural activity.

The NSW State Health Plan – A New Direction for NSW Health: Towards 2010 and long range vision, *Future Directions for Health in NSW – Towards 2025* identify seven strategic directions to achieve these priorities.

Seven strategic directions

1 Make prevention everybody's business

2 Create better experiences for people using the health system

3 Strengthen primary health and continuing care in the community

4 Build regional partnerships for health

5 Make smart choices about the costs and benefits of health and health support services

6 Build a sustainable health workforce

7 Be ready for new risks and opportunities

The *NSW Department of Health Annual Report 2007/08* reports on our activities and achievements according to our vision, values, goals and priorities under the seven strategic directions.

HEALTHY PEOPLE - NOW AND IN THE FUTURE

WHY WE ARE HERE	STRATEGIC DIRECTION 1	STRATEGIC DIRECTION 2	STRATEGIC DIRECTION 3	STRATEGIC DIRECTION 4	STRATEGIC DIRECTION 5	STRATEGIC DIRECTION 6	STRATEGIC DIRECTION 7
	Make prevention everybody's business	Create better experiences for people using health services	Strengthen primary health and continuing care in the community	Build regional and other partnerships for health	Make smart choices about the costs and benefits of health services	Build a sustainable health workforce	Be ready for new risks and opportunities
WHAT WE DO	– Health improvement – Re-investment – Immunisation – Child health and wellbeing – Mental health – Obesity – Chronic disease – Tobacco – Drugs and alcohol – Sexual health – Oral health – Healthy ageing – Urban planning	– Clinical services – Patient safety within a quality framework – Children and young people – Clinician and community engagement – Patient satisfaction – Public responsibility – Decision making – Information management and technology – Carers – Aged care/chronic care/ community acute care – Mental health – Rural and remote health – Drugs and alcohol – People with a disability – Culturally and linguistically diverse communities including refugees – Transport	– Integrated primary health care – Rural and remote areas – General Practice access – Early intervention – Early screening, triage and assessment – Chronic care – Mental health – Aboriginal health – Carers – Disability support programs	– Community engagement – Regional health planning – General practitioners – Information sharing – Aboriginal health – Mental health – Non-government organisations – Private health sector – Older people	– Health investment and re-investment – Prevention and early intervention funding – Equity – resource distribution formula – Asset management – Information management and technology – Health technology – Electronic medical and health information systems – Corporate services	– Recruitment and retention – Improving workforce flexibility and strengthening career pathways – Mental health workforce – Staff satisfaction – Education and training – Aboriginal workforce – Rural and remote workforce – Workforce planning	– Health reform – Health choices – Smart choices – Integration across Government – Teaching and research – Risk management – Disaster preparedness – Environmental factors
MEASURING SUCCESS	– Improved health through reduced obesity, smoking, illicit drug use and risk drinking – Improved survival rates and quality of life for people with potentially fatal or chronic illness – Improved dental health – Reduced vaccine preventable conditions – Reduced fall injuries among older people – Increased participation in community, recreation, sporting, artistic and cultural activity – Reduced levels of anti-social behaviour	– Improved access to quality health care – Emergency departments – Elective surgery – Increased customer satisfaction with health services – Ensuring high quality care	– Reduced avoidable hospital admissions through early intervention, prevention and better access to community based services – Improved health for Aboriginal communities – Improved outcomes in mental health – Increased focus on early intervention – Reduced rates of crime, particularly violent crime	– Improved outcomes in mental health – Implement key plans and frameworks – Improved health outcomes for Aboriginal communities	– Make the most effective use of resources for health	– Build a sustainable workforce	– Ensure the NSW health system is ready for new risks and opportunities

What we stand for

OUR CORPORATE CHARTER

Our vision, values, goals and priorities are a set of guiding principles for how we go about our work. Being clear about our role enables us to move forward with common purpose and to work effectively with our partners.

Our Vision

The NSW Department of Health provides system-wide leadership to ensure high quality health services which are responsive to consumers, the community and the challenges of the future. Our vision 'Healthy People – Now and in the Future' and our goals reflect these aspirations.

Our Values

The Department is guided by the public sector principles of responsibility to the Government, responsiveness to the public interest, and promoting and maintaining public confidence and trust in the work of the Department. Our Values Statement applies to the Department, its staff and contractors, and forms the basis for decisions and actions on which performance ultimately depends.

The NSW Department of Health's Statement of Values is:

Integrity

Honesty, consistency and accountability in decisions, words and actions.

Respect

Recognising the inherent worth of people.

Fairness and Equity

Providing good health care based on need and striving for an equitable health system.

Excellence

Highest level of achievement in all aspects of our work.

Leadership

Looking to the future of health and building on past excellence.

Our Goals

Our focus is on meeting the health needs of the people of NSW within the resources available to us. Our goals are:

Keep people healthy

- More people adopt healthy lifestyles
- Prevention and early detection of health problems
- A healthy start to life.

Provide the health care that people need

- Emergency care without delay
- Shorter waiting times for non-emergency care
- Fair access to health services across NSW.

Deliver high quality services

- Consumers satisfied with all aspects of services provided
- High quality clinical treatment
- Care in the right setting.

Manage health services well

- Sound resource and financial management
- Skilled, motivated staff working in innovative environments
- Strong corporate and clinical governance.

Our Principles

The following principles underpin the Department's accountabilities to deliver quality health services. We will:

- Focus on our fundamental accountability to promote and protect the health of the people of NSW and to ensure they have access to basic health services
- Perform effectively and efficiently in clearly defined functions and roles
- Promote our values for NSW Health and demonstrate these values through leadership and behaviour
- Take informed, transparent decisions and manage the risks we encounter on a daily basis
- Develop our capacity and capability to ensure we provide effective and safe health services
- Engage stakeholders and make accountability real for us all.

Corporate governance

THE NSW HEALTH SYSTEM

Corporate governance in health is the manner by which authority and accountability is distributed through the health system.

The NSW health system

The NSW Department of Health's corporate governance focus follows system-wide reforms over the past few years, and the recognised need to ensure consistent management practices and accountability across the health system.

This Annual Report is a key corporate governance report for NSW Health. It outlines the Department's achievements in leading and facilitating health outcome across the state's public health system.

The NSW public health system consists of the:

- NSW Minister for Health
- Minister Assisting the NSW Minister for Health (Cancer)
- Minister Assisting the NSW Minister for Health (Mental Health)
- Health Administration Corporation
- NSW Department of Health
- Area Health Services
- Ambulance Service of NSW
- Cancer Institute NSW
- Children's Hospital at Westmead
- Clinical Excellence Commission
- Other public health organisations.

NSW Minister for Health

The NSW Minister for Health is responsible for the administration of health legislation within NSW under the Health Administration Act 1982. The Minister formulates policies to promote, protect, maintain, develop and improve the health and wellbeing of the people of NSW, given the resources available to the state. The Minister is also responsible for providing public health services to the NSW community.

The Hon Reba Meagher MP was appointed the NSW Minster for Health on 2 April 2007.

Minister Assisting the Minister for Health (Cancer)

The Hon Verity Firth MP was appointed the Minister Assisting the NSW Minister for Health (Cancer) on 2 April 2007. Ms Firth is responsible for the Cancer Institute NSW, which oversees the state's cancer control effort.

Minister Assisting the Minister for Health (Mental Health)

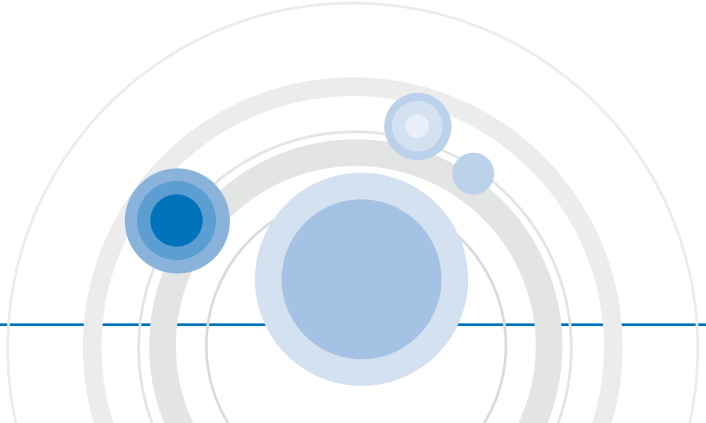
The Hon Paul Lynch MP was appointed the Minister Assisting the NSW Minister for Health (Mental Health) on 2 April 2007. Mr Lynch is responsible for implementing the Government's five-year plan for mental health.

Health Administration Corporation

Under the Health Administration Act 1982, the Director-General is given corporate status as the Health Administration Corporation for the purpose of exercising certain statutory functions, including acquiring and disposing of land and entering into contracts to support the functions of the Director-General and the NSW Minister for Health.

NSW Department of Health

The Department supports the NSW Minister for Health, and the Ministers Assisting the Minister for Health, in performing their executive and statutory functions, which include promoting, protecting, developing, maintaining and improving the health and wellbeing of the people of NSW, while considering the needs of the state and the finances and resources available.



Area Health Services

Area Health Services are established as distinct corporate entities under the Health Services Act 1997. Area Health Services are responsible for providing health services in a wide range of settings, from primary care posts in the remote outback to metropolitan tertiary health centres.

There are eight Area Health Services:

- Greater Southern
- Greater Western
- Hunter New England
- North Coast
- Northern Sydney Central Coast
- South Eastern Sydney Illawarra
- Sydney South West
- Sydney West.

Ambulance Service of NSW

The Ambulance Service of NSW is responsible for providing responsive, high quality clinical care in emergency situations, including pre-hospital care, rescue, retrieval and patient transport services.

Statutory health corporations

There are five statutory health corporations, which provide statewide or specialist health and health support services:

- Justice Health
- Children's Hospital at Westmead (Royal Alexandra Hospital for Children)
- Clinical Excellence Commission
- HealthQuest
- Stewart House Preventorium.

There are 21 affiliated health organisations in NSW managed by religious and/or charitable groups. They are an important part of the public health system, providing a wide range of hospital and other health services.

Infrastructure and health support structures

On 25 June 2007, NSW Premier Morris Iemma announced the establishment of a Health Infrastructure Board to manage and oversee the delivery of the NSW Government's hospital building program. This Board oversees the operation of Health Infrastructure within the Health Administration Corporation.

In April 2008, the Director-General established Health Support Services under a Management Committee to oversee the operation of the HealthSupport and HealthTechnology arms of the Health Administration Corporation. It provides corporate services and information technology services to public health organisations across NSW.

Corporate governance responsibilities

The Director-General

The Director-General has a range of functions and powers under the Health Services Act 1997, the Health Administration Act 1982 and other legislation. These functions and powers include responsibility for the provision of ambulance services, provision of health support services to public health organisations and exercising, on behalf of the Government of NSW, the employer functions in relation to the staff employed in the NSW Health Service.

The Director-General is committed to better practice as outlined in the *Corporate Governance and Accountability Compendium for NSW Health* and has processes in place to ensure the primary governing responsibilities of NSW Health are fulfilled in respect to:

- Setting the strategic direction for NSW Health
- Ensuring compliance with statutory requirements
- Monitoring the performance of health services
- Monitoring the quality of health services
- Industrial relations/workforce development
- Monitoring clinical, consumer and community participation
- Ensuring ethical practice
- Ensuring implementation of the NSW State Plan and the NSW State Health Plan.

Department of Health Senior Management Board

The Department of Health Senior Management Board meets fortnightly to determine corporate priorities, consider major issues and set strategic directions. It provides a high-level overview on implementation of the NSW State Plan and State Health Plan, and receives regular reports on State Plan priorities. The Management Board comprises the Department's senior management team, including the Director-General and Deputy Directors-General.

Senior Executive Advisory Board

The Senior Executive Advisory Board meets monthly to exchange information and ensure the strategic direction is understood and promulgated across the health system. It comprises the Director-General, Deputy Directors-General, the Chief Financial Officer and Chief Executives of Area Health Services, the Ambulance Service, Clinical Excellence Commission, Cancer Institute NSW and other public health organisations.

Finance, Risk and Performance Management Committee

Effective finance and business management practices are a key element of corporate governance responsibilities. The Finance, Risk and Performance Management Committee, chaired by the Director-General, advises the Department, Minister for Health and the Budget Committee of Cabinet on the financial, risk and performance management of NSW Health.

The NSW Department of Health assists public health organisations maintain appropriate finance and business accountability by ensuring that:

- Regular review of plans and reporting/monitoring of financial information are based on the Accounts and Audit Determination for Public Health Organisations and Accounting Manuals.
- Budgets and standard finance information systems and processes are in place, are understood, and comply with centralised procedures and templates.
- Financial management is at a reasonable level, budget variance is monitored, reported and reviewed as potential risk, and the Accounts and Audit Determination is appropriate and up to date.

Area Health Service Chief Executives are accountable for efficient and effective budgetary and financial management, and must have proper arrangements in place to ensure the organisation's financial standing is soundly based. Key accountabilities include the achievement of targets; monitoring and reporting of results in an accurate, efficient and timely manner; and compliance with standards and practice.

Risk Management and Audit Committee

The Committee assists the Director-General to perform her duties under relevant legislation, particularly in relation to the Department's internal control, risk management and internal and external audit functions, including:

- Assess and enhance the Department's corporate governance, including its systems of internal control, ethical conduct and probity, risk management, management information and internal audit.
- Assess the Department's role in monitoring risk management and the internal control environment.
- Monitor the Department's response to and implementation of any findings or recommendations of external bodies such as the Independent Commission Against Corruption and Audit Office of NSW.
- Monitor trends in significant corporate incidents.
- Ensure that appropriate procedures and controls are in place to provide reliability in the Department's compliance with its responsibilities, regulatory requirements, policies and procedures.
- Oversee and enhance the quality and effectiveness of the Department's internal audit function, providing a structured reporting line for the Internal Audit Branch and facilitating the maintenance of its independence.

Corporate governance principles and practices

The corporate governance and accountability compendium contains the corporate governance principles and framework to be adopted by health services. The NSW Health governance framework requires each health service to complete a standard annual statement of corporate governance certifying its level of compliance against eight primary governing responsibilities.

The Corporate Governance and Risk Management Branch of the Department is responsible for promoting corporate governance practice across the health system. The branch brings together risk management, regulatory affairs, corporate governance, external relations and employment screening and review.

Consistent, system-wide policy and practice is being facilitated, with significant results this year including:

- New employment screening and review policies and procedures published.
- Continuance of a training program for allegations management and employment screening.
- Compliance by health services as measured through annual corporate governance reporting, improving by 5% to 92% in 2006/07 from 87% in 2005/06.

This improvement in compliance with corporate governance requirements has been achieved predominantly through increased compliance in the areas of strategic planning and risk management.

At the time of preparation of this report, corporate governance statements for the 2007-2008 financial year were being completed by health services.

Internal Audit

During 2006-2007 the Department's Internal Audit Branch conducted a number of branch audits across the four divisions of the Department. These audits covered compliance, operational and management risks and the efficiency and effectiveness of internal controls. A number of other audits were conducted covering use of motor vehicles, capital budgeting, funding and performance agreements and information systems. In addition, audits were undertaken on HealthSupport and HealthTechnology covering core functions and transitional risks.

Risk management

The NSW Department of Health has funded a 12 month NSW Risk Management Project. Project work commenced in March 2008.

The purpose of the project is to develop a NSW Health enterprise wide risk management policy, framework and reporting requirements plus tools to assist Health Services in identifying and assessing risk.

Other risk management initiatives undertaken this year include:

- Issuing new or revised policies for managing infection control; for responding to corporate and clinical incidents; to prevent and manage work related fatigue; and to prevent and control fraud across NSW Health
- Improving systems for monitoring and acting on clinical and corporate incidents reported through the NSW Health Incident Information Management System
- Developing a training kit, in conjunction with the Independent Commission Against Corruption, 'Managing the risk of corruption – A training kit for the NSW public health sector'.

Ethical behaviour

Maintaining ethical behaviour is the cornerstone of effective corporate governance. Providing ethical leadership is an important ongoing task for NSW Health. This requires leading by example and providing a culture built on commitment to the core values of integrity, openness and honesty.

A comprehensive Code of Conduct and support material for the NSW public health system was released in 2005. The Code applies to staff working in any permanent, temporary, casual, termed appointment or honorary capacity within any NSW Health facility. It assists staff by providing a framework for day-to-day decisions and actions while working in health services.

Monitoring health system performance

The Department has produced a set of high-level performance indicators. They measure NSW Health performance against priorities and programs linked to the seven Strategic Directions identified in the State Health Plan, *A New Direction for NSW State Health Plan Towards 2010* and against priorities contained in the NSW State Plan, *A New Direction for NSW State Plan.*

Outcomes against these indicators are reported in the Performance Section of this Annual Report.

The indicators inform performance at the state level as well as drilling down to hospital level for local management. They provide a basis for a cascaded set of key performance indicators at the Area Health Service, facility and service levels. The indicators are a basis for an integrated performance measurement system, linked to Chief Executive performance contracts and associated performance agreements. They also form the basis for reporting the performance of the health system to the public.

The NSW State Health Plan to 2010 was published to drive corporate priorities and set performance measures and targets.

Area Health Service plans and performance agreements were developed with standard formats and reporting requirements for consistent performance measurement and accountability.

Priorities for corporate governance and risk management

Selected priority strategies and projects in corporate governance, risk management and internal audit for 2008-2009 include:

- Reviewing the corporate governance and accountability compendium for NSW Health.
- Finalising an overarching NSW Health risk management policy and framework and a standard statewide risk matrix and reporting arrangements.
- Implementing further efficiencies in employment screening and review, in particular online lodgement by private sector organisations.
- Rationalising performance agreements in place across NSW Health.
- Enhancing internal audit management processes and reporting systems to better reflect adoption of the latest standards for risk management, internal auditing and fraud control.

Other specific corporate governance matters are reported as follows:

- Commitment to service (p 176)
- Consumer participation (p 179)
- Code of Conduct (p 188)
- Legislation (p 240)
- Financial management (pp 80–174)
- Workforce management (pp 68–71)
- Committees, roles and responsibilities (pp 234–236)
- Senior executive performance statements (pp 195–198)

Clinical governance,
CONSUMER AND COMMUNITY PARTICIPATION

Clinical governance, consumer and community participation are important elements of governance for NSW Health and are the cornerstone of quality health care

Clinical governance places clinicians and their approach to patient care at the highest level of decision-making and accountability in the NSW health system. It is a systematic and integrated approach to the assurance and review of clinical responsibility and accountability, and is essential for achieving high levels of patient safety.

Clinical governance has been embedded into the NSW health system through the mandatory requirement for all Area Health Services to have consistent structures in place, including a Clinical Governance Unit directly reporting to the Chief Executive. Clinical Governance Units are responsible for the roll-out of the NSW patient safety and clinical quality program within each Area Health Service and are supported by the Quality and Safety Branch and the work of the Clinical Excellence Commission.

Key functions of the Clinical Governance Units include:

- Supporting the use of the incident information management system and analysing the data collected.
- Ensuring all deaths are reviewed and, as appropriate, referred to the Coroner and other appropriate committees.
- Supporting staff in implementing quality policies and procedures.
- Providing a senior complaints officer who is available 24 hours per day, seven days per week to ensure appropriate action is taken to resolve serious complaints.
- Improving communication between clinicians and patients and their families.
- Developing area-specific policies associated with patient safety, ethical practice and management and complaints handling.

The establishment of the Clinical Governance Units has facilitated both the management of clinical risk and the promotion of clinical quality by monitoring organisational performance against better practice standards.

The NSW Health Reportable Incident Review Committee is responsible for examining and monitoring reported serious clinical adverse events and ensuring that appropriate action is taken.

The Committee is chaired by the Deputy Director-General, Health System Performance and contains membership from the CEC and Directors of Branches/Services whose portfolio is directly or indirectly related to patient care.

In June 2006, the Reportable Incident Review Committee was authorised as a committee under section 23 of the Health Administration Act. This section provides for restrictions to be imposed on the release of information obtained in connection with research and investigations of morbidity and mortality authorised by the Minister. Other section 23 committees operating in the NSW Health system include the NSW Mental Health Sentinel Events Review Committee and the NSW Maternal and Perinatal Committee.

Clinical, consumer and community participation

Health is an important issue for the community. The NSW Department of Health is committed to providing the best care possible to the community and seek feedback and public comment on health initiatives and patient experiences. An important strategy in the system-wide reform agenda is to increase community and clinician participation in decision-making.

The Health Care Advisory Council is the peak community and clinical advisory body providing advice to the Director-General and Minister on clinical services, innovative service delivery models, health care standards, performance management and reporting within the health care system. It is chaired by the Rt Hon Ian Sinclair AC and Professor Judith Whitworth AC.

The Health Services Act enshrines permanent structures for community participation at the local area level in the form of Area Health Advisory Councils. All Area Health Services are required to establish these councils as their peak advisory body. Under the Act, the Children's Hospital at Westmead has also established an Advisory Council. They comprise clinicians and members of the community working together to provide advice to Chief Executives on planning and health service delivery. Each council is required to develop a charter and report annually to the Minister and Parliament.

NSW Health's Community and Government Relations Unit has responsibility for the development and implementation of consumer and clinician participation within the NSW Department of Health.

What we do

STRUCTURE AND RESPONSIBILITIES

As at June 2008 the NSW Department of Health was administered through seven main functional areas.

Director-General

Professor Debora Picone AM

Professor Debora Picone began in the position of Director-General for the NSW Department of Health in July 2007. Professor Picone has extensive experience in senior management and academic roles in the health sector. She was Chief Executive of South Eastern Sydney Illawarra Area Health Service and previously Deputy Director-General, Policy of the NSW Department of Health. Professor Picone has also been Chief Executive at the former South Western Sydney and New England Area Health Services, and of the Corrections Health Service.

Professor Picone has occupied academic roles at the University of Wollongong, Prince of Wales Clinical School at the University of NSW and the Department of Surgery, University of Sydney,

Office of the Director-General

The Office of the Director-General provides high-level executive and coordinated administrative support to the Director-General across a broad range of issues and functions. The Office's responsibilities span traditional agency, health services and internal divisional responsibilities.

The Office works with the Deputy Directors-General and members of the NSW Health Executive to ensure the Director-General receives advice that is accurate, timely and reflects a cross-agency view on critical policy and operational issues. The Office also supports the Director-General to ensure she provides high quality, coordinated advice and information to the Minister for Health.

The Office has a strategic coordination function in relation to key Government and Departmental policy and projects that require a strategic, coordinated, whole-of-health approach. This includes leading and overseeing NSW Health's implementation of the State Plan and State Health Plan.

In addition, the Office manages a small group of strategic policy initiatives that cross Departmental divisions and have whole-of-system implications. These have a particular focus on opportunities for improved efficiency and strategic reform.

Executive and Ministerial Support Service

The Executive and Ministerial Support Service provides a range of services to assist and support the Minister for Health, the Director-General, NSW Health and the Department in performance of duties. Its operations are conducted through the Parliament and Cabinet Unit, the Executive and Corporate Support Unit and the Media and Communications Unit.

The Parliament and Cabinet Unit assists the Minister for Health and the Director-General in responding to the NSW Parliament, Cabinet and the central agencies of Government. It manages the preparation of material for the Minister and the Department for Estimate Committee hearings and other Parliamentary Committees and Inquiries. It coordinates responses on behalf of the Minister on matters considered by the Cabinet, questions asked in the NSW Parliament and requests from Members of Parliament. The unit also liaises between Parliamentary Committees, the Department and Area Health Services and assists the Director-General and Executive with special projects as required.

Executive and Corporate Support unit provides advice and information in response to matters raised by, or of interest to, the public, Members of Parliament, central agencies and various Ministerial Councils.

The Media and Communications unit provides leadership in communications initiatives across the public health system. It issues health messages to health professionals and the general community through targeted campaigns, publications and the media.

Strategic Development

Deputy Director-General

Dr Richard Matthews

Dr Richard Matthews is Deputy Director-General, Strategic Development Division. He joined the Department in November 2003.

Dr Matthews commenced his career in general practice and developed a special interest in drug and alcohol issues. In his current role, Dr Matthews has strategic planning responsibility for Statewide Services Development Branch, Primary Health

and Community Partnerships Branch, Mental Health and Drug & Alcohol Office, Inter-Government and Funding Strategies, and NSW Institute of Rural Clinical Services and Teaching.

Functions within the Department

The Strategic Development Division is responsible to the Director-General for overall health policy development, funding strategies and the system-wide planning of health services in NSW. The Division also supports the Health Care Advisory Council and a number of Health Priority Taskforces.

Key roles of the division are to develop policies, guidelines and plans for improving and maintaining health and to guide allocation of resources to health services. Equitable access, effectiveness, appropriateness and efficiency of health services are key themes that influence the development of policies and strategic plans.

The development of policy follows strong adherence to social justice principles, promotion of coordination of health services, and the advancement of inter-sectoral linkages with related portfolios, the non-government sector and the Australian Government.

Mental Health and Drug & Alcohol Office

The Mental Health and Drug & Alcohol Office was formed in 2006 by the integration of the Centre for Mental Health, the Centre for Drug and Alcohol, the Office of Drug and Alcohol Policy, and Community Drug Strategies.

The Office is responsible for developing, managing and coordinating the NSW Health Department policy framework and strategy relating to mental health and to the prevention and management of alcohol and drug-related harm. It also supports the maintenance of the mental health legislative framework.

Statewide Services Development Branch

The Statewide Services Development Branch develops NSW Health policy, planning tools, frameworks, clinical plans and strategy development for a range of acute and specialty health services with statewide implications. The branch also collaborates with Assets and Contract Services Branch to develop strategic planning for capital infrastructures, and collaborates with rural Area Health Services and the NSW Rural Health Priority Taskforce, to ensure implementation of the NSW Rural Health Plan.

Primary Health and Community Partnerships Branch

This branch is responsible for developing strategic policies and innovative service models and programs to promote improved equity, access and health outcomes for targeted population groups that often require special advocacy and attention due to their particular health needs. A related objective is the development of policies that give direction to primary and community based services and improve the participation of consumers and communities in health care planning.

The branch has a key role in implementing effective clinician and community engagement in the delivery of health services through the Health Care Advisory Council, the Area Health Advisory Councils and the work of the Health Priority Taskforces.

Inter-Government and Funding Strategies

This branch leads and manages strategic relationships with the Australian Government, other State and Territory Governments, private sector and other strategic stakeholders.

It is responsible for ensuring that a comprehensive framework for the funding and organisation of the NSW health system is in place to translate Government priorities into effective strategies, and to ensure the system can respond to changes in its environment.

It provides advice on the distribution of resources to health services and develops tools to inform allocation of resources from health services to facilities. It also provides leadership in the development and implementation of state and national health priority policies and programs.

NSW Institute of Rural Clinical Services and Teaching

The IRCST was established as a key recommendation in the NSW Rural Health Report. The Institute's Executive Committee formally convened in 2004. The Institute works with rural Area Health Services to provide information and knowledge about rural and remote health and health workforce.

It develops research capacity in rural and remote areas, as well as developing and maintaining strong networks between rural and remote health service staff and services. It develops appropriate training, education and development opportunities for rural and remote health staff. By identifying, supporting

and sharing good practice in rural health service delivery, the Institute supports and promotes excellence in rural clinical practice, with a particular focus on models of service delivery appropriate for rural and remote areas.

Population Health

A/Chief Health Officer, A/Deputy Director-General

Dr Kerry Chant (from May 2008)

Dr Kerry Chant is a Public Health physician and has been the deputy Chief Health Officer and the Director of Health Protection since 2005.

Chief Health Officer, Deputy Director-General

Dr Denise Robinson (until May 2008)

Dr Denise Robinson was appointed Chief Health Officer and Deputy Director-General, Population Health in June 2005 until May 2008. Prior to joining the Department in 2003 as Deputy Chief Health Officer, Dr Robinson had extensive management experience in NSW, holding a range of senior positions within the health system.

Functions within the Department

The Population Health Division works in partnership with Area Health Services, NSW communities and organisations to promote health and prevent injury in NSW. The Population Health Division monitors health using a range of population health datasets, and implements policies and services to improve life expectancy and health outcomes

Programs aim to:

- prevent injury
- promote and educate people about healthier lifestyles
- prevent disease
- investigate and control threats to health
- promote safe use of medicines and poisons
- licence private hospitals
- prepare and respond to public disasters and emergencies.

The activities of the Division's Centres are as follows:

Centre for Aboriginal Health

The Centre for Aboriginal Health is an executive unit within the NSW Department of Health with responsibility for:

- statewide strategic direction, policy, programs, priorities
- resource allocation for the NSW Aboriginal Health Program
- performance monitoring – financial and health outcomes – for the Department, Areas and NGOs
- advice to the Minister and Government
- representation of NSW in national and inter-governmental forums
- collaboration with and advice for other branches of the Department with regard to policy and program development and implementation

The Centre has a role in the direct management of programs.

Centre for Epidemiology and Research

This Centre monitors the health of the population of NSW. It supports the conduct of high quality health research by providing infrastructure funding, and promotes the use of research to inform policy and practice through the following branches:

- Health Research and Ethics
- Health Survey Program
- Population Health Indicators and Reporting
- Population Health Information
- Public Health Training and Development
- Surveillance Methods.

Centre for Health Protection

This Centre identifies and helps reduce communicable and environmental risks to the population's health. It provides input into food regulatory policy and co-ordinates response to food-borne illness in liaison with the NSW Food Authority. It regulates the supply and distribution of medicines and poisons, licences private hospitals and day procedure centres and provides policy input into a number of areas including cancer screening, organ and tissue donation and blood and blood products.

It undertakes these tasks through the following sections:

- AIDS and Infectious Diseases
- Communicable Diseases
- Clinical Policy
- Environmental Health

- Pharmaceutical Services
- Private Health Care
- Biopreparedness Unit.

Centre for Health Advancement

This Centre develops and coordinates health promotion and disease prevention policy for the state. It implements major statewide projects in priority areas, and oversees research and evaluation initiatives to underpin health promotion policy.

The priorities of the Centre are tobacco control, overweight and obesity prevention, and the prevention of falls in the elderly. It delivers upon the priority areas across the following branches:

- Strategic Policy and Partnerships
- Statewide Major Projects
- Strategic Research and Development.

Centre for Oral Health Strategy

This centre develops and coordinates oral health policy for the state, and monitors and implements oral population health prevention initiatives and service delivery in NSW for those eligible for receipt of public oral health services or sources those required from the private sector through the following sections:

- Performance management and funding
- Oral health promotion and water fluoridation
- Early childhood oral health
- Aboriginal oral health
- Oral health workforce policy.

Health Systems Performance

Acting Deputy Director-General

Dr Tony O'Connell (from April 2008)

Dr O'Connell worked as a clinician for 28 years as an intensive care specialist and anaesthetist. He moved to the Department from his position as Head of the Paediatric Intensive Care Unit at the Children's Hospital at Westmead.

His main achievement to date has been to lead a system-wide improvement in access performance for both emergency and elective patients in NSW in the face of rising demand for services.

Deputy Director-General

Professor Katherine McGrath (until April 2008)

Professor McGrath worked as a clinician, academic, laboratory director and Divisional Chair in Victoria and NSW before she was appointed Chief Executive Officer of Hunter Area Health Service and honorary Professor of Pathology at the University of Newcastle in 1997. Professor McGrath was appointed to this position in March 2004.

Functions within the Department

Health Systems Performance aims to improve the patient journey by driving performance improvements in the health system. It develops strong relationships and communications with Area Health Services and frontline clinicians and managers to achieve agreed performance measures for improved services for patients.

This division assists with implementing effective patient centred improvements and ensures all clinical services are planned and managed systematically and cost effectively. It also provides advice on the performance of NSW Health to the Director-General, the Minister and a range of external agencies.

Health Service Performance Improvement

Works collaboratively with Area Health Services to improve patient access to services (hospitals and community health), hospital performance and the allocation of resources strategically for patient flow and to meet demand growth. Provides strategic advice and identifies obstacles affecting implementation of service improvement strategies.

Clinical Services Redesign Program

Leads the development and implementation of major health service delivery reform initiatives. Such reforms have brought substantial improvements in patient access to emergency departments and elective surgery.

Ensures a coordinated approach to the redesign of clinical services, and engages local and frontline staff and consumers in the design process.

Strategic Information Management (SIM)

Leads the development of statewide strategies and future directions for NSW Health Information and Communication Technology (ICT). The ICT portfolio consists of four core strategies – Clinical, Corporate, Information and Infrastructure and targets the design and delivery of a common set of applications across the state.

The ICT Strategy will make a significant contribution to the safety and cost effectiveness of the patient journey, particularly through the State Baseline Build (SBB) of the Electronic Medical Record that is nearing completion, and the corresponding roll-out activities which have already commenced.

Quality and Safety

Works collaboratively with Area Health Services to develop policies on quality and safety for statewide implementation such as: correct procedure, correct patient, correct site; health care associated infections; and improving medication safety. It develops and reports on system-wide quality indicators.

As well as monitoring, analysing and acting on serious clinical incidents, it oversees statewide clinical governance issues. A single, statewide electronic Incident Information Management System (IIMS) underpins the statewide Incident Management program.

Demand and Performance Evaluation

Oversees NSW Health state data and reporting infrastructure to improve health performance and outcomes. Manages major health activity data collections such as admitted patients, emergency department and elective surgery waiting lists.

It also manages major health activity reporting for NSW Health. Responsible for analysis of demand and performance data, benchmarking and governance of new data and information systems to better meet health needs. Provides support and advice for research, data management and information policy.

Health System Support

Deputy Director-General

Karen Crawshaw

Karen Crawshaw has held various legal positions in the public sector prior to being appointed Director Legal NSW Health. This role was expanded to Director Employee Relations, Legal and Legislation and General Counsel. The role included responsibility for NSW Health's legal services, the Legislative Program for the Health portfolio, and industrial relations and human resource policy for the NSW public health system. In October 2007, Ms Crawshaw was appointed Deputy Director-General Health System Support.

Functions within the Department

Health System Support Division leads and manages strategic advice on financial, employee relations, assets and procurement, workforce, governance and risk, nursing and legal issues, and provides corporate and executive support services for the Department. The Division ensures that the health system operates within available funds.

Strategic Procurement & Business Development

Provides leadership in infrastructure and asset management. This includes operational services such as computer network, email services, corporate knowledge services, building management, and procurement policy development. The Division manages the Asset Acquisition Program. It implements the Government's Total Asset Management policies across the health system, and directs specific asset and procurement projects to support the efficient delivery of health services.

Corporate Governance and Risk Management

Provides a comprehensive framework for corporate governance and risk management, and guides and monitors these functions in the NSW public health system.

The Division manages relationships with key external agencies, undertakes employment screening, and investigates allegations of abuse by health service employees

Workplace Relations and Management Branch

Manages the Department's human resources strategy and provides support and guidance to staff on all personnel and payroll issues. Leads system-wide industrial relations issues, including the conduct of arbitrations, negotiating and determining wages and employment conditions.

Provides administration for the Health Executive Service, and leads human resource and OH&S policy development.

Finance and Business Management

Provides financial management, reporting and budgetary services for the NSW health system, including financial policy, financial analysis, insurance/risk management, GST tax advice and monitoring key performance indicators for support services.

Provides internal support services to the Department, purchasing and fleet management and purchase order transactions.

Legal and Legislative Services

Provides comprehensive legal and legislative services for the Department and Minister, specialist legal services and privacy policy support for the health system, and compliance support and prosecution services for NSW Health.

It also provides registrar and administrative services to the nine Health Professionals Registration Boards.

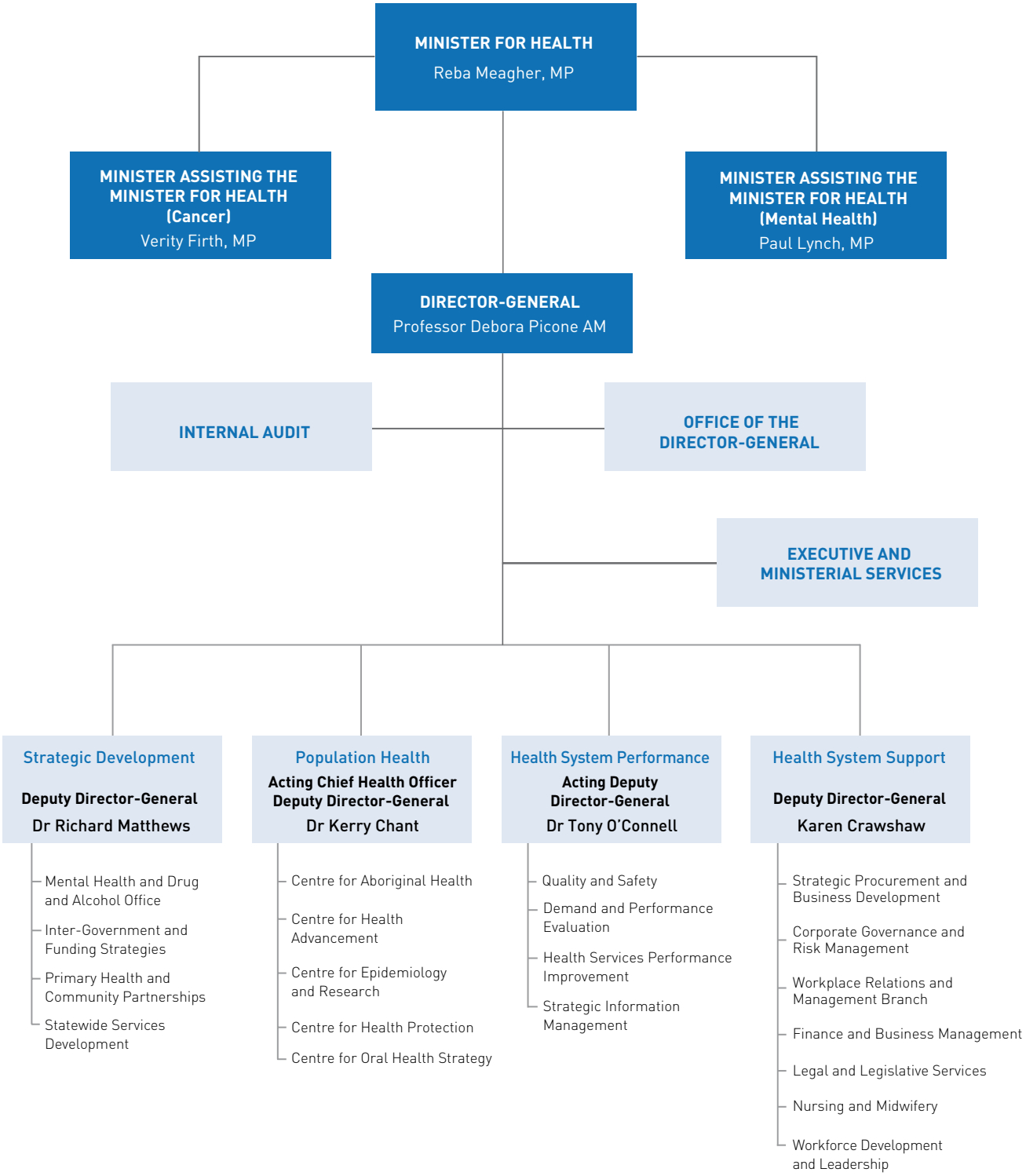
Nursing and Midwifery

Provides leadership and advice on professional nursing and policy issues. Monitors policy implementation, manages and evaluates statewide nursing initiatives, and allocates funding for nursing initiatives.

Workforce Development and Leadership

Plans, develops, facilitates, communicates and evaluates health workforce strategies across the NSW health system to improve health outcomes.

ORGANISATIONAL CHART AS AT 30 JUNE 2008



* Dr Denise Robinson resigned from the position of Chief Health Officer, Deputy Director-General in May 2008. Dr Kerry Chant acted in this position for the remainder of the financial year.

Professor Katherine McGrath resigned from the position of Deputy Director-General, Health Systems Performance in June 2008. Tony O'Connell was appointed the Acting Deputy Director-General, Health Systems Performance, from 30 June 2008.

PERFORMANCE

How we compare

The NSW health system has been subject to pressures of increasing demand, population growth and population ageing in recent years. Despite these pressures, the health of the people of NSW not only compares favorably with the rest of the world, but continues to improve with each passing year. This echoes the sustained momentum of system redesign which is leading to improvements in the quality and efficiency of the public health system.

Comparisons with other states and territories, and other countries with similar health systems is an effective way to benchmark the NSW public health system. National and international results in key health indicators provide the signs we need to ensure we are providing a range of services that are comparable with the best in the world.

This section provides an overview of results for key health indicators recognised internationally as reliable and objective methods for measuring health and health services. The most recent international data has been sourced from The Organisation for Economic Co-operation and Development (OECD) and the World Health Organization (WHO). Interstate data has been sourced from the Australian Institute of Health and Welfare (AIHW) and the Australian Bureau of Statistics (ABS).

Information on a variety of indicators is included, covering:

- Life expectancy at birth – international and state/territory comparisons
- Infant mortality - international and state/territory comparisons
- Death rates - state/territory comparisons
- Health expenditure - international and state/territory comparisons
- Selected hospital activity data – state/territory comparisons

While organisations such as the OECD and WHO endeavor to standardise published health measures and results, information users must always exhibit caution in drawing comparisons between countries. Even though it may appear that countries are using the same health indicators, there may be hidden variations in their construction and countries may be using different inputs, have different definitions of the indicator or have varying degrees of coverage of what they are measuring.

It should also be remembered that countries make choices about how they fund their health systems, the mix of public and private funding, the level of health insurance coverage, and the availability of health professionals to provide health services. These choices impact on the range of services provided and the financial resources allocated to health. Although in this section we only compare Australia with a select group of OECD countries, where social and economic structures are similar, there will always be differences in some of the social determinants of health, such as living and working conditions, that are beyond the ability of health service providers to directly influence.

Care should also be taken when comparing states and territories, because each state and territory governs its own public health system and each has a unique geographic and demographic make up that inevitably creates differences between systems. This particularly relates to the proportion of Indigenous persons in the population which affects the overall health outcomes. Indigenous people have a lower life expectancy, experience disability at a higher rate and have a reduced quality of life due to ill health than non-indigenous Australians.

Some states and territories also have different proportions of people living in rural and remote communities than NSW and their health services are designed differently to account for these variations. Finally, it is important to note when comparing state and territory health data that the degree of coverage of the data may differ. Problems with data capture often mean that not all activity can be reported in official statistics.

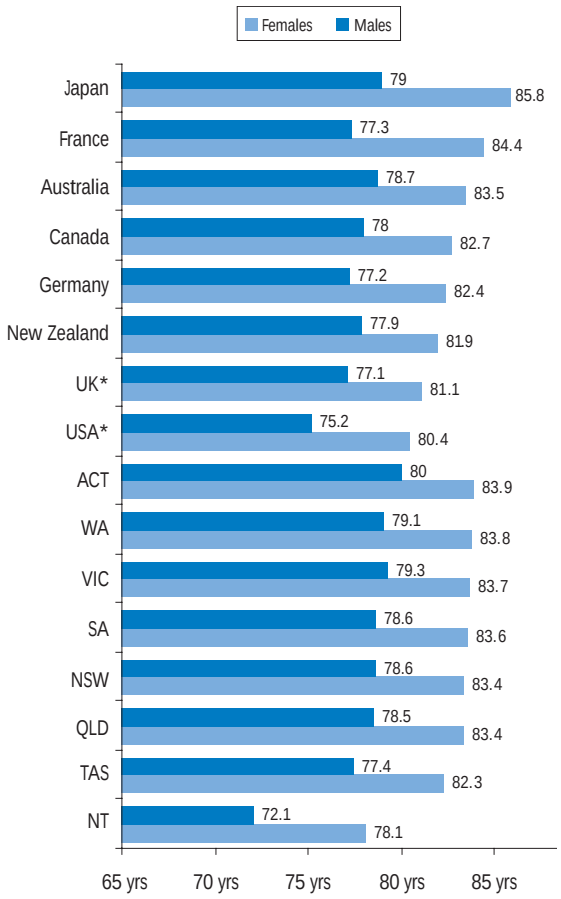
Life expectancy at birth

Life expectancy at birth measures the average number of years a newborn can expect to live if the existing mortality patterns remain during the individual's lifetime. Life expectancy has long been used as an indicator to reflect the level of mortality experienced by a population and is often used as an objective summary measure of a population's health. There are many

influences upon the life expectancy of a population, including socio-economic factors such as level of income or education, environmental issues such as pollution and water supply, as well as health-related behaviours, such as smoking and alcohol consumption.

Chart 1 shows the NSW and Australian rates of life expectancy compared with other states and territories, and selected OECD countries.

Chart 1: Life expectancy at birth (years) for selected OECD countries and Australian states and territories (2006)



Source: OECD Health Data, 2008 and ABS Life Tables, 2006
*The US, UK and Canada = 2005 data

Australia's life expectancy at birth for those born in 2006 was 83.5 years for females and 78.7 for males. Australia has had a continual increase in life expectancy since the early twentieth century and Australians currently have one of the best life expectancy rates amongst OECD countries and in fact, the world.

Life expectancy at birth in 2006 in NSW was on par with the Australian average at 83.4 years for females and 78.6 years for males. NSW life expectancy is longer than a number of countries including New Zealand, Canada, Germany, the US and the UK for both males and females. Like the national rate, NSW continues to improve year-on-year.

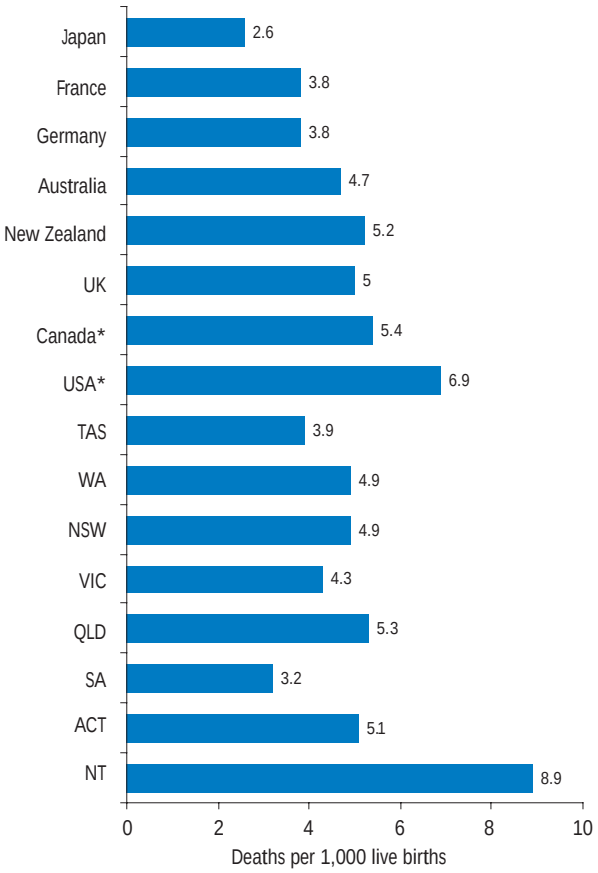
Infant mortality

Infant mortality is another indicator used to compare the health and well being of populations across and within countries. The infant mortality rate refers to the number of deaths of infants (children less than one year old) per 1,000 live births in any given year. Like life expectancy at birth, it is internationally recognised as an indicator of population health and is often used in understanding an area's state of health development. In the past, infant mortality claimed a large percentage of children born, but the rates have significantly declined in modern times, mainly due to improvements in basic health care and advances in medical technology.

In industrialised countries today, infant mortality is a good indicator of the quality of antenatal care, the effectiveness of obstetric services and the quality of infant care in the hospital and in the community as well as being an indicator of maternal health.

Chart 2 (on the following page) shows the latest OECD data on infant mortality alongside state and territory rates from the ABS.

Chart 2: Infant mortality rates for selected OECD countries and Australian states and territories, 2006



Source: OECD Health Data, 2008 and ABS Death Australia, 2006
*The US and Canada = 2005 data

Australia has seen a slight decrease in the infant mortality rate in 2006 (4.7) compared to 2005 (5.0). Slight fluctuations in the year-on-year rate are not uncommon however, and the rate continues to decline long term. Like life expectancy at birth, Australia has a better infant mortality rate than New Zealand, Canada, the UK and the US.

At 4.9, the infant mortality rate in 2006 in NSW was slightly higher than the Australian rate. Although the NSW rate was up slightly on 2005, like the overall Australian rate, it has been steadily declining in recent decades.

Death Rates

In Australia, the standardised death rate in 2006 was 7.3 deaths per 1,000 for males and 4.9 for females. This represents a significant improvement from 1996 when the death rate was 9.9 and 6.2 respectively.

The NSW standardised death rate in 2006 is marginally above that of the Australian total for both males and females, which is similar to the 1996 results. Substantial reductions have taken place across all states and territories during this 10 year period.

Table 1: Standardised death rates per 1,000 people, 1996 and 2006

STATE/ TERRITORY	1996		2006	
	MALES	FEMALES	MALES	FEMALES
NSW	9.9	6.2	7.4	5.0
VIC	9.7	6.1	7.1	4.9
QLD	9.9	6.2	7.3	4.9
SA	9.7	6.1	7.3	5.0
WA	9.9	6.1	7.2	4.7
TAS	11.0	6.9	8.2	5.6
NT	12.0	8.0	9.8	7.4
ACT	9.5	6.0	6.4	4.8
AUSTRALIA	9.9	6.2	7.3	4.9

Source: ABS Deaths Australia 2006

Health Expenditure

Comparing health expenditure as a proportion of Gross Domestic Product (GDP) between countries is a commonly used economic measure in health. This measures a nation's or state's spending on health goods, services and capital investment as a proportion of overall economic activity. It is however susceptible to movements in GDP or health expenditure causing instability in the health–GDP ratio. Health expenditure per capita is an alternative measure that allows comparisons without the misleading effect of GDP movements and population changes.

Table 2: Health expenditure for selected OECD countries, 2006

	TOTAL EXPENDITURE ON HEALTH AS A PROPORTION OF GDP	GOVT EXPENDITURE ON HEALTH AS A PROPORTION OF TOTAL HEALTH EXPENDITURE	PER CAPITA TOTAL HEALTH EXPENDITURE AT AVERAGE EXCHANGE RATE (A$)
Australia	8.7	67.7	4,383
Canada	10.0	70.4	5,186
France	11.1	79.7	4,863
Germany	10.6	76.9	4,753
New Zealand	9.3	77.8	3,452
UK	8.4	87.3	3,892
US	15.3	45.8	9,467

Source: Health expenditure Australia 2006-07, AIHW 2008

Table 3: Average health expenditure per capita current prices, 2003-04 to 2006-07 (A$)

STATE/ TERRITORY	2003/04	2004/05	2005/06	2006/07	AVERAGE ANNUAL GROWTH RATE BETWEEN 2003/04 AND 2006/07 (%)
NSW	3,919	4,075	4,111	4,225	2.5
VIC	3,865	4,026	4,066	4,156	2.4
QLD	3,564	3,668	3,821	4,025	4.1
SA	3,902	4,061	4,041	4,212	2.6
WA	3,998	4,153	4,198	4,267	2.2
TAS	3,603	3,699	3,826	3,988	3.4
ACT	-	-	-	-	-
NT	4,716	4,894	5,105	5,282	3.8
AUSTRALIA	3,850	3,996	4,054	4,185	2.8

'Expenditure' includes Government funded (including the Australian Government), health insurance, injury compensation and 'out-of-pocket' expenditure.
ACT per capita figures are not calculated since these numbers include a substantial number of expenditures for NSW residents (i.e. the ACT population is not an appropriate denominator)
Source: AIHW, Health Expenditure Australia 2006-07, Australian Institute of Health and Welfare 2008.

Although a comparison of Australia's health expenditure with other OECD countries gives us an indication of the relative efforts being made to meet the need for health goods and services in countries with similar economic and social structures, caution is recommended in the interpretation of results, given that differences may exist between countries in terms of what is included as health expenditure. Table 2 shows the latest available data (2006) for both the per capita and GDP percentage of both total health expenditure and government health expenditure between selected OECD countries.

The total expenditure on health in Australia as a percentage of GDP was 8.7% in 2006, which is lower than a number of other countries listed. Australia's health to GDP ratio has been steadily increasing over the last decade, with GDP growing by 6.7% p.a., however health has had a higher expenditure growth of 8.4% p.a. over the same period resulting in an increase in the health to GDP ratio during the period.

Of the selected countries shown, Australia has the second lowest government proportion of total health expenditure (67.7%). One of the reasons for this is Australia's growing private health sector compared with other countries. The US, well known for its large private health sector, has only a 45% government contribution to health spending. Australia spent A$4,383 per capita on health in 2006, less than Canada, France, Germany and the US, but more than New Zealand, and the UK.

Table 3 shows health expenditure within Australia's states and territories over the most recent four years.

Health expenditure in states and territories is influenced by the different health priorities of their Governments. Priorities, and hence policies, will be influenced by the socio-economic makeup of a population, the proportion of indigenous people and remoteness issues, which all influence health expenditure levels and distribution decisions.

Per person, an average of $4,225 was spent on health in NSW in 2006/07. While this is slightly higher than the Australian average, the average annual growth rate in per capita spending since 2003/04 (2.5%) was slightly less than the Australian average (2.8%).

While broad comparisons can be made between states and territories, caution must be exercised when comparing results. Although the AIHW applies consistent methods to its calculations, there may be data quality differences from one jurisdiction to another. It is also important to bear in mind when considering per capita figures that the costs of interstate patients are often included whereas the population (the denominator) is the resident population of the state or territory.

Hospital Activity

This section provides a selection of AIHW data related to public hospital activity by state and territory. When making comparisons in activity between states and territories, keep in mind that public hospitals vary considerably in size, services available and the degree of specialisation.

Generally, public hospitals provide an array of health services from urgent and life-threatening care in emergency departments to elective surgery aimed at improving quality of life. However, a large city hospital provides different functions and operates differently to a small rural hospital that may serve a much smaller but more geographically spread population. The geographical and demographic make-up of a state or territory will be reflected in its hospital types and activity.

NSW has the largest number of hospitals of any state or territory and also has the greatest number of hospital beds, reflecting its higher population. NSW has a higher provision of public hospital beds per head of population than the national average however, which in part reflects the relatively low provision of services by the private sector in this state. The number of admissions per head of population is below the national rate, however the level of non-admitted patient services is well above that of other states.

Table 4: Selected activity measures by state & territory, 2006/07*

ACTIVITY MEASURE	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	AUSTRALIA
Public acute hospital beds per 1,000 population	2.7	2.4	2.4	2.6	2.9	2.6	2.3	2.8	2.6
Total public hospital beds per 1,000 population	2.9	2.4	2.5	2.7	3.1	2.8	2.3	2.8	2.7
Public acute hospital admissions per 1,000 population	204.4	246.6	190.1	217.7	231.5	187.5	244.8	480.1	218.0
Total public hospital admissions per 1,000 population	206.0	246.7	190.2	218.4	232.6	188.5	244.8	480.1	218.8
Total public hospital admissions (000s)	1,462	1,314	785	451	391	97	76	86	4,661
Emergency department occasions of service (000s)	2,304	1,468	1,382	727	516	125	96	123	6,741
Surgical admissions from the elective waiting list (000s)	202	132	108	49	37	14	9	6	557
Surgical admissions from the elective waiting list per 1,000 population	29.4	25.5	26.1	23.5	23.6	28.8	27.7	27.8	26.7
Non-admitted occasions of service (000s)**	17,981	5,800	8,566	3,940	1,624	798	396	295	39,400

*Caution is needed in comparing activity data due to the differences between states and territories in the coverage of data captured, particularly in the case of emergency department numbers.

**Non-admitted occasions of service include: dialysis, pathology, radiology & organ imaging, endoscopy & related procedures, other medical/surgical/obstetric, mental health, alcohol & drug, dental, pharmacy, Allied Health, community health, district nursing and other outreach.

Source: AIHW, Australian hospital statistics 2006-07

NSW accounts for over 45% of non-admitted patient services. This in part is attributed to policies that aim to provide the right care to people in the right place. For example, many clinical services previously requiring admission to hospital are now being provided in alternative settings. This is not only better for the patient, but a more appropriate use of health resources.

NSW provided more elective surgery than any other state or territory, and at 29.4 admissions per 1,000, had the highest elective surgical admission rate. This reflects the targeted activity undertaken in this area to reduce the number of people with extended waiting time for surgery. As a result, the waiting times for patients on the surgical waiting list continue to decline.

NSW has experienced an increase in emergency department occasions of service, a trend that has been seen throughout Australia in recent years. There were over two million presentations to emergency departments in 2006/07. Despite this increase, NSW performance in key indicators such as Triage waiting time and Emergency Access Performance continues to improve.

Summary

Information from the most recent OECD and WHO publications confirms that Australia can claim one of the best performing health systems in the world. In some of the major indicators of health status including life expectancy and infant mortality, Australia compares favourably with other countries with similar health systems within the developed world. The country's health outcome achievements are possible through continued increases to health spending, including spending focused on health promotion and illness prevention.

NSW boasts the country's largest population and hence the largest health system. The state continues to perform on par, and often above average, compared with the overall Australian performance and thereby can also claim international recognition for its health system. Excellent results have been achieved through the success of a multitude of different initiatives in recent years. Resources continue to be directed towards enhancing the health of the community in strategies around illness prevention, mental health and Indigenous health to name just a few.

The state's achievements compared with international results are particularly significant in light of the growing demand for health services and continual population pressures in the state.

NSW State Health Plan

The State Health Plan guides the development of the NSW public health system towards 2010 and beyond. It sets out the strategic directions for NSW Health, which reflect the priorities in the NSW Government's State Plan and the priorities in the Council of Australian Governments' national health reform agenda. The Plan draws on extensive research and consultation with consumers, health professionals and other stakeholders undertaken to develop the longer-term strategic directions for NSW Health in the *Future Directions for Health in NSW - Towards 2025*.

It also draws on the Health Care Advisory Council - the peak community and clinical advisory body advising the Government on health care issues - and the Health Priority Taskforces, which advise on policy and service improvements in high priority areas.

Why have a State Health Plan?

There have been major health gains for people in NSW over the last 20 years. However like health systems in other states and developed nations, the NSW health system faces significant challenges in the years ahead, including:

- Increasing numbers of people with chronic health conditions.
- An ageing population driving up demand for health services.
- Rising community expectations of health services.
- A worldwide shortage of skilled health workers.
- Increasing incidence of people with mental health problems.
- Advances in medical technologies are expensive.

These challenges are placing increasing pressure on the public health system and driving up health costs. The State Health Plan addresses the challenges using the seven Strategic Directions identified during consultation for the *Future Directions for Health in NSW – Towards 2025.*

Seven Strategic Directions

The Strategic Directions identify our health priorities to 2010 and are reflected in planning processes at all levels.

1. Make prevention everybody's business

This requires new strategies for health promotion and illness prevention, supported by structural changes such as legislation, regulation and environmental changes. Prevention is being embedded into NSW Health's service delivery.

2. Create better experiences for people using health services

Providing patients with ready access to satisfactory journeys through health services means ensuring they continue to be high quality, appropriate, safe, available when and where needed and coordinated to meet each individual's needs.

3. Strengthen primary health and continuing care in the community

This will help people to access most of the health care they need through an integrated network of primary and community health services, which will lead to improved health outcomes.

4. Build regional and other partnerships for health

By engaging more effectively with other government and non-government agencies, clinicians and the broader community, we will provide a more integrated approach to planning, funding and delivering health and other human services to local communities and regions.

5. Make smart choices about the costs and benefits of health services

As health costs continue to rise we need to make the most effective use of the finite resources available. Costs must be managed efficiently based on evidence of what works and health impact.

6. Build a sustainable health workforce

Delivery of quality health services depends on having adequate numbers of skilled staff working where required. Addressing the shortfall in the supply of health professionals and ensuring an even distribution of staff around the state are key priorities.

7. Be ready for new risks and opportunities

The NSW health system is a large, complex system that must continually adapt in a dynamic environment to meet the community's changing health needs. The system must be quick to respond to new issues and capable of sustaining itself in the face of external pressures.

The following pages reflect work undertaken over the 2007/08 financial year to address these Strategic Directions.

Strategic Direction 1

MAKE PREVENTION EVERYBODY'S BUSINESS

The saying 'prevention is better than cure' is supported by clinical evidence. Reducing risk factors such as smoking, obesity, risky alcohol use and stress requires strong will and sustained action by individuals, families, communities and governments. Similar effort is needed to promote good nutrition, physical activity, healthy environments and supportive relationships.

Improving health and preventing illness requires greater effort and investment while we continue to treat chronic illness effectively. New health promotion and illness prevention strategies are needed. Life expectancy in NSW is among the highest in the world, yet many people still die prematurely. Unhealthy lifestyles are linked to many of these deaths.

Improved health through reduced obesity

Childhood overweight and obesity is a serious health problem which is increasing at an alarming rate. NSW Health wants to hold the rate of childhood obesity to the 2004 level of 25% by 2010, and reduce it to 22% by 2016.

Live Life Well @ School (LLW@S)

Commenced in May 2008, LLW@S provides a professional learning opportunity for staff in NSW Government primary schools to further develop quality nutrition and physical education programs. A joint initiative with NSW Department of Education and Training, LLW@S is being implemented over 2008-2011 and already over 130 schools are participating. Many other schools are registering for the next phase.

Key components include:

- Four days of professional learning workshops
- Support for schools through newsletters, email groups, video conferencing and network/cluster meetings
- Advice and support regarding the implementation of programs and policy such as Get skilled: Get active, Live Outside the Box, Crunch and Sip and Fresh Tastes @ School
- Advice and support regarding the development and implementation of an action plan (action research approach);
- A resource kit containing a variety of materials and ideas to engage the whole school community.

The Go for 2&5® fruit and vegetable campaign

In partnership with the Cancer Institute NSW, a second phase of the Go for 2&5® fruit and vegetable campaign was held in Autumn 2008 targeting adults 20-50 years who buy food, prepare meals and influence consumption. This follows a promising evaluation of the 2007 phase, which demonstrated improvement in the proportion of adults and children eating the recommended amounts of fruit and vegetables.

Munch and Move

Munch and Move, a joint initiative with NSW Department of Community Services and The University of Sydney, is a fun, games-based program for NSW preschools which supports the healthy development of young children by promoting physical activity, healthy eating and reduced small screen time (TV, DVD, and computers). The program includes face to face training and practical resources, information and ideas, as well as contact with local-level health professionals. The Program has created great interest within NSW and other States and Territories.

Improved health through reduced smoking

NSW Health aims to continue reducing smoking rates by 1% p.a. to 2010, then by 0.5% p.a. to 2016. The aim is to exceed this target for the Aboriginal population where smoking rates are higher than within the general population.

The percentage of people aged 16 years and over who smoke 'daily' or 'occasionally' has decreased from 24.0% in 1997 to 18.6% in 2007. The percentage of Aboriginal persons aged 16 years and over in NSW who smoke 'daily' or 'occasionally' has significantly improved from 43.2% in 2002-2005 to 29.4% in 2006/07. These results meet the targets set out in the NSW State Plan.

Smoke free environments

Since 2 July 2007 the Smoke-free Environment Act 2000 bans smoking in all enclosed public places (with the exception of the private 'high roller' gaming areas of the casino). There has been a phased approach over past years to implement this ban to allow licensed premises and the community time to prepare for the transition.

In April 2008, the Premier released *Protecting Children from Tobacco: A NSW Government Discussion Paper on the Next Steps to Reduce Tobacco-Related Harm*. The discussion paper was prepared to engage the community on possible reforms to prevent the uptake of smoking by young people and prevent harm to children and young people from involuntary exposure to environmental tobacco smoke. The paper was supported with a community consultation process - almost 12,000 submissions were received – and a public forum.

SmokeCheck

SmokeCheck workshops build the skills of Aboriginal health workers to implement smoking cessation programs. A joint partnership with the Cancer Institute NSW, training is delivered by the Australian Centre for Health Promotion, University of Sydney. Culturally appropriate resources including a training manual and health worker handbook support the training. Since its launch a year ago, over 50 workshops have been conducted across Area Health Services involving over 400 staff, half of whom identify as being Aboriginal and/or Tories Strait Islander.

Improved health through reduced illicit drug use and risk drinking

NSW Health aims to keep illicit drug use in NSW to below 15% of the population.

Community Drug Action Teams Grants - CDATS

CDATs are coalitions of Government, non-Government and community volunteers delivering targeted prevention projects, such as drug and alcohol free events for young people and their families, weekend-away camps for at-risk Indigenous young people, community information forums, and knowledge and skill building workshops. Currently there are around 80 CDATs in NSW.

In 2007/08, grants to CDATs increased from $50,000 to $300,000, funding 141 projects. CDATs received $183,830 in other government grants, resources and in-kind donations that supplement their activities.

A once-off allocation of $400,000 was provided for projects tackling risky drinking behaviours. A total $399,300 was approved for 48 projects that included a two-day forum on alcohol issues for Aboriginal people in Western NSW, a number of secondary supply awareness projects, education and information forums and resources for culturally and linguistically diverse communities.

Drug Action Week

Drug Action Week is an annual awareness raising opportunity for drug and alcohol issues. In 2007, it occurred between 23 and 28 June. The key message was 'Alcohol Is a Drug Too'. Across NSW, CDATs organised 37 events including sporting activities, community information and education forums and launches.

Save-a-mate Alcohol and Other Drug Program

The next four-year phase of Save-A-Mate Alcohol and Other Drug (SAM AOD) Program commenced in October 2007. It provides education and first aid training for the families and carers of drug and alcohol users to help them prevent, recognise and respond appropriately to overdose emergencies.

By end 2007, there were 22 (CPR accredited) SAM AOD Emerg-encies courses delivered to 220 participants; five (unaccredited short course) SAM AOD Emergencies Workshops delivered to 50 participants; four peer education workshops delivered to 40 participants, and three youth oriented festivals attended.

Improved survival rates and quality of life for people with potentially fatal or chronic illness

While Australians are living longer and, in many cases, healthier lives, the numbers of people with chronic disease is growing. Potentially avoidable deaths are those attributed to conditions considered preventable through health promotion, screening and early intervention, as well as medical treatment.

NSW Health aims to reduce the number of potentially avoidable deaths for people aged under 75 years to 150 per 100,000 population by 2016.

Hepatitis C

The Review of Hepatitis C Treatment and Care Services was completed. It describes current arrangements for provision of treatment and care, and recommends strategies to increase access, including building the capacity of ambulatory care services and strengthening a shared care model between specialist services and General Practice.

Funding for hepatitis C treatment and care services increased significantly from 2006/07 to 2007/08.

HIV/AIDS

An HIV/AIDS Supported Accommodation Plan 2007-2010 was finalised to provide a statewide policy framework to meet the independent living needs of people with HIV/AIDS. It includes centralised coordination of assessment and intake across services, more efficient and flexible use of resources, and equitable access.

Improved dental health

NSW Health aims to increase the proportion of five year old children without dental decay from 70% in 2000, to 77% in 2010.

Oral Health Survey

The first statewide, randomised oral health survey of NSW school children was conducted in 2007. Approximately 8,000 children aged from five to 12 years had a standard dental examination. The percentage of children without dental decay was 59.7% of 5-6 year olds and 63.9% of 11-12 year olds.

Reduced vaccine preventable conditions through increased immunisation

Childhood immunisation

NSW maintained high immunisation coverage rates of children fully immunised at 12 months (92%) and age two (93%). For Aboriginal children, 89% of children were fully immunised at l2 months and 91% at two years of age.

Adolescent Vaccination Program

The NSW Adolescent Vaccination Program continues to provide hepatitis B and Varicella vaccines to year seven school students. The National Human Papillomavirus (HPV) School-based Vaccination Program continued in all NSW high schools offering HPV vaccine to female students aged 12 to 18 years.

Adult immunisation

A policy was implemented to promote the occupational assessment, screening and vaccination of health care workers to assist Area Health Services meet occupational health and safety obligations and duty of care to staff, clients and other users of health service premises. An enhanced hepatitis B vaccination program was introduced offering protection to at-risk adults in the community.

Other Highlights

Aboriginal environmental health: Housing for health project

A lack of housing maintenance in some Aboriginal communities contributes to poor health outcomes for residents. In partnership with the NSW Government's Department of Aboriginal Affairs, and with the participation of the Aboriginal Housing Office and the Commonwealth Department of Families Communities and Indigenous Affairs, NSW Health is involved in two projects which improve living conditions in Aboriginal communities - 'Housing for Health' and 'Fixing Houses for Better Health'.

In 2007/08, projects were completed in 246 houses and 7,455 items that relate to improved safety and health in those homes were fixed, benefitting 919 people. Of 246 houses which were resurveyed for health and safety after work had been completed in previous years, significant improvements were recorded for connections to power and waste services, electrical and gas safety, flushing toilets, fire safety, washing facilities, laundry facilities, and working drains.

Approximately $2 million has been committed for four years to June 2009 to both projects.

Revised Child Health Screening and Surveillance Program

Following a review of the Personal Health Record (PHR) in 2006/07, new developmental screening and surveillance tools have been adopted. The Parent Evaluation of Developmental Status is now included into the PHR for every health check from the age of six months to four years, and is the recommended primary developmental screening tool.

The Ages and Stages Questionnaires, including the Ages and Stages Questionnaires: Social / Emotional, are being used as the secondary screening tool. This supports the clinicians' skills and knowledge of child health development, and aims to improve quality and standardisation of child health screening and surveillance.

Statewide Eyesight Preschooler Screening (StEPS)

The StEPS program is a scientifically based universal vision screening program for four year olds to identify problems early so treatment outcomes are optimised. Vision screening equipment has been purchased and distribution to Area Health Services commenced. StEPS Coordinators are being appointed and training packages rolled out.

Statewide Audit of Induction of Labour

An audit on induction and augmentation of labour which arose from concerns about the variation in practice in the administration of Syntocinon, was undertaken by the Maternal and Perinatal Health Priority Taskforce. Results will inform policy development to achieve uniform safe practice.

Communicable diseases

Plans were finalised for the redesign and roll-out of a new NSW Notifiable Diseases Database to capture quality information about the public health management of notifiable diseases and better support a coordinated public health response to both isolated cases and outbreaks.

New processes were developed for communicating information about outbreaks within the public health network and with key stakeholders such as general practitioners using broadcast facsimile. New processes for tracing contacts of cases that have recently travelled on aircraft were also developed.

Communicable Diseases Branch coordinated public health responses to a number of outbreaks in 2007/08, including;

- several outbreaks of measles and outbreaks of gastroenteritis within institutions
- an outbreak of salmonella paratyphi bioser java that occurred in children exposed to contaminated sand in a playground
- a case of Streptococcus suis infection in a person who works with pigs
- a case of Murray Valley encephalitis in rural NSW.

NSW Health was responsible for public health planning and response for the APEC meeting in September 2007 and World Youth Day 2008.

School-link

School-Link, a collaborative initiative with Department of Education and Training, aims to improve the mental health of children and young people. In 2007/08, 34 training sessions around co-existing mental disorders and problematic substance use in adolescents were delivered to around 1,000 school counsellors and mental health workers.

An evaluation showed 96% of participants said the training would help them deliver a better service; 98% said the course met their needs and 97% said they would recommend the course to a colleague.

Air Quality Index

In liaison with the Department of Environment and Conservation, the Environmental Health Branch has updated the air pollution health alert system, and improved its accessibility.

The Air Quality Index (AQI) reports daily air quality, indicating how clean or polluted the air is, the associated health effects and the impact on sensitive groups.

It is a quick and easy tool that advises the public of:

- Air pollution levels in their community
- Tomorrow's air quality forecast - to help plan the day
- Who is at risk from air pollution
- Simple steps to take to reduce exposure to pollutants

By providing the public with precautionary information, the risk of adverse health effects from high air pollution is reduced.

From mid-2008, health alerts will be delivered at 4pm for the following day to the public for days when the forecasted AQI is poor, very poor or hazardous via web pages, SMS and other media.

Health alert messages are tailored to the level of risk, particularly for ozone (for individuals with compromised lung function) and fine particles (for individuals with lung and heart disease), with ability to target messages to at-risk groups. The messages can be viewed on NSW Health's and the Department of Environment and Conservation websites.

Obesity

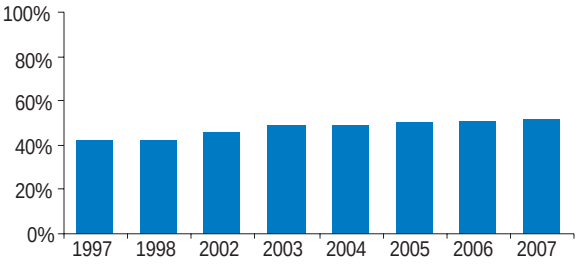
Desired outcome

Prevent further increases in levels of adult obesity.

Context

Being overweight or obese increases the risk of a range of health problems, including cardiovascular disease, high blood pressure, type 2 diabetes, breast cancer, gallstones, degenerative joint disease, obstructive sleep apnoea and impaired psychosocial functioning.

Overweight/obesity in persons aged 16 years and over (%)



Source: NSW Population Health Survey, Centre for Epidemiology and Research

Interpretation

Consistent with national and international trends, the prevalence of overweight or obesity has risen from 41.8% in 1997 to 51.7% in 2007. This increase has occurred in both males and females.

In 2007, more males (58.8%) than females (44.7%) were overweight or obese. More rural residents (57.2%) than urban residents (49.2%) were overweight or obese.

Related policies and programs

The NSW Health Obesity Strategy includes: social marketing to promote the importance of healthy eating and physical activity; establishment of a NSW Get Healthy Information and Coaching Service; establishment of an Obesity Prevention Research Centre; and specialised multidisciplinary medical and surgical clinics.

Childhood obesity

Desired outcome

No further increases until 2010, then reduce levels by 2016.

Context

Childhood overweight and obesity is a serious health problem. There has been an alarming increase in the rate of children who are overweight or obese in Australia. One in five children in NSW aged 7 to 15 years are either overweight or obese. Children and young people who are obese have a greater chance of being obese adults. Overweight and obese people are at greater risk of weight related ill-health.

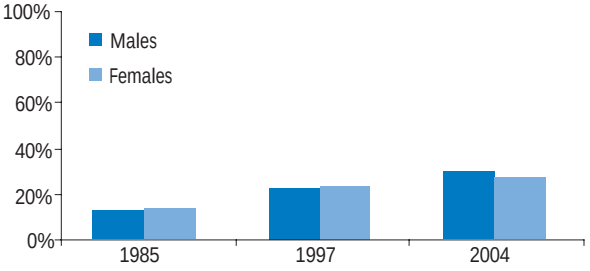
Interpretation

The prevalence is rising rapidly. In boys, the prevalence of overweight and obesity increased from 10.8% to 26.1% between 1985 and 2004 across all school years and from 12.0% to 23.7% in girls in the same period.

Related policies and programs

In 2008, a physical activity and healthy eating program, Live Life Well@School was launched in NSW Government primary schools targeting students 5 to 12 years of age. A healthy eating, physical activity and small screen recreation program known as Munch and Move is being delivered in preschools and long day care centres.

Children overweight or obese – children aged 7–16 yrs (%)



Source: NSW Schools Physical Activity and Nutrition Survey 2004

Illicit drug use

Desired outcome

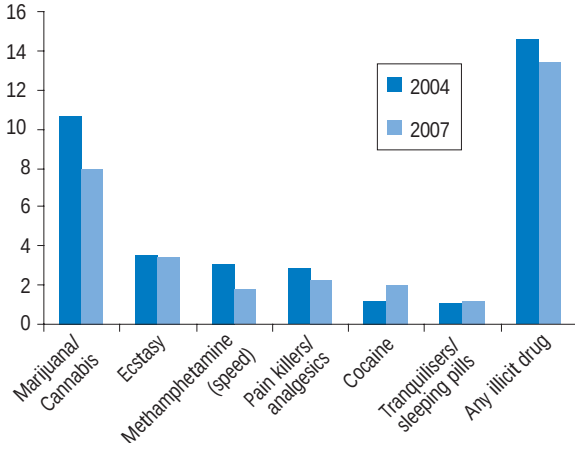
Maintain and improve the health of the population by holding illicit drug use in NSW to below 15% of the population.

Context

Illicit drug use carries serious health risks. The provision of evidence based treatment services by Area Health Services and non-government organisations enables individuals to address those health risks and cease or reduce illicit drug use.

Strong prevention, promotion and community development programs at local level are as important as effective treatment to improving health outcomes in relation to the effects of illicit drug use.

Recent (in the past 12 months) illicit drug use in NSW – proportion of the population aged 14 years and over (%)



Source: Australian Institute of Health and Welfare 2008, 2007 National Drug Strategy Household Survey, States and Territory Supplement

Interpretation

In NSW in 2007, cannabis was the most frequently used illicit drug among people over the age of 14 years (8%). Other illicit drugs were used by less than 4% of the population. The use of illicit drugs was 13.4% across the whole population. Compared with 2004, there were reductions in overall illicit drug use, marijuana, pain-killers and amphetamines but increases in tranquilisers and cocaine. The same trends were seen in national rates of illicit drug use.

Related policies and programs

Under the State Plan, the Government renewed its commitment to tackling illicit drug use – building on the progress made since the 1999 Drug Summit and committing to holding illicit drug use below 15%. NSW Health is the lead agency for coordinating an evidence-based approach across Government and works in partnership with a range of other agencies to implement programs encompassing prevention, education, treatment and law enforcement.

In addition to treatment and new approaches such as the Cannabis Treatment Clinics, Stimulant Treatment Program and Consultation Liaison specialists in emergency departments, prevention and community education strategies have been put in place including 80 Community Drug Action Teams to institute local solutions, a Club Drugs Campaign targeting young people, extension of the Heroin Overdose Strategy to all drugs, and new child protection safeguards under the Opioid Treatment Program.

Smoking

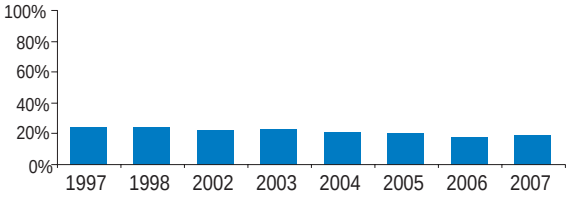
Desired outcome

Reduced proportion of the population who smoke in NSW.

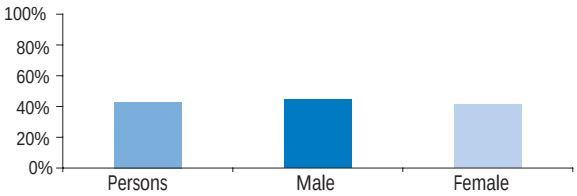
Context

Smoking is responsible for many diseases including cancers, respiratory and cardiovascular diseases, making it the leading cause of death and illness in NSW. The burden of illness resulting from smoking is greater for Aboriginal adults than the general population.

Smoking daily or occasional - persons aged 16 years and over, NSW (%)



Smoking daily or occasional, Aboriginal persons NSW, 2002–2005 (%)



Source: NSW Population Health Survey, Centre for Epidemiology and Research

Interpretation

Since 1997, the prevalence of current smoking among NSW adults has decreased from 24.0% to 18.6% in 2007. A higher proportion of Aboriginal adults are current smokers, compared with adults in the general population. The percentage of smoke-free households has increased significantly, from 69.7% in 1997 to 88.2% in 2007.

Related policies or programs

The NSW Tobacco Action Plan 2005–2009 sets out the NSW Government's commitment to the prevention and reduction of tobacco-related harm. The six focus areas are: smoking cessation activities; reducing exposure to environmental tobacco smoke; reducing the marketing and promotion of tobacco products; reducing the availability and supply of tobacco products; supporting and improving the capacity of NSW Health to implement and enhance tobacco control activities in NSW; and undertaking research programs to inform tobacco control efforts.

Risk drinking

Desired outcome

Reduced total risk drinking.

Context

Alcohol has both acute (rapid and short but severe) and chronic (long lasting and recurrent) effects on health. Too much alcohol consumption is harmful, affecting the health and wellbeing of others through alcohol-related violence and road trauma, increased crime and social problems.

Interpretation

Since 1997, there has been a decrease in the percentage of persons over the age of 16 years reporting any risk drinking behaviour, from 42.3% to 31.9% in 2007. This decrease was greater in males than in females. Risk drinking behaviour is more common among rural adults than urban adults. Alcohol risk drinking behaviour includes consuming on average, more than four (if male) or two (if female) standard drinks per day.

Potentially avoidable deaths

Desired outcome

Increased life expectancy.

Context

Potentially avoidable deaths are those attributed to conditions that are considered preventable through health promotion, health screening and early intervention, as well as medical treatment. A potentially avoidable death (before age 75 years) provides a measure that is more sensitive to the direct impacts of health system interventions than all premature deaths.

Interpretation

The rate of potentially avoidable premature deaths has declined over the period 1998 to 2006. There has been a slight increase in the rate for Aboriginal persons in 2006 compared to the previous year, however the long term trend shows a decline. The causes of avoidable deaths can be further divided into those that may be prevented through 'primary', 'secondary', and 'tertiary' interventions.

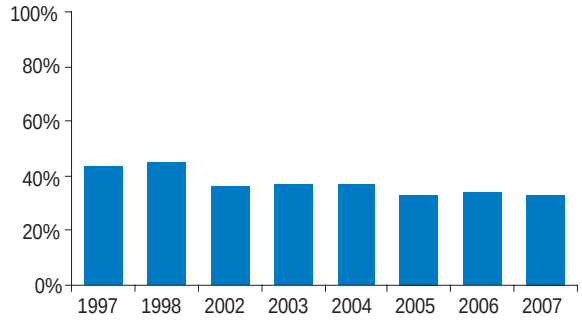
Related policies and programs

Under the State Plan, the Government renewed its commitment to tackling risk drinking – building on the progress made since the 2003 NSW Summit on Alcohol Abuse. The Government's State Plan commitment to reduce risk drinking to below 25% by 2012 demonstrates that promoting a responsible drinking culture is a key priority.

NSW Health is the lead agency for coordinating this work across Government and works in partnership with a range of other agencies to implement programs encompassing prevention, education, treatment and law enforcement.

In addition to the provision of treatment, key prevention and community education strategies include a new Responsible Drinking Education Campaign aimed at reducing public drunkenness, the "Play Now, Act Now" creative arts festival aimed at raising awareness of responsible use of alcohol, and the "Controlled Drinking by Correspondence" program which targets high-risk drinkers.

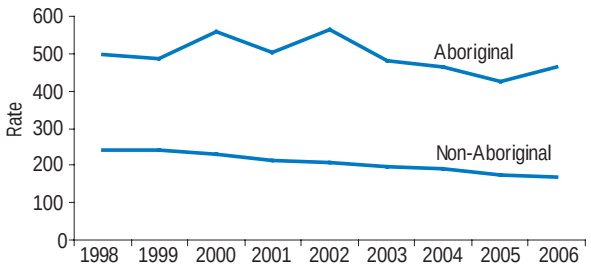
Alcohol – risk drinking behaviour, persons aged 16 years and over (%)



Source NSW Population Health Survey, Centre for Epidemiology and Research

Primary interventions are aimed at preventing a condition developing, eg through risk factor modification such as reducing smoking rates. Secondary interventions detect or respond to a condition early in its progression, such as screening programs for cancer. Tertiary treat an active condition to reduce severity and prolong life eg heart revascularisation procedures.

Potentially avoidable deaths – persons aged <75 yrs (age adjusted rate per 100,000 population)



Source: ABS Mortality data and population estimates (HOIST), Centre for Epidemiology and Research, NSW Department of Health

Related policies and programs

Strategies for interventions are in the NSW State Plan. These include improved access to rehabilitation for chronic disease (containing self-management support and/or case management), advanced care planning, enhanced carer support, essential information technology support for community based services, focused health research and prevention programs to tackle childhood and adult obesity.

Policies that underpin these strategies are:

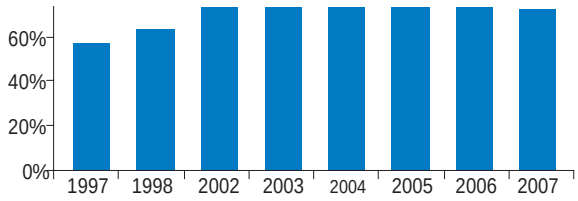
- NSW Chronic Disease Strategy 2006–2009
- NSW Tobacco Action Plan 2005-2009
- NSW Health Rehabilitation for Chronic Disease PD 2006_107
- NSW Health Aboriginal Chronic Conditions Area Health Service Standards PD 2005_588
- NSW Cancer Plan 2007–10 developed by the NSW Cancer Institute

Adult immunisation

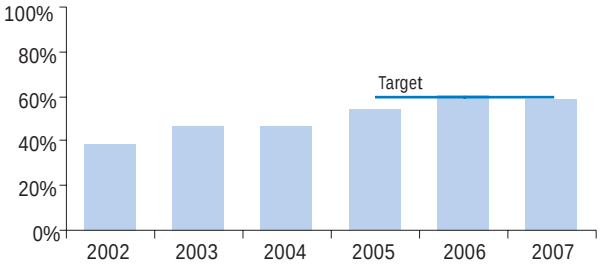
Desired outcome

Reduced illness and death from vaccine preventable diseases in adults.

Influenza – People aged 65 years and over vaccinated in the last 12 months (%)



Pneumococcal disease – People aged 65 years and over vaccinated in the last 5 years (%)



Source: NSW Population Health Survey, Centre for Epidemiology and Research

Context

Vaccination against influenza and pneumococcal disease is recommended by the National Health and Medical Research Council (NHMRC) and provided free for people aged 65 years and over, Aboriginal people aged 50 and over and those aged 15–49 years with chronic ill health.

Interpretation

There has been a significant increase in the proportion of adults aged 65 years and over vaccinated against influenza, from 57.1% in 1997 to 72.8% in 2007. In this group there has been a significant increase in pneumococcal vaccination in the last five years, from 38.6% in 2002 to 59.1% in 2007.

Related policies and programs

- NSW Immunisation Strategy 2008–2011 highlights improving adult vaccination as a Key Result Area.
- National Influenza and Pneumococcal Vaccination program.
- Recurrent funding is provided to Area Health Services to implement adult vaccination initiatives that improve coverage to achieve national target levels.

Children fully immunised at one year

Desired outcome

Reduced illness and death from vaccine preventable diseases in children.

Context

Although there has been substantial progress in reducing the incidence of vaccine preventable disease in NSW, the challenge is ongoing to ensure optimal coverage of childhood immunisation.

Interpretation

The Australian Childhood Immunisation Register was established in 1996. Data from the Register provide information on the immunisation status of all children under seven years of age. Data for NSW indicate that at the end of June 2008, 91.3% of children aged 12 to less than 15 months were fully immunised.

It is acknowledged that this data may be underestimated by approximately 3% due to children being vaccinated late.

Related policies and programs

Recurrent funding is provided to Area Health Services to implement the NSW Immunisation Strategy 2008–2011.

Policies that underpin these strategies are:

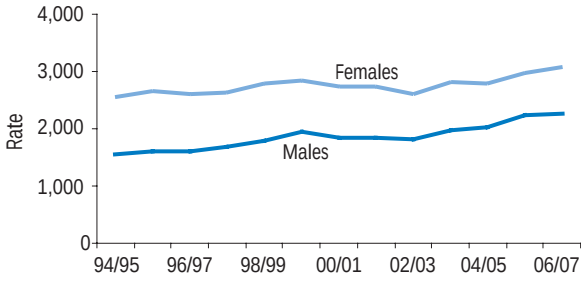
- NSW Chronic Disease Strategy 2006–2009

Fall injury hospitalisations

Desired outcome

Reduce injuries and hospitalisations from fall-related injury in people aged 65 years and over.

Fall injuries – hospitalisations for people aged 65 years and over (age adjusted hospital separation rate per 100,000 population)



Source: NSW Inpatient Statistics Collection and ABS population estimates (HOIST), Centre for Epidemiology and Research, NSW Department of Health

Context

Falls are one of the most common causes of injury-related preventable hospitalisations for people aged 65 years and over in NSW and also one of the most expensive. Older people are more susceptible to falls for reasons including reduced strength and balance, chronic illness and medication use.

One quarter of people aged over 65 years living in the community report falling at least once in a year. Effective strategies to prevent fall-related injuries include:

- Preventing risk factors through promotion of appropriate physical activity and nutrition throughout life
- Promoting the identification and management of falls risk factors amongst those older people at immediate risk of falls
- Promoting environments that reduce the risk of falls and fall injury.

Interpretation

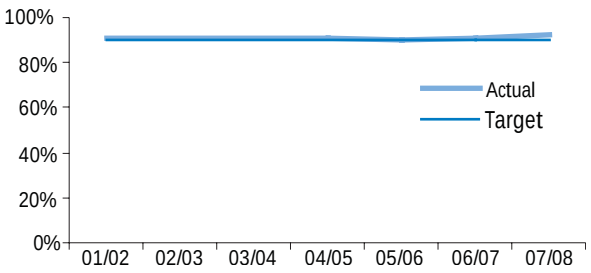
Over the past decade, the rate of hospitalisation for fall injury in older people has been increasing for both men and women. These rates may be affected by both the actual rate of fall injury and other factors such as hospital admission practices.

Related policies and programs

The Management Policy to Reduce Fall Injury Among Older People: 2003-2007 has come to the end of its intended lifespan. Area Health Services continue to implement actions based on the Policy throughout the reporting period. A revised strategy, based on recent evidence and a comprehensive evaluation of the Policy, is under development.

- NSW Tobacco Action Plan 2005-2009
- NSW Health Rehabilitation for Chronic Disease PD 2006_107
- NSW Health Aboriginal Chronic Conditions Area Health Service Standards PD 2005_588
- NSW Cancer Plan 2007–10 developed by the NSW Cancer Institute.

Children fully immunised at one year (%)



Source: Australian Childhood Immunisation Register

Note: The data may underestimate actual vaccination rates by around three percentage points due to children being vaccinated late or to delays by service providers forwarding information to the Register. Therefore although the Commonwealth target is 94%, the NSW target has been set at >90% to account for this discrepancy.

Strategic Direction 2

CREATE BETTER EXPERIENCES FOR PEOPLE USING HEALTH SERVICES

We can create better experiences for people using public health services by ensuring services are of high quality, appropriate, safe, available when and where needed, and coordinated to meet individual needs. We strive for a health system that provides ready access to health services, and keeps patients and their carers informed and involved in decisions.

Improved access to emergency departments

In 2007/08 1,961,602 people attended one of the 72 electronic reporting emergency departments (EDs) in NSW. The performance in four of the five triage categories remained above national benchmarks with Triage 3 (within 30 minutes) improved and just below target.

Medical Assessment Units

Sixteen Medical Assessment Units opened, improving patient flow by providing alternatives to treatment in emergency departments. The aged and chronically ill benefitted through rapid assessment, diagnosis and treatment by senior clinicians.

Early Pregnancy Units

NSW Government is implementing a comprehensive range of new and enhanced services to improve early pregnancy care. Women with early pregnancy problems, such as lower abdominal pain and bleeding in the first 20 weeks of pregnancy, who present to an emergency department, but do not need urgent medical attention, will receive rapid assessment and advice from new Early Pregnancy Units co-located within selected high-volume emergency departments.

Since January 2008, eight new Early Pregnancy Units have been opened to improve the care of pregnant women, bringing the total to 19 across NSW. A further three will open in 2008.

Funding of $880,000 was allocated to develop antenatal clinics in over 40 rural locations, with the aim of providing public antenatal care in all public maternity services in NSW.

Rural Critical Care Services

Major developments in the implementation of Rural Critical Care Services in Area Health Services included:

- commencement of the 24/7 Resource Centre in Orange and implementation of video conference services to pilot sites at Mudgee, Walgett, Dubbo and Broken Hill hospitals.
- Commencement of the 24/7 Resource Centres in Wagga Wagga and Albury, and implementation of video conference services to 20 outlying emergency departments.

Improved access to elective surgery

NSW aims to provide surgery to all patients within the national benchmark of 100% within 30 days or 12 months depending on the clinical condition.

Predictable Surgery Program

There was an improvement in the percentage of patients treated within their clinical priority timeframe in Category 1 (admission required within 30 days) and Category 2 (admission within 90 days). Improvements in the percentage of Category 3 (admission within 365 days) patients treated within their clinical priority timeframe continued to be maintained. In June 2008, NSW recorded its lowest ever numbers of long wait patients. All Area Health Services reported an increase in surgical operations performed.

Increased satisfaction with health services

NSW Health is committed to improving "customer satisfaction" with NSW public health services. Customers are defined as patients and their carers. Among the ways we are working to understand and improve patient and carer experience are:

- an annual patient survey
- talking to recent patients and carers about their experience

- supporting service improvement through the Clinical Services Redesign Program and knowledge sharing

In 2007/08, the first annual patient survey was conducted with around 75,000 responses from patients in nine different health service categories: inpatients, day only patients, outpatients, non-admitted emergency patients, community health clients, adult rehabilitation services, mental health inpatients, and those receiving cancer treatments. The survey is to be conducted every year for three years.

To gain an understanding of recent patient and carer's experiences, a program was established to collect their stories. These stories complement the survey data.

Ensuring high quality care

Open Disclosure

Open disclosure refers to the frank discussion with a patient and their support person about an incident that may have resulted in harm or injury to the patient.

A number of initiatives were undertaken following the release of the revised NSW Open Disclosure Policy and Guidelines in 2007. These included education sessions for staff to help them feel more confident in conducting sensitive conversations with patients and families. An online Open Disclosure e-learning module was launched in February 2008. Local guidelines, procedures and tools from health services are shared via the website which also help improve staff confidence with open disclosure.

Reducing Clinical Incidents

The Safety Alert Broadcasting System (SABS) provides early warnings about safety issues and indicates who is responsible for them. In 2007/2008, there were four early alerts that arose specifically from incidents notified in the Incident Information Management System (IIMS).

A "Between the flags" project was commenced by the CEC in response to a number of incidents where the recognition and management of a patient whose condition unexpectedly and rapidly becomes worse in a hospital ward was recognised as a contributing factor to many incidents. Following completion of the pilot project, the CEC will make recommendations to the Department for statewide implementation.

A pilot co-design program in three hospital emergency departments is engaging patients, carers and staff to identify priorities for improvement and co-design solutions to enhance the experience for all.

Healthcare associated infections (HAI)

Reduced incidence and careful management of healthcare associated infections remains a priority for the Department. Health services are implementing and building on previous strategies to prevent patient acquisition of healthcare associated infections.

Recent initiatives include a new policy on the prevention and management of multi-resistant organisms. Hand hygiene and environmental cleaning policies were revised and tools developed to support their implementation. An improved healthcare associated infections website for health service staff was established. Monitoring of healthcare associated infections was simplified to ensure more accurate and timely data.

Correct Site etc/Patient ID

Incorrect procedures, though low in frequency, provide insight into system failures that allow them to happen. Specialist clinical groups in surgery, radiology, nuclear medicine, radiation oncology and oral health have developed new systems to address these incidents. These systems included a revised policy with greater emphasis on non-surgical areas and clinical-area specific safety toolkits. These tools make it easier for staff to follow appropriate process and reduce incidents of incorrect procedures.

Other highlights

Investment in mental health services

The NSW Government provided a record $1.05 billion in funding for mental health services in the 2007-08 budget, an increase of $105 million, or almost 11%, on the 2006-07 Budget, and almost three times the allocation of $356 million provided in 1994-95.

Mental health services now account for approximately 8.4% of the total NSW Health Budget, compared to 6.7% in 1994-95.

The Third Drug Budget received $269.6 million, of which NSW Health was allocated $192.6 million over four years (2007/08 – 2010/11). with $48.5 million allocated for 2007/08. This funds drug and alcohol treatment services, prevention and community action, coordination, monitoring and performance management, Justice Health and the trial of the Medically Supervised Injecting Centre.

Implementation of the Mental Health Act 2007

NSW Health played a key role in the implementation of the new Mental Health Act 2007. This Act is the law which provides for the treatment of people with mental illness in hospitals and the community. It aims to protect the rights of people with mental illness or mental disorder, while ensuring they have access to appropriate care. The new Act was proclaimed by Parliament in November 2007 following extensive consultation with stakeholders. It involves changes to the transport of patients and introduces the concept of a primary carer for mentally ill persons. In addition, it replaces the 'gazetted hospitals' and 'health care agencies' with the concept of declared mental health facilities to provide a more flexible approach to patient care.

My Health Record Evaluation

My Health Record is a patient-held record developed as part of the Department's Chronic Care Program to improve communication between health service clients and multiple care providers, and to enhance disease self-management. It was updated to increase its suitability for mental health service consumers.

Following a pilot program, an evaluation revealed consumers and service providers using My Health Record felt more empowered and better able to be proactive with service providers.

My Health Record and the Summary and Distribution Protocol are available through local health centres and services, and on the Department's website.

Multicultural Mental Health Plan 2007-2012

The Minister for Health and the Minister Assisting the Minister for Health recently endorsed the NSW Multicultural Mental Health Plan 2007-2012, the strategic statewide policy and service delivery framework for improving mental health in NSW of people from Culturally and Linguistically Diverse (CALD) communities.

Five key strategies are identified in the Plan:

- Integrated policies that guide informed and data driven planning processes
- Renewing a focus on education, prevention and early intervention
- Delivering culturally inclusive and responsive mental health services
- Enhancing cultural competencies in mental health service delivery
- Promoting culturally inclusive research, evaluation and innovation

Whatever info guide

The "Whatever Info Guide" is an interactive guide for young people aged 12 to 16 years who experience a mental health problem and are admitted to a paediatric unit. It provides information about the ward and what to expect while in hospital, and helps young people plan for their discharge.

It also helps staff caring for young people to actively work with patients in collaborative treatment planning.

Treating Eating Disorders

A statewide eating disorder coordinator advises and responds to needs and opportunities in the development of comprehensive services for the treatment of eating disorders. Funding has been provided for four area coordinators.

Training, telemedicine support and education workshops have been offered to multidisciplinary health workers to build a statewide network.

Two landmark pilot Eating Disorder Day Programs have been developed for implementation in the Central Coast and RPA Hospital. Funding was provided for 16 intensive treatment places for eating disorders. It is widely recognised that day programs offer a cost-effective intensive dose of treatment as compared to inpatient services. An ongoing evaluation of the benefits of these programs is being conducted.

Eating Disorders Toolkit

The Eating Disorders Toolkit was published - a practice-based manual to assist health professionals in applying best-practice principles for adolescents receiving treatment in non-specialist inpatient settings. It has been distributed for use in paediatric, mental health and general inpatient settings, including rural and regional hospitals.

The Emerging Area of Comorbidity – Co-Exist NSW

Co-Exist NSW is a statewide service for people from culturally and linguistically diverse (CALD) communities and their families, who have concurrent substance use and mental health problems. It is managed by the Transcultural Mental Health Centre (TMHC) and is a member of the Diversity Health Institute (DHI).

Since establishment, Co-Exist has provided assessment and consultation to 224 clients from 39 language groups. It currently has the capacity to provide confidential counselling services in 110 languages at locations across NSW. In addition, training was provided for 48 sessional bilingual counsellors. An information strategy was coordinated for 31 CALD communities (including the provision of 31 translated resources). Three symposia were held on increasing awareness on comorbidity issues within CALD communities with over 300 participants.

Stimulant Treatment Program

NSW Health continued to fund two clinics under its Stimulant Treatment Program with $300,000 per clinic per annum. The clinics provide primarily counselling treatment for stimulant, mainly methamphetamine (ice), users. A preliminary evaluation conducted on clients during the first six months of operation has indicated success in reducing stimulant use, and significant improvements in the clients' levels of distress, mental health, psychotic symptoms and commission of crime.

Cannabis Clinics

The NSW Government committed $1.1 million in 2007/08 for the continued operation of four cannabis clinics in Parramatta, Sutherland, the Central West and the Central Coast. Two new clinics have been funded. The North Coast Area Health Service's cannabis clinic was opened in May 2008 and provides a flexible outreach model with specialist cannabis clinicians based in Tweed Heads, Lismore and Kempsey. The Hunter New England Area Health Service's cannabis clinic will open in the second half of 2008.

The clinics provide clinical interventions and treatment to dependent cannabis users with complex needs, in particular clients with mental health issues.

The third NSW Dementia Action Plan

The NSW Dementia Action Plan 2007-2009, released in October 2007, will contribute to improving the quality of life for people living with dementia, their carers and their families. The Department led development of the plan, and will implement its strategies in partnership with the Department of Ageing, Disability and Home Care, with service providers, Alzheimer's Australia NSW and other key non-government organisations.

Mandatory Reporting

The Medical Practice Act 2008 was amended to strengthen the medical complaints handling and disciplinary process arising from reviews of cases in 2007/08, and introduces a system of mandatory reporting of serious misconduct.

Assisted Reproductive Technology Act 2007

The Assisted Reproductive Technology Act 2007 was passed to regulate the provision of assisted reproductive technology. It sets standards relating to the provision of treatment, ensuring that individuals have control over the use of their genetic material. It prohibits the commercialisation of human reproduction and ensures that individuals born as a result of donor sperm or eggs have access to information relating to their genetic parents.

Helping children and young people: the GP Resource Kit

Two NSW Health funded services, the NSW Centre for the Advancement of Adolescent Health (CAAH) and Transcultural Mental Health Centre (TMHC) have developed a GP Resource kit to assist GPs in providing quality health care to young people. The Kit is a practical and valuable resource that outlines the skills needed for working with young people and their families, and addresses the developmental, cultural and environmental factors that influence their health status.

Transport for Health program

Patient access to health services is being improved through The Transport for Health program. All non-emergency health-related transport services are being integrated into one multifaceted program.

The *Isolated Patient Travel and Accommodation Assistance Scheme Administration Manual and Guidelines for Medical Practitioners and Specialists* have been completed and distributed, providing the operational tools for Area Health Service staff to deliver the Transport for Health program.

Emergency department triage – cases treated within benchmark times

Desired outcome

Treatment of emergency department patients within timeframes appropriate to their clinical urgency, resulting in improved survival, quality of life and patient satisfaction.

Context

Timely treatment is critical to emergency care. Triage aims to ensure that patients are treated in a timeframe appropriate to their clinical urgency, so that patients presenting to the emergency department are seen on the basis of their need for medical and nursing care and classified into one of five triage categories. Good management of emergency department resources and workloads, as well as utilisation review, delivers timely provision of emergency care.

Interpretation

Emergency department activity in the busiest metropolitan and regional NSW public hospitals continues to rise: in 2007/08 ambulance transports to hospitals were up 6.3%, emergency department attendances were up 5% (to 2,417.818) compared to 2006/07, admissions through the emergency department were up 2.9% to 404,565 over the same period.

Emergency departments always give priority to the most life threatening cases and NSW hospitals continue to treat 100% of the most seriously ill (Triage 1) within the National Benchmark of treatment within a designated two minute timeframe.

For those patients classified as triage category 2 or 'imminently life threatening' the performance in treating patients within 10 minutes in 2007/08 was three percentage points above the Australasian College for Emergency Medicine's target level. For those patients classified as triage category 3 or 'potentially life threatening' the performance in treating patients within 30 minutes in the year ending June 2008 was the same as the previous year, despite the substantial increase in patient numbers.

In 2007/08 over 75% of Triage 4 or 'potentially serious' patients had treatment commenced within 60 minutes, above the 70% benchmark set by the Australasian College of Emergency Medicine.

Related policies and programs

A number of initiatives were implemented in emergency departments and hospital wards across the state to improve the timeliness of access to treatment. Fast Track Zones were implemented in over 25 emergency departments to ensure that less complex patients who have traditionally waited for long periods are cared for quickly but safely. These Fast Track Zones use skilled staff such as nurse practitioners and advanced practice nurses. Emergency Medicine Units in 14 NSW emergency departments provide a place adjacent to emergency departments where patients who need a longer period of care or observation can stay without occupying emergency department beds. This allows for much more efficient processing of new patients as they arrive.

Short Stay Units in a number of hospitals cater for patients who need shorter periods of admission to a specialty unit. This allows for more efficient processing of new patients as they arrive in the emergency department.

Through the set up of 16 Medical Assessment Units (MAU) within selected facilities, more rapid access has been created

Ambulance response time

Desired outcome

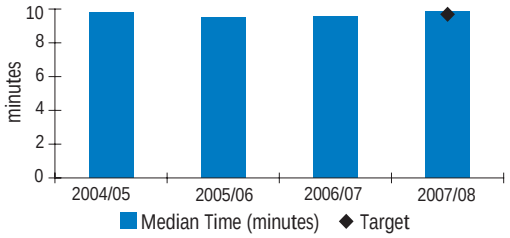
Ambulance response times that are appropriate for cases requiring urgent pre-hospital treatment and transport, resulting in improved survival, quality of life and patient satisfaction.

Context

Timeliness of treatment is a critical dimension of emergency care for certain conditions. Ambulance Emergency Response Time is the period between when a '000' emergency call is received and the time the first ambulance resource arrives at the scene in a life threatening case.

In Australia, the 50th percentile response time is a key measure.

Ambulance response times – potentially life threatening cases – 50th percentile response time (minutes)



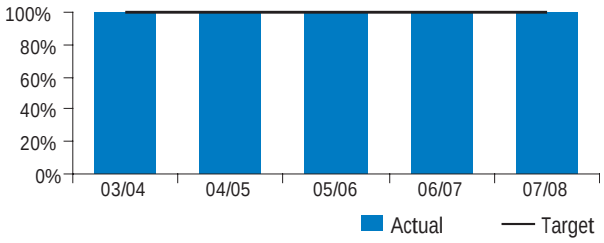
Source: NSW Ambulance Service, CAD System

for more complex, chronic, non critical patients who have traditionally waited for care in emergency departments. These MAUs provide access to senior physicians and multi-disciplinary care teams who provide timely assessment and activation of treatment, with a plan for discharge to supported community care usually within 48 hours. MAUs are now establishing mechanisms to provide access to these types of patients being referred for non critical care assessment from general practitioners. Additionally the MAUs are providing a venue for patients to return to for follow-up after discharge where an assessment and review has been requested, rather than patients to the emergency department.

Patient Flow Units have been established in many hospitals to better coordinate the logistics of moving patients between the emergency department and the ward or operating theatre and between hospitals as required, therefore freeing up beds for newly arrived patients.

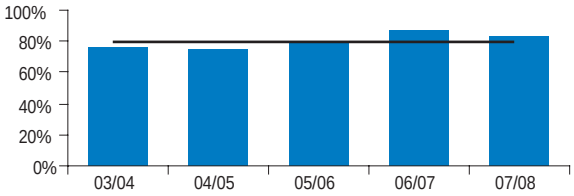
Eleven new Early Pregnancy Units (EPUs) treat women presenting to EDs with problems associated with early pregnancy. In addition to existing services, this brings the total to 22 functional units.

Triage 1: treated within 2 minutes (%)

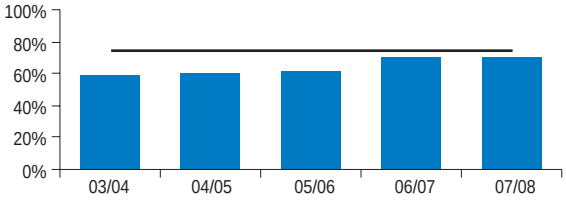


source: Emergency Department Information System

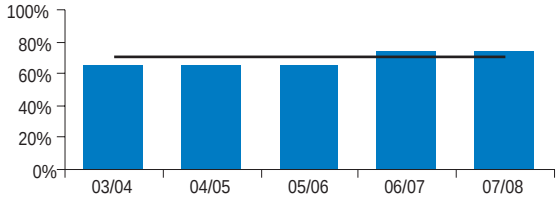
Triage 2: treated within 10 minutes (%)



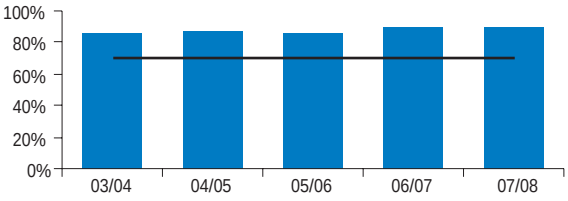
Triage 3: treated within 30 minutes (%)



Triage 4: treated within 60 minutes (%)



Triage 5: treated within 120 minutes (%)



Interpretation

In 2007/08 the 50th percentile (median) response time for potentially life threatening cases was 9.85 minutes for NSW and 9.70 minutes for the Sydney metropolitan area. The result was achieved in the context of a 5.9% increase in demand in the year. Average daily demand for ambulance services has grown by 11.4% over the last two years and demand increased by 21% since 2002/03.

Note that from May 2005 emergency response performance is reported for '000' cases determined as 'emergency' (immediate response under lights and sirens – incident is potentially life threatening) under the medical prioritised dispatch system. This brings NSW in line with all other Australian jurisdictions. Prior to May 2005, response performance was reported for all '000' calls. Therefore response times since May 2005 are not comparable with those prior.

Related policies and programs

Emergency and non-emergency response times reflect significant increases in demand for ambulance services in 2007/08 during which Ambulance transports increased by 6.4%. The Clinical Assessment and Referral Program and Extended Care Paramedics were introduced during the year to reduce unnecessary hospital emergency department presentation.

Off stretcher time

Desired outcome

Timely transfer of patients from ambulance to hospital emergency departments, resulting in improved survival, quality of life and patient satisfaction, as well as improved ambulance operational efficiency.

Context

Timeliness of treatment is a critical dimension of emergency care. Better coordination between ambulance services and emergency departments allows patients to receive treatment more quickly.

Delays in hospitals impact on ambulance operational efficiency.

Interpretation

The time taken for the transfer of patients arriving by ambulances to emergency departments has been a challenge. In 2007/08, the percentage of ambulance patients offloaded within 30 minutes in NSW was 76%. Demand for ambulance services increased by 5.6% and ambulance transports increased by 6.1% on the previous year.

Related policies and programs

The refined emergency department network access system in the Sydney metropolitan, Central Coast and lower Hunter regions aims to get the right patient to the right hospital for the right treatment each time. The automated Ambulance Clinical Services Matrix software ensures that hospital destination options for ambulance officers are those hospitals with the clinical services appropriate to treat the patient. It also

Emergency admission performance

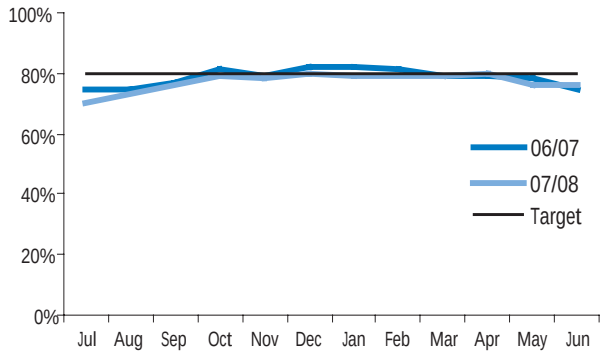
Desired outcome

Timely admission from the emergency department for patients requiring inpatient treatment resulting in improved patient satisfaction and availability of services for other patients.

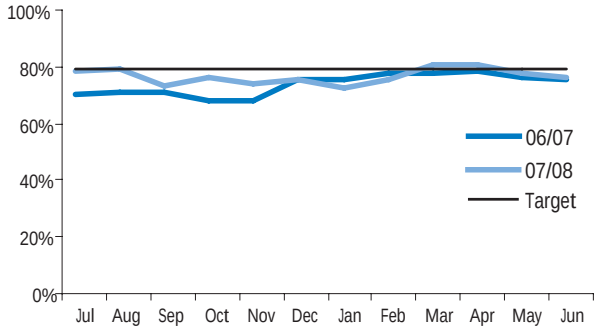
Context

Patient satisfaction is improved with reduced waiting time for admission from the emergency department to a hospital ward, intensive care unit bed or operating theatre. Also, emergency department services are freed up for other patients.

Emergency admission performance, patients transferred to an inpatient bed within eight hours (%): Overall



Emergency admission performance, patients transferred to an inpatient bed within eight hours (%): Mental Health



Source: Emergency Department Information System

Interpretation

The percentage of patients who waited less than eight hours in an emergency department for an inpatient hospital bed was 77% in 2007/08. While proving a challenge, performance has stabilised at above 75% in the last three years. EAP for patients being treated for mental health issues improved during 2007/08 to 77%, up from 74% in 06/07.

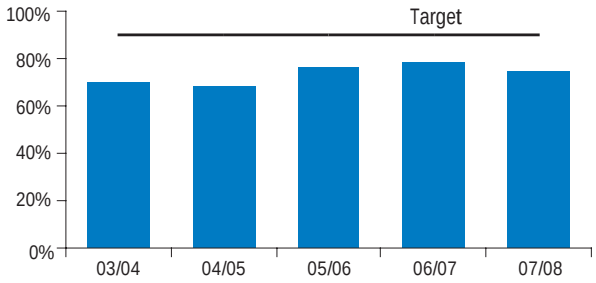
The challenges in EAP are being addressed through careful planning, the setting of clear targets in the State Plan and the

takes into account the estimated time of arrival at the nearest hospital, the number of ambulances currently at those hospitals and the optimum number of ambulances those hospitals can manage within capacity.

Hospitals are attempting to reduce off-stretcher time by ensuring better patient flow through the whole hospital by implementing robust demand management plans and by improving patient flow systems through the Clinical Services Redesign Program. Patient flow units have been established in many hospitals to better coordinate logistics of patient movement between emergency department and ward or operating theatre, and between hospitals, thus freeing up beds for newly arrived patients.

The provision of more robust community support for patients following discharge has seen a reduction in length of stay leading to improved access to inpatients beds and the ability for ambulance offloads within the emergency department.

Off stretcher time – transfer of care to the emergency department < 30 minutes from ambulance arrival (%)



Source: NSW Ambulance Service, CAD System

allocation of funding and support for initiatives across health facilities. Examples include the implementation of Home for Older People Earlier (HOPE) with Medical Assessment Units established at selected facilities; increased capacity in community support services, including COMPACKs; Community Acute/ Post Acute Care Services (CAPACs) and the Rehabilitation for Chronic Disease Policy.

Related policies and programs

Demand management plans are designed to keep people moving through the emergency department proactively by monitoring and anticipating patient activity and making appropriate plans to access inpatient beds with limited delay.

Surge beds are those that can be activated at short notice to meet demand. Activating extra beds for emergency admission is an important component of the demand management plan.

Patient flow units are responsible for implementing demand management plans through the management of surge beds, balancing capacity on an hour-to-hour basis and facilitating effective discharge of patients back to the community.

Older Persons' Evaluation, Assessment and Review Units: a number of hospitals have recognised the need to actively manage older people who present to emergency departments. These units, staffed by specialist geriatric staff, provide improved, more coordinated care for older patients. They have been shown to reduce the total length of stay in hospital.

Psychiatric Emergency Care Centres for mental health patients presenting at EDs provide improved, more coordinated care from specialist psychiatric staff. Funding has been provided for nine centres in metropolitan Sydney, with a further 26 new beds announced in the new direction for mental health five year funding package.

The funding and introduction of Medical Assessment Units (MAUs) and after-hours GP clinics at some of our busiest hospitals are further strategies to reduce the burden on EDs.

Each Area Health Service has been funded to create a Clinical Services Redesign Unit that utilises business process reengineering methodology to improve health systems and create better patient focused care.

Elective Surgery

Desired outcome

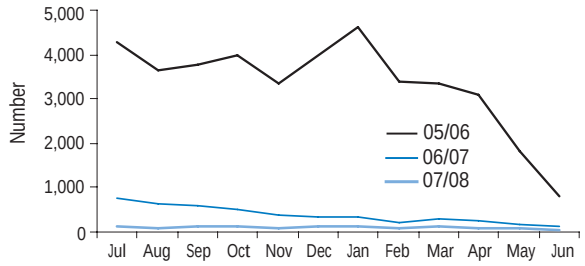
Timely treatment of booked surgical patients, resulting in improved clinical outcomes, quality of life and convenience for patients.

Context

Long wait and overdue patients are those who have not received treatment within the recommended timeframes. The numbers and proportions of long wait and overdue patients represent measures of hospital performance in the provision of elective care.

Better management of hospital services helps patients avoid excessive waits for booked treatment. Improved quality of life may be achieved more quickly, as well as patient satisfaction and community confidence in the health system.

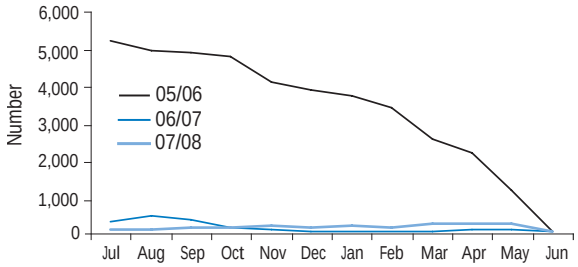
Urgency Category 1 > 30 days (Overdues) (number)



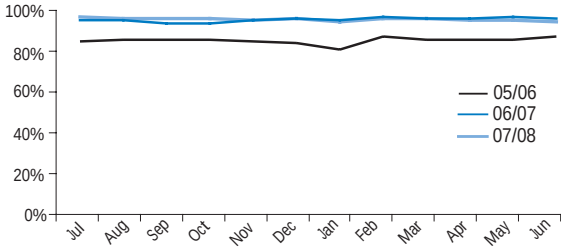
Interpretation

From July 2005 to June 2008, Category 1 overdue patients has reduced from 4,260 to 30, and the number of long wait patients has decreased from 5,187 to 40. The proportion of patients admitted within the recommended timeframe has been at or slightly above 95% over the past two years.

All Urgency Categories >12 months (Long waits) (number)



Elective surgery patients admitted on time:
Category 1 (urgent) - within 30 days (%)



Cancellations of planned surgery

Desired outcome

To effectively reduce surgery cancellations on the day of planned surgery of the patients from the surgical waiting list and provide greater certainty for patient care.

Context

The effective management of surgical lists minimises cancellations on a day of surgery and ensures patient flow and predictable access. Cancellations should only occur occasionally, e.g. an acute change in patients' medical condition.

Interpretation

The proportion of cancellations of planned surgery has decreased slightly from 4.5% in 2006/07 to 4.1% in 2007/08, above the new 2007/08 target.

Cancellations on the day of surgery include all patient and facility reasons.

Related policies and programs

- Sustainable Access Program
- Clinical Services Redesign Program
- Predictable Surgery Program
- Waiting Time and Elective Patient Management Policy (March 2006)
- Pre Procedure Preparation Toolkit (December 2007)

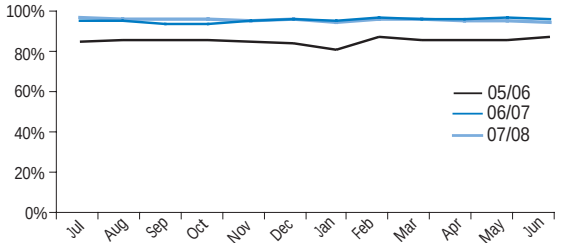
Oprovides clear directions to Area Health Services on waiting list management including specific directions on avoiding cancellations and the escalation of decision making on cancellations to senior executive. In December 2007, the Pre-

Related policies and programs

- Sustainable Access Program
- Clinical Services Redesign Program
- Predictable Surgery Program
- Waiting Time and Elective Patient Management Policy
- Extended Day Only Admission Policy
- Surgical Activity During Christmas New Year Period Policy

The Waiting Time and Elective Patient Management Policy (March 2006) provides clear direction to Area Health Services on appropriate categorisation of patients and offering of alternative options to ensure patients are treated in a clinically appropriate timeframe. The Extended Day Only Admission policy (August 2007) provides Area Health Services with direction on the diagnosis related groups that should be considered as an extended day only admission.

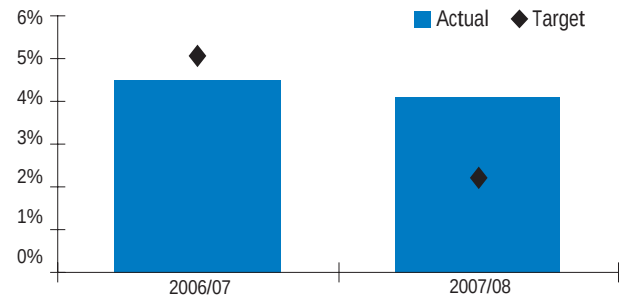
Elective surgery patients admitted on time: Category 3 (non-urgent) - within 12 months (%)



Source: WLCOS

Procedure Preparation Toolkit was published. This Toolkit aims to ensure the best possible care is provided to patients presenting for surgery. It provides a service framework to optimise pre-procedure processes for patient assessment and preparation, thus preventing cancellations due to inadequate preparation for surgery.

Cancellations of planned surgery on the date of surgery (%)



Patient experience

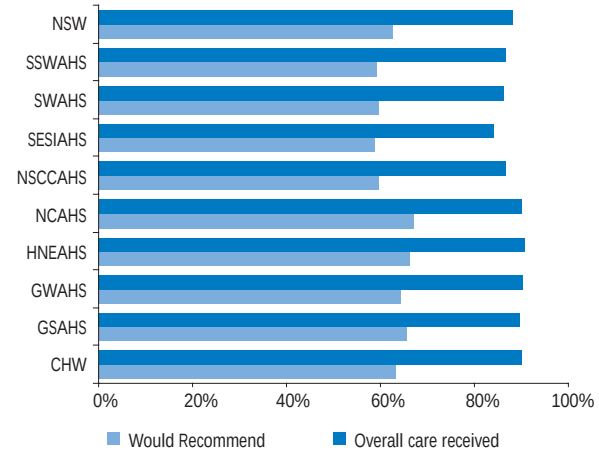
Desired outcome

Increased satisfaction with health services.

Context

Health services should be of good clinical quality and result in a satisfactory experience of the "patient journey". In 2007 NSW Health conducted the first statewide Patient Survey to gain information from patients about their experience with health care services. The survey is one of several strategies to gain a complete picture of patient and carer experience, to feedback to service improvement.

Patient experience following treatment (%)



Source: NSW Health Patient Survey 2007

Interpretation

The majority rated overall care as good/very good/excellent (88%) and 62.5% would definitely recommend the health service to friends and family. There was little difference in overall care rating between Area Health Services, the range being between 91% and 84%.

Among the eight categories of patients surveyed NSW Health performed well for community health (96%), day only inpatients (94%), pediatric inpatients (93%) and outpatients (91%). It performed less well for non admitted emergency patients (82%) and mental health inpatients (64%).

Related policies and programs

- Sustainable Access Program
- Clinical Service Redesign Program

All unplanned/unexpected re-admissions

Desired outcome

Minimal unplanned/unexpected re-admissions, resulting in improved clinical outcomes, quality of life, convenience and patient satisfaction.

Context

Unplanned and unexpected re-admissions to a hospital may reflect less than optimal patient management. Patients might be re-admitted unexpectedly if the initial care or treatment was ineffective or unsatisfactory, or if post-discharge planning was inadequate. Whilst improvements can be made to reduce re-admission rates, unplanned re-admissions cannot be fully eliminated. Improved quality and safety of treatment reduces unplanned events.

Interpretation

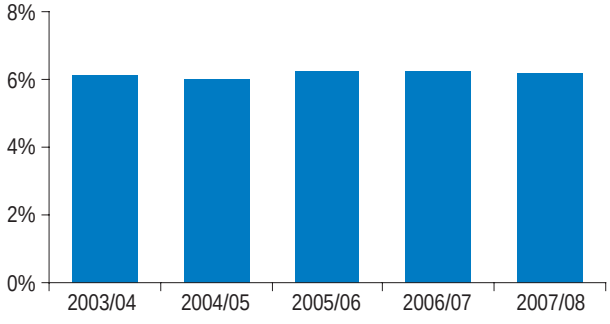
Statewide the annual re-admission rate has been consistent over the period 2003/04 to 2007/08.

The annual re-admission rate varying between 6.0% in 2004/05 and 6.2% in 2005/06 and 2006/07.

Related policies and programs

The strategies employed by NSW Health include improving the patient journey, robust discharge planning, access to outpatient services and optimal community support. The development of key strategies providing more robust community support links through ComPacks and integrated Aged Care services provides the opportunity to manage non acute re-admissions to health facilities. Medical Assessment Units also provide earlier definitive assessment from a multidisciplinary team, providing linkages to allied health assessments and treatments which transverse the patient journey from the acute facility back into the community.

All unplanned/unexpected re-admissions within 28 days of separation



Sentinel events

Desired outcome

Reduction of sentinel events, resulting in improved clinical outcomes, quality of life and patient satisfaction.

Context

Sentinel events are incidents agreed as key indicators of system problems by all States and Territories and defined by the former Australian Council for Safety and Quality in Healthcare as 'events in which death or serious harm to a patient has occurred' (Safety and Quality Council Sentinel Events Fact Sheet).

Interpretation

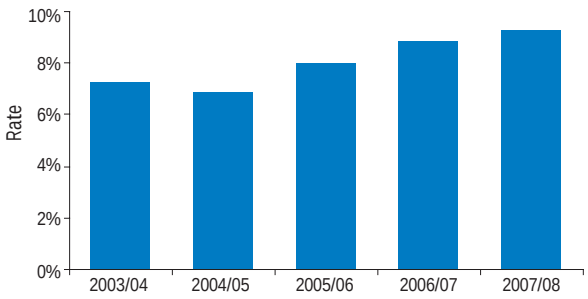
During 2007/08, NSW Health recorded and acted upon 583 sentinel events across the health system. This is a small increase in the rate of serious clinical incidents reported compared with 2005/06 financial year. This rise is a result of the modification of the Severity Assessment Code definitions to include radiology and diagnostic incidents, since 2005/06.

An increase in numbers does not equate to poor safety performance. In fact, a safe organisational culture encourages reporting as a means of learning and improvement. The number of incidents reported may continue to increase as confidence in the reporting system grows.

Related policies and programs

NSW Health has built on the groundwork of the Patient Safety and Clinical Quality Program through the identification of priority areas and targets for action that will result in significant improvements in patient safety. Targeted areas include a sustained reduction in serious incidents related to falls, and elimination of avoidable incidents due to incorrect procedures and patient misidentification.

Sentinel events (rate per 100,000 bed days)



Source: SAC1 Clinical RIBS/HIE

Deaths as a result of a fall in hospital

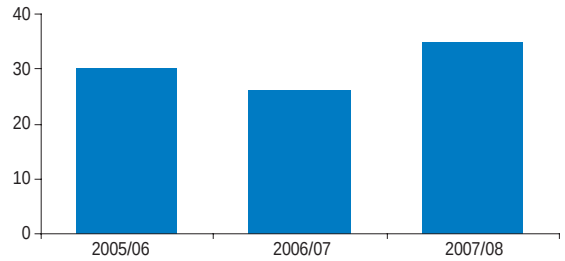
Desired outcome

Reduce deaths as a direct result of a fall in hospital.

Context

Falls are a leading cause of injury in hospitals. The implementation of the NSW fall prevention program will improve the identification and management of risk factors for a fall injury in hospitals thereby reducing fall rates. Factors associated with the risk of a fall in the hospital setting may differ from those in the community.

Deaths as a result of falls in hospitals (number)



Source: TRIM/Quality and Safety Branch RIB/RCA Database

Interpretation

Fall related injury in hospital happens mostly with older people with chronic conditions, impaired mobility, confusion, and/or taking multiple medications. The hospital environment unfamiliar to older people can also be a contributing factor.

There were 35 falls reported to the Department in 2007/08 that appear to have resulted in a patient death. It can be difficult to determine the precise cause of falls due to factors such as frailty, deteriorating health status and the hospital environment. Caution is advised in drawing definitive conclusions due to statistical variability associated with the small number of incidents.

Related policies and programs

The NSW Falls Prevention Program jointly sponsored by the Clinical Excellence Commission and NSW Health aims to assist health staff to reduce fall injury in hospitals by implementing falls prevention practice and responsive clinical care.

- Statewide support for the implementation of the Australian Safety and Quality in Health Care Council

Incorrect procedures

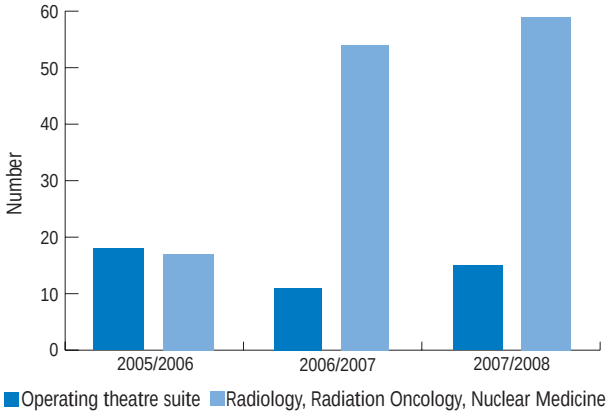
Desired outcome

Elimination of incorrect procedures resulting in improved clinical outcomes, quality of life and patient satisfaction.

Context

Incorrect procedures, though low in frequency, provide insight into system failures. Health studies indicate implementation of correct patient/site/procedure policies can eliminate such incidents.

Incorrect procedures - Operating theatre suite and Radiology, Radiation Oncology, Nuclear Medicine (number)



Source: TRIM/Quality & Safety Branch RIB/RCA Database

Interpretation

There was an increase in the number of incorrect patient, procedure and site incidents notified in 2007/08. This is consistent with international findings from the World Health Organization which is monitoring implementation of the correct patient, procedure, site universal protocol, and is due to increased awareness from the implementation of the protocol. Specialist clinical groups in surgery, radiology, nuclear medicine, radiation oncology and oral health have developed systems to address these incidents including a revised policy with greater emphasis on non-surgical areas, and safety toolkits specific to different clinical areas. These systems may have enhanced awareness of incidents leading to increased reporting.

Related policies and programs

Patient Identification – Correct Patient, Correct Procedure, Correct Site Policy PD2007_079. Other relevant policies include: the NSW Patient Safety and Clinical Quality Program PD2005_608; the NSW Patient Safety and Clinical Quality Program – Implementation Plan; PD2005_ 609; and the Incident Management Policy PD2007_061.

Healthcare associated bloodstream infections

Desired outcome

Improved patient safety and clinical outcomes through sustained reduction in the incidence of healthcare associated bloodstream infections.

Context

Healthcare associated infections (HAI) are a major issue in the quality and safety of healthcare. These infections prolong hospital admissions, create more work for clinicians and can cause significant harm to patients, some of whom die as a result. In Australia it has been estimated that there may be as many as 200,000 healthcare associated infections, contributing to 7,000 deaths each year.

Currently, there is no systematic Australia wide approach to the measurement of patient harm caused by or associated with healthcare associated infection. A comprehensive statewide data collection process is being developed as part of the healthcare associated infection prevention program. Since January 2008, the NSW Department of Health has collected monthly infection rates for ICU Central Line Associated Bloodstream (CLAB) Infections and Staphylococcus aureus bloodstream infection (SA BSI). Central lines are intravenous catheters inserted into large veins and used to deliver treatments such as antibiotics. Preventing infection associated with these lines has been the subject of much research.

The Central Line Associated Bacteraemia in Intensive Care Units project (CLAB ICU) is a statewide initiative aimed at improving patient outcomes by reducing CLAB in ICUs. It began in March 2007 and is overseen by the Intensive Care Coordination and Monitoring Unit (ICCMU) and the Clinical Excellence Commission, with the cooperation of the NSW Health Quality and Safety Branch.

Research undertaken in the United States by Pronovost et al provides evidence that CLAB infections can be reduced by "bundling" a range of sterile procedures. The CLAB team canvassed NSW intensive care units participating in the project and found that existing techniques for central line insertion were inconsistent and subject to individual preferences and biases. Few units had established credentialing processes to ensure sterile insertion procedures.

The CLAB project is addressing this issue using a 'top down bottom up' collaborative methodology based on a quality improvement program which has been successfully implemented in the United States. Components of the project include:

- development of a safe central line insertion policy and insertion checklist to monitor compliance with policy
- engaging multidisciplinary teams and conducting monthly teleconferences to discuss progress
- development of e-learning tools to support standard education and training
- monthly reporting of infection rates and compliance with the central line insertion policy.

As data is gathered and becomes meaningful, comparisons can be made between one reporting period and the next, and between health facilities. Effective surveillance systems provide timely information to hospital managers and clinicians to promote interventional actions that will improve patient safety and clinical quality. The value of surveillance as part of a hospital infection control program is supported by international and national evidence.

Interpretation

In Australia, reportedly more than 3,500 intravenous central venous catheter related blood stream infections occur annually, with the number of these infections occurring at a rate of 23 per 1,000 catheter days. A directly attributable mortality for all central venous catheter related blood stream infections is reported as 12%.

Preliminary NSW Health data suggests a longer average length of stay (LOS) for ICU patients with infection. Based on ICU separations for ICD-10 codes A41.0, A41.1 and A41.2 (codes for Septicaemia due to staphylococcus), the average LOS for ICU patients with these infections in 2004/05 was 22.0 days, compared with 13.2 days for all ICU patients. This data also revealed a gradual increase in the average LOS for ICU patients with these infections over time (increased from 20.1 days in 2002/03 to 22.0 days in 2004/05).

Thirty six ICUs across NSW are now promoting a collaborative approach to change. Data has been collected over 9,400 central insertions. There has been a significant reduction from previously reported results in this area. For the period July 2007 to September 2008 there were 2.8 infections per 1000 line days. This is a significant improvement from the data produced a few years ago.

Strategic Direction 3

STRENGTHEN PRIMARY HEALTH AND CONTINUING CARE IN THE COMMUNITY

Ideally, people want to access health care through a network of primary health and community care services across the public and private health systems. Primary health services include General Practice, community health centres, community nursing services, youth health services, pharmacies, allied health services, and Aboriginal health and multicultural services – provided in both public and private settings, and by specific non-government organisations.

Early intervention principles are embedded into health service delivery, leading to improved health outcomes and reduced avoidable hospital admissions.

Reduced avoidable hospital admissions

There are over one and a half million hospital admissions every year in NSW and demand for services is growing. NSW Health aims to reduce avoidable hospital admissions by 15% within five years through early intervention and prevention, and better access to community-based services.

After Hours GP Clinic Program

Access to GPs in the after hours period eases pressure on hospital emergency departments. In 2007/08, After Hours GP Clinics opened at or near Ryde, Dubbo, Shoalhaven, Blacktown and Broken Hill Hospitals. NSW Health also continued to support existing clinics at Albury, Nepean, Liverpool and Campbelltown Hospitals.

HealthOne NSW Program

HealthOne NSW brings together GPs, community health services and allied health services to work in multidisciplinary teams to keep people well and out of hospital through disease prevention and early intervention strategies. It also provides continuing care in the community for people with chronic disease.

In 2007/08, HealthOne NSW services commenced at Elderslie and Mt Druitt. Capital works have been approved for Manilla, Rylstone and Blayney, and a grant has been made to the local council to progress the Molong HealthOne NSW facility. Ten more services are under development.

Many of the 16 services have developed care pathways for specific target groups such as people with chronic and complex conditions, vulnerable families, young people with unmet health needs and frail aged people, and are working on practical implementation of these pathways.

Community Health Review

The Community Health Review is looking at current investment in community health services operated by NSW Health, identifying challenges and gaps in service delivery, and making recommendations for reform. It is examining linkages with other primary and community health providers, such as GPs, non-government organisations and other human services of Government, as well as other parts of the health system.

Terms of Reference were approved in late-2007, a Steering Group formed early in 2008 and a consultant engaged to work on the review in May 2008. An analysis of existing community health data, consultations with a range of stakeholders and a literature review have all commenced. A report and recommendations are expected in 2008/09.

Treating Eating Disorders

A GP Online Learning Program was launched in the early detection, assessment and management of eating disorders. Free online seminars and learning programs on eating disorders for health workers were offered. An international expert on eating disorder preventative programs, Professor Debbie Franko from Northwestern University in Boston, conducted a training workshop for health and education workers in online preventative programs.

Improved health for Aboriginal communities

Reducing avoidable hospital admissions for Aboriginal people is a high priority as their health outcomes are significantly worse than for the rest of the state's population.NSW Health aims to reduce hospital admissions by 15% over five years for Aboriginal people with conditions that can be appropriately treated in the home.

NSW Aboriginal Maternal and Infant Health Strategy

This Strategy aims to improve health outcomes for Aboriginal women during pregnancy and birth, and decrease maternal and perinatal morbidity and mortality. Each service consists of a midwife and an Aboriginal Health Worker working in partnership to provide accessible community-based maternity care and healthy lifestyle advice. In 2007, a two year Memorandum of Understanding was entered into with the Department of Community Services to expand the Strategy to 31 services and provide a voluntary referral pathway to the Department of Community Services' early intervention program, Brighter Futures.

Aboriginal Men's Health

Aboriginal men have a life expectancy almost 19 years less than for non-indigenous men, and experience significantly higher rates of hospital admission for many conditions. A DVD, Strong Men, Deadly Groups, aims to engage Aboriginal men in addressing their health needs.

It highlights models used in establishing local Aboriginal Men's health groups which provide avenues for Aboriginal men to contribute to the health and wellbeing of their communities. Initiatives in health promotion, nutrition, father/son activities, yarning circles and information about partnerships with TAFE colleges that have resulted in courses targeting Aboriginal men are all showcased. A directory of Aboriginal Men's groups is included with the DVD for reference.

Best Practice in Aboriginal Participation in the Magistrates Early Referral Into Treatment (MERIT) Program

In 2007/08, the Aboriginal Health and Medical Research Council (AH&MRC) created a position for a MERIT Project Officer, to assist in the development of a 'best practice' model to engage and retain Aboriginal defendants in the MERIT program. The model was developed through community consultations and capacity building initiatives.

Four 'pilot' projects have been run in different areas. Resources have been developed, including a culturally appropriate poster, to promote MERIT services to possible clients.

Improving outcomes in mental health

Improved outcomes for people with mental illness have been achieved since the release in 2006 of *NSW: A New Direction for Mental Health.*

Supporting general practitioners

Two manuals have been developed as part of the State-Wide Advisory Team (SWAT) project to support GPs in caring for patients with mental health and substance abuse problems: *Patient Journey Kit 1: Transfer of stable public clinic opioid dependent patients to GP prescribers* and *Patient Journey Kit 2: Supporting GPs to manage comorbidity in the community.*

Both manuals support GPs working with other professionals and with patients who have co-morbid mental health and substance use problems to develop combined care and business plans. The kits and supporting documentation are available on the NSW Health website.

Housing and Accommodation Support Initiative (HASI) Stage 4B – HASI in the Home

HASI in the Home (HASI 4B) is the first stage of HASI that enables consumers to access accommodation support whilst not living in social housing, including new target groups such as young people living in the family home, people living with aging parents or within extended family situations, and people living alone.

There are 80 packages of medium level accommodation support and 160 packages of lower level accommodation support rolled out across NSW, giving each AHS access to 10 medium support and 20 lower support packages.

Enhancement of Specialist Mental Health Services for Older People (SMHSOP) community teams across NSW

These community teams help improve access to specialist mental health clinical services, improve coordination and continuity of care, and improve clinical outcomes for older people with complex mental health problems. Area Health Services are recruiting 157 FTE new specialist clinical staff over five years from 2006/07. Sixteen of these new positions were established in 2007/08.

Increased focus on early intervention

Prenatal Reporting

The NSW Ombudsman's Report of Reviewable Deaths in 2005 contained a recommendation that NSW Health and the

Department of Community Services (DoCS) jointly develop a statewide policy through which hospitals can alert DoCS about the birth of a baby and initiate a coordinated response to any concerns about possible risks to the baby.

The Department worked with NSW Department of Community Services to develop a system to standardise notification and response procedures to prenatal reports. In 2007, a six-month trial of this system took place, involving health and community services in Wollongong, Shellharbour and Coffs Harbour.

Other Highlights

Specialised stroke services

Specialised stroke services were established in seven sites in rural NSW including acute stroke units in Wagga Wagga, Shoalhaven and Port Macquarie and Stroke Care Coordinators in Bathurst/Orange, Armidale and Tamworth. The NSW Institute of Rural Clinical Services and Teaching Rural Stroke Project provided support to sites, including training and education on the management of stroke patients.

PERFORMANCE INDICATORS

Avoidable hospital admissions

Desired outcome

Improved health and increased independence for people who can be kept well at home, while reducing unnecessary demand on hospital services.

Context

There are some conditions for which hospitalisation is considered potentially avoidable through early management, for example, by general practitioners and in community health settings.

Interpretation

Avoidable admissions increased in the last 12 months compared to the previous year, driven by ongoing increases in population and ageing. NSW Health is working with Area Health Services to build acute community capacity with the establishment of new Community Acute/Post Acute Care (CAPAC) Services.

Related policies and programs

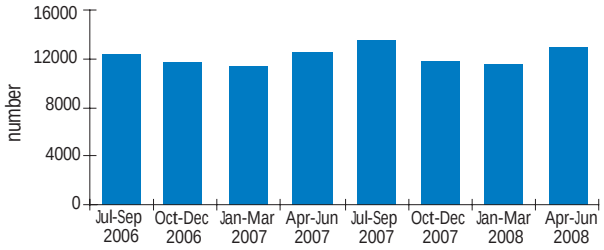
NSW Health, working with the Area Health Services, has progressed and is establishing standardised reporting and recording of CAPAC services within NSW to assist in the monitoring of the Avoidable Admissions Strategy. Through Clinical Redesign Projects the development of new CAPAC services within NSW has been achieved to focus on the acute care treatment of patients identified as suitable for management in an alternative care setting, rather than an acute hospital bed.

The range of strategies identified through the Walgan Tilly, Chronic Care for Aboriginal People clinical redesign process will be implemented to improve access to chronic care services by Aboriginal people. Sustainable Access Plans have been developed, with an emphasis on building capacity within the community acute setting. They have focused on increasing the volume of CAPAC services to improve performance around the target for “Priority F5: Reduced avoidable hospital admissions”.

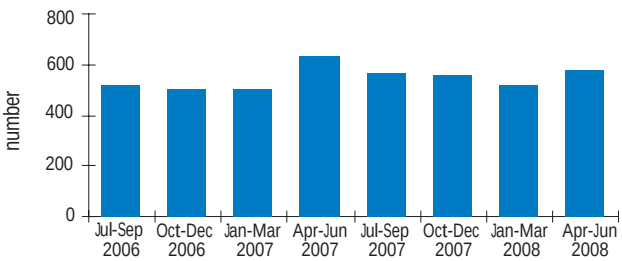
NSW Health has expanded its 'Health Care at Home' services. There is specific emphasis on strategies to manage people at home for conditions amenable to home visits by treating nurses, packages of care to speed up transfer of patients from hospital back into the community, and augmenting the delivery of rehabilitation for patients with chronic disease.

"HealthOne NSW" services established to improve patient care, focusing on keeping people well and out of hospital through prevention of disease and ill health, early intervention strategies and continuing care for people with chronic illness.

Avoidable hospital admissions for conditions that can be appropriately treated in the home - All persons (number)



Avoidable hospital admissions for conditions that can be appropriately treated in the home - Aboriginal persons (number)



Source: NSW Health Admitted Patient Data Collection

Antenatal visits

Desired outcome

Improved health of mothers and babies.

Context

Antenatal visits are valuable in monitoring the health of mothers and babies throughout pregnancy. Early commencement of antenatal care allows problems to be better detected and managed and engages mothers with health and related services.

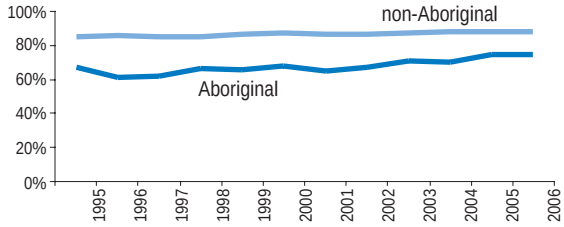
Interpretation

The percentage of both Aboriginal and non-Aboriginal mothers having their first antenatal visit before 20 weeks gestation has increased since 1995. However, the percentage for Aboriginal mothers remains below that for non-Aboriginal mothers, although the gap is narrowing.

Related policies and programs

- NSW Framework for Maternity Services provides the NSW policy for maternity services.
- The Maternal and Perinatal Health Priority Taskforce and NSW Health support the continued development of a range of models of care including stand-alone primary maternity services. The Taskforce has established a sub-group called the Primary Maternity Services Network which provides leadership and support and information sharing for Area Health Services that are developing continuity of midwifery care models.
- Early pregnancy care improvements include the provision of universal access to public antenatal care across NSW. This means an increase in access to public antenatal services in over 45 rural and regional towns.
- The NSW Aboriginal Maternal and Infant Health Service (AMIHS) is a primary health care strategy implemented in 2001 to improve perinatal mortality and morbidity. In 2006 the program evaluation demonstrated marked improvement in access to antenatal care by Aboriginal mothers in the program areas. The AMIHS is being expanded as a statewide service increasing to over 30 programs.

Antenatal visits – births where first maternal visit was before 20 weeks gestation (%):



Source: Midwives Data Collection (HOIST)

Low birth weight babies

Desired outcome

Reduced rates of low weight births and subsequent health problems.

Context

Low birth weight is associated with a variety of subsequent health problems. A baby's birth weight is also a measure of the health of the mother and care that was received during pregnancy.

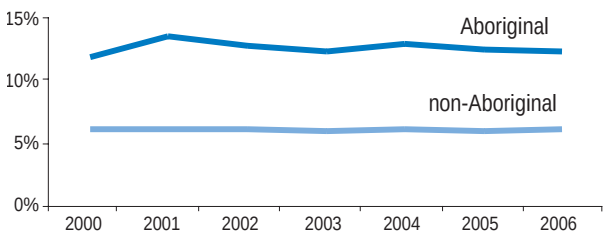
Interpretation

The rates for low birth weight are relatively stable. However, the low birth weight rates for babies of Aboriginal mothers remains substantially higher than babies of non-Aboriginal mothers.

Related policies and programs

For policies and programs associated with this indicator please see related policies and programs for the indicator Antenatal visits – births where the first maternal visit was before 20 weeks gestation.

Low birth weight babies – births with birth weight less than 2,500g (%)



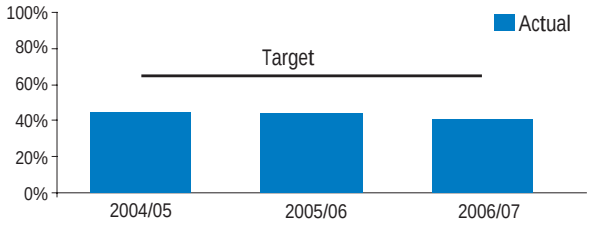
Source: Midwives Data Collection (HOIST)

Postnatal home visits

Desired outcome

To solve problems in raising children early, before they become entrenched, resulting in the best possible start in life.

Families receiving a Families NSW visit within two weeks of the birth (%)



Source: Families First Area Health Service Annual Reports, NSW Admitted Patient Data Collection (HOIST)

Context

The Families NSW program aims to give children the best possible start in life. The purpose is to enhance access to postnatal child and family services by providing all families with the opportunity to receive their first postnatal health service within their home environment. This provides staff the opportunity to engage more effectively with families who may otherwise not have accessed services.

It provides an opportunity to identify needs with families in their own homes and facilitate early access to local support services, including the broader range of child and family health services.

Interpretation

Since the commencement of the Families NSW initiative, over 330,000 families with a new baby have received a universal health home visit. Area Health Services continue to guide services, improve continuity of care between maternity services and child and family health services and strengthen service networks to support the implementation of Families NSW; in particular the provision of a home visit by a child and family health nurse to families with a new baby.

Related policies and programs

The Families NSW strategy is delivered jointly by NSW Health and Departments of Community Services, Education and Training, Housing and Ageing, Disability and Home Care in partnership with parents, community organisations and local Government.

The NSW Safe Start (formerly Integrated Perinatal and Infant Care) initiative uses an internationally innovative model of assessment, prevention and early intervention to identify the risk factors for current and future parenting or mental health problems during pregnancy and following the birth of the infant.

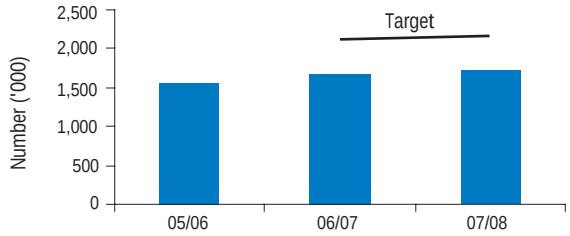
It defines clinical pathways to appropriate care and models of service delivery for health services to support parental well being, enhance parenting skills, child and family mental health and protect against child neglect and abuse.

Mental health: Ambulatory contacts and acute overnight inpatient separations

Desired outcome

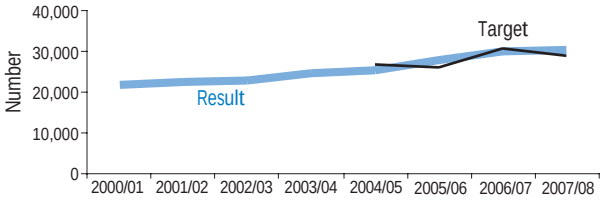
Improved mental health and wellbeing. An increase in the number of new presentations to mental health services reflecting ability to meet growing demand.

Mental Health ambulatory contact Number ('000)



Source: 2007/08 -State HIE (MHAMB collection) 29/7/2008.

Mental Health Acute overnight inpatient separations (number)



Source: 2007/08 State HIE - (DOHRS) 22/7/2008.

Note: 2006/07 overnight separations have been corrected: in the previous report they were listed as 22,490.

Context

Mental health problems are increasing in complexity and comorbidity, with a growing level of acuity in child and adolescent presentations. Despite improvements in access to mental health services, demand continues to rise for a range of care and support services. A range of community-based services is being implemented between now and 2011 that span the spectrum of care types from acute care to supported accommodation, with an ongoing commitment to increase inpatient bed numbers. Numbers of ambulatory contacts, inpatient separations and total numbers of individual people requiring mental health services are expected to rise.

Interpretation

There has been a small increase in the number of ambulatory contacts although interpretation of this data needs to be treated with caution. Ambulatory contact data continues to be uploaded from Areas for several months after the close of a reporting period, and data for 2007/08 will not be finalised until late 2008. The number of contacts presented here are most likely under-reported. Acute overnight separations are on target, set according to funded acute bed numbers as predicted by the service-planning model used for mental health services.

Related policies and programs

The major investment in mental health services brought about by the initiatives documented in *NSW: A New Direction for Mental Health* have continued. Acute, non-acute and community based specialist mental health services and community rehabilitation services have expanded. Major initiatives such as the Housing and Accommodation Support Initiatives (HASI), have resulted in a reduction of unnecessary hospital admissions. This has led to people being treated more appropriately in the community, leading to better outcomes for both consumers and their carers.

Suspected suicides of patients

Desired outcome

Minimal number of suicides of consumers following contact with a mental health service.

Context

Suicide is an infrequent and complex event that is influenced by a variety of factors. Mental illness can increase the risk of such an event. A range of appropriate mental health services across the spectrum of treatment settings are being implemented between now and 2011 to increase the level of support to consumers, their families and carers. This should reduce the risk of suicide for people who have been in contact with mental health services.

Interpretation

NSW mental health services report between 80 and 110 apparent suicides of known consumers per year. Data for the most recent period is in the middle of this range. This indicator includes only suspected suicides reported to services, and variations in the indicator may be due to differences in awareness and reporting rather than true changes in suicide rate.

Related policies and programs

People with serious mental health problems are particularly vulnerable to the risk of suicide. Although not all suicide deaths

Mental health re-admission

Desired outcome

Rates of mental health re-admission minimised, resulting in improved clinical outcomes, quality of life and patient satisfaction, as well as reduced unplanned demand on services.

Context

Mental health problems are increasing in complexity and comorbidity with a growing level of acuity in child and adolescent presentation. Despite improvement in access to mental health services, demand continues to rise for a wide range of care and support services. While early recovery is inherently fragile, a re-admission to acute mental health inpatient care within a month could indicate that discharge may have been premature or that post discharge follow-up in the community may not have adequately supported continuity of care for the client.

Interpretation

This indicator has been modified compared with previous reports. The implementation of a State Unique Patient Identifier (SUPI) means that it is possible to measure re-admission to any facility in NSW. The NSW indicator now uses the COAG National Action Plan for Mental Health indicator: the percentage of separations from a mental health unit (including acute and non-acute and all age groups) followed by re-admission to a mental health unit any where in the state within 28 days, while the previous indicator could only capture re-admissions to the same facility.

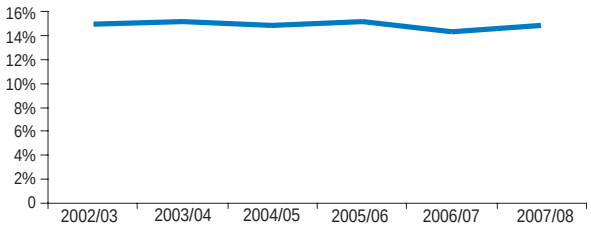
The revised indicator is more complete and more accurate than the earlier indicator, and results in a reported re-admission rate 3-5% higher than previously. There is currently no agreed target for this revised indicator. Work is underway through the National Mental Health Benchmarking Project to develop targets for this and other indicators. Data for 2007-08 is for nine months only (June 07 – March 08) and will be updated in the next report.

The indicator has been steady over the period 2002/03 to 2007/08, the variation being 15.2% to 14.3%. The indicator is corrected for incomplete SUPI coverage in some Areas. As with the superseded indicator, the current indicator cannot exclude a small number of planned re-admissions.

Related policies and programs

The enhancement of mental health services throughout the state continues with the construction of new mental health infrastructure, refurbishments and reinforcement of community mental health services. This increased support for mental health services leads to better outcomes and best practice models of care for consumers and their carers. Future roll-out of initiatives outlined in *NSW: A New Direction for Mental Health* will lead to improvement in quality and safety of mental health services.

Mental Health re-admission within 28 days (%)

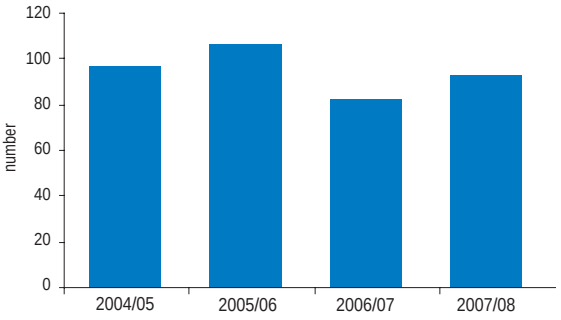


can be prevented, NSW Mental Health Services continues to review the quality of service delivery and identify opportunities to enhance safety. The consumer's transition from inpatient mental health treatment to care in the community is a period of elevated suicide risk.

Effective discharge planning that ensures continuity of care, and promotes safety for consumers, their carers and the wider community is essential at this period.

A statewide Discharge Planning policy and guidelines for adult inpatient mental health services was released to support structured and consistent discharge planning processes across all mental health inpatient facilities.

Suspected number of suicides of consumers in hospital, on leave, or within seven days of contact with a mental health service (number)



Source: Reportable Incident Briefs and Mental Health Client Death Report Form

Strategic Direction 4

BUILD REGIONAL AND OTHER PARTNERSHIPS FOR HEALTH

NSW Health strives for a health system that engages effectively with other Government and non-government organisations, with clinicians and the broader community. We want to provide a more integrated approach to planning, funding and delivering health and other human services to local communities and regions.

A particular focus is on reducing the health gap for communities that experience multiple disadvantages, such as Aboriginal communities, refugees, and people of lower socio-economic status.

Improved outcomes in mental health

NSW Health aims to increase the percentage of people aged 15-64 years with a mental illness in employment to 34% and community participation rates by 40%, working with other agencies, by 2016.

Resource and Recovery Service Program for People with a Mental Illness

The Resource and Recovery Services Program (RRSP) is providing $3 million recurrent funding to non-government organisations (NGOs) across 19 sites in NSW. The program supports individually tailored access to quality mainstream community social, leisure and recreation opportunities and vocational services for people with a mental illness, based on the best evidence and practices available.

Mental Health Infrastructure Grant Program

This Program supports mental health funded NGOs who are working towards continuous quality improvement and/or accreditation, or towards engaging in a quality improvement process and /or accreditation.

Providing these grants is a major step in enabling NGOs develop their facilities and operations, enhance their corporate governance structures and strengthen and modernise their management practices and business operations.

The grants program has been developed in two rounds. Each round was funded for $2 million. The first round finished in June 2007, and the second round commenced November 2007, with the remaining funding due to be approved by the Minister for Health in July 2008.

Second Yearly Progress Report on the Interagency Action Plan for Better Mental Health

The *Second Yearly Progress Report* was launched by the Premier in April 2008. The report states 74% of the commitments in the plan are either completed or ongoing after only two years into the five year plan. There were significant achievements in prevention and early intervention, community support and improving responses to mental health emergencies.

Devolution of NSW Older People's Mental Health Policy Unit to GWAHS

The NSW Older People's Mental Health Policy Unit was devolved to Greater Western Area Health Service under a Service Level Agreement with MHDAO to enhance its strategic capabilities in leading statewide policy and program developments, especially the significant development occurring in rural NSW, and linkages with clinical and operational service delivery issues.

Local Government Drug Information Project

An initiative with the Local Government and Shires Association of NSW (LGSA NSW), it aims to improve local Government's capacity to identify and respond to drug and alcohol issues within their communities. A Project Officer has developed a Reference Guide for Local Government. published on the LGSA website. Training of local Government staff is underway. A final evaluation report on the project is due by the end of 2008.

Partnership with the Network of Alcohol and Drug Agencies (NADA)

During 2007/08 the Mental Health and Drug & Alcohol Office collaborated on a number of projects with the Network of Alcohol and Drug Agencies (NADA) including NGO accreditation and workforce development, NGO involvement in the *Magistrates Early Referral Into Treatment (MERIT) Program*, and two new projects focussing on Drug and Alcohol/Mental Health: the *NSW Family and Carers Mental Health Program* in the Drug & Alcohol NGO Sector and *Cross-Training for Drug & Alcohol/Mental Health workers*.

Rural Consultation liaison funded through comorbidity

GSAHS and GWAHS were funded to continue the development of the Drug and Alcohol Consultation Liaison services in Goulburn, Wagga, Griffith, Bathurst, Dubbo, Bega, Orange and Albury Base Hospitals to provide clinical services in the assessment and provision of acute care to people with co-morbid drug and alcohol problems.

Improved outcomes for Aboriginal Communities

NSW Health aims to enhance and strengthen partnerships with Aboriginal people and other key groups to implement the *NSW Aboriginal Health Partnership Agreement* and *Two Ways Together, the NSW Aboriginal Affairs Plan 2003-2012*, leading to measurable health improvements for Aboriginal people.

Aboriginal Health Partnership Agreement

An historic agreement between the NSW Minister for Health, the Director-General and the Aboriginal Health and Medical Research Council of NSW (AHMRC), it commits the Department of Health to a discrete and equal relationship with the AHMRC with the purpose of:

- Developing agreed positions relating to Aboriginal health policy, strategic planning, services and equity in allocation of resources.
- Ensuring that Aboriginal health retains a high priority in the health system overall; that it is integrated as a core element in all NSW Health policies and their implementation; and that effort is sustained.
- Promoting a partnership approach at all levels within the health system.
- Keeping Aboriginal health stakeholders and community informed about the outcomes of the NSW Aboriginal Health Partnership.

The Partnership was renegotiated in 2007/08 and signed by all parties in April 2008.

Koori Kids Koori Smiles

A North Sydney Central Coast Area Oral Health Service initiative providing the local Aboriginal population with culturally appropriate oral health information, clinical dental services, and the provision of mouth guards for patients who play contact sport. Clinical services are provided for children aged up to 17 years.

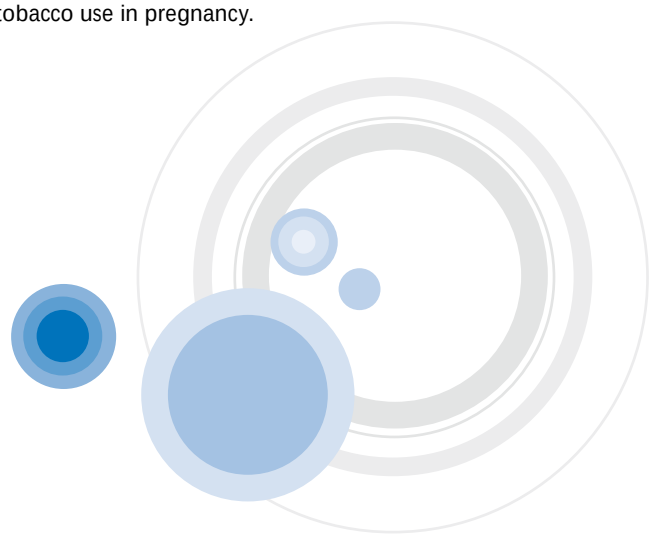
There was Aboriginal community input and involvement in all program planning aspects, including the logo, designed by a local Aboriginal artist. Participation and acceptance from the Aboriginal community has been extremely positive. The program was Highly Commended in 2006 NSW Aboriginal Health Awards, under the category of *Working together to make a difference.*

Other Highlights

Centre for Health Record Linkage

The Centre for Health Record Linkage (CHeReL) was established in 2006–07 with partners including the Cancer Institute NSW, NSW Clinical Excellence Commission, The Sax Institute, University of Sydney, University of Newcastle, University of NSW and ACT Health. The Cancer Institute NSW is the host organisation.

All record linkage projects are carried out with ethical and data custodian approval. The Centre provides a mechanism for de-identified linked health data to be provided for use in health and health services research. In 2007/08, the CHeReL carried out record linkage for 12 projects covering a range of topics including cancer treatment, stroke management, mental health and ageing, and the effects of alcohol and tobacco use in pregnancy.



PERFORMANCE INDICATORS

Otitis Media screening – Aboriginal children (0-6 years)

Desired outcome

Increase screening for Otitis Media in Aboriginal children aged 0–6 years to 85% of the cohort.

Context

The incidence and consequence of Otitis Media and associated hearing loss in Aboriginal communities has been identified.

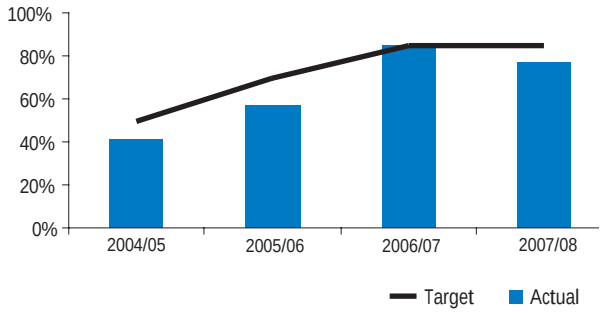
The World Health Organization noted that prevalence of Otitis Media greater than 4% in a population indicates a massive public health problem. Otitis Media affects up to ten times this proportion of children in many Indigenous communities in Australia.

Interpretation

2007/08 was the final year of the screening program in its current form as an initiative under the Aboriginal Affairs Plan: Two Ways Together. The program achieved a credible performance, undertaking 17,447 screenings for Aboriginal children in 2007/08 and 59,471 screenings over the four-year period.

An evaluation of the program conducted during 2008 made a number of recommendations to improve child health outcomes and the sustainability of the program. NSW Health has convened an expert advisory committee which will consider the evaluation recommendations and, in so doing, develop new performance indicators and program design consistent with a population health outcomes-based approach, utilising existing child health surveillance strategies. It is anticipated that this work will be complete by January 2009.

Otitis media screening – Aboriginal children (0-6 years) screened (%)



Source: Centre for Aboriginal Health

Strategic Direction 5

MAKE SMART CHOICES ABOUT THE COSTS AND BENEFITS OF HEALTH SERVICES

As health costs continue to rise, available resources must be used effectively. Services and infrastructure require careful planning with community and clinician input, and managed efficiently with solid evidence of effectiveness and health impact.

Increasing reinvestment of savings achieved through reform

NSW Health is committed to improving the efficiency of corporate services across the health system to deliver savings for reinvestment in frontline health services. In addition, we aim to harness the full purchasing power of the statewide health system to achieve best value, aligned with quality in the procurement of goods, services and infrastructure.

In April 2007/08, Health Support Services became the delivery arm of the NSW Health Shared Services Program. It was formed through the merger of HealthSupport and HealthTechnology. The merger presents a unique opportunity to maximise efficient, effective and innovative business practices providing long lasting benefits for healthcare delivery.

Information on initiatives undertaken by Health Support Services is detailed in Appendix 3 of this report.

Investment in electronic information systems

Building information management and technology training and capability across the health system for clinicians and managers at all levels will provide a more robust foundation for decision-making, performance monitoring and delivery of patient care.

The Strategic Information Management (SIM) Branch is responsible for designing and delivering IT systems to enhance patient safety and improve quality of care. SIM activities for the year are detailed in Appendix 3 of this report.

Technology Shared Services (TSS) manages in excess of 50 projects centered on the management and provision of support and operational services to NSW Health and Area Health Services Information Communication Technology (ICT) programs and projects. Its activities are detailed under Health Support Services in Appendix 3.

Asset Management

NSW Health is committed to ensuring effective linkages between services planning and infrastructure plans so that resources can be distributed to match health service needs and respond to emerging models of care.

The Health Infrastructure Office has been established to manage and oversee the delivery of the NSW Government's major hospital works. Achievements of the Health Infrastructure Office are detailed under the Services and Facilities section of this report.

Capital Assets Charging Policy

A Capital Assets Charging Policy was developed and will be introduced next financial year. The policy will encourage an appropriate level of asset maintenance and will create improved incentives at health service level to obtain better value for money from the resources allocated to the health sector.

Other Highlights

Episode Funding

A decision was taken in late 2007 to use Episode Funding (EF) as a standardised, uniform approach to establishing public hospital budgets in NSW.

Implementation of the new EF policy commenced for the 2008/09 budget allocation process. It applies to acute inpatient services (including emergency department and Intensive Care Services) and designated sub and non-acute inpatient services in District level and larger hospitals.

As part of implementing the EF policy, an enhanced set of governance and performance monitoring arrangements is being put in place, including:

- agreed activity targets as part of the Area Performance Agreements
- quarterly EF reporting
- audits of clinical costing and coding
- reporting on performance indicators to monitor the impact of episode funding on key measures.

Adjunct policy initiatives to support the implementation of EF include the implementation of a statewide clinical costing system and development of state costing standards. The new statewide system will replace the four existing systems which will improve data comparability and timeliness of reporting of patient costing data.

Standard Chart of Accounts

The Standard Chart of Accounts was introduced. This standardised codification of financial data is the foundation for standardised statewide reporting of financial information as Shared Corporate Services is implemented.

Home-based dialysis studies

A study commenced to determine current level costs associated with facility-based and home-based dialysis modalities. This project will inform strategic planning of health services, facilitating the identification of cost-efficient approaches and standardisation of practice.

Tooth Smart Dental Program

The Tooth Smart Dental Program in SWAHS aims to provide families of children requiring extensive dental treatment under general anaesthesia with oral health support and follow-up in order to reduce further incidence of dental decay and improve the oral health of the family as a whole.

Evaluation of pilot older people's mental health/aged care partnership long-term care programs

MHDAO has commissioned a two year evaluation with residential aged care providers to assess various aspects of the model, including cost-effectiveness, and inform statewide strategic directions in this area.

Trial of Involuntary Drug and Alcohol Treatment

Arising from the Government's response to the NSW Parliamentary Standing Committee on Social Issues Report on the Inebriates Act 1912, arrangements are being finalised for a two year trial of a new model of drug and alcohol involuntary treatment at the Centre for Drug and Alcohol Medicine at Nepean Hospital. Planning is well advanced.

The Drug and Alcohol Treatment Act 2007 has been introduced to underpin the trial. A Memorandum of Understanding between key Government agencies providing services for the Trial has been agreed. An independent evaluation has been commissioned and a comprehensive Model of Care and operational protocols have been prepared by clinical staff.

Trial of the Medically Supervised Injecting Centre

The Drug Summit Legislative Response Amendment (Trial Period Extension) Act 2007, which underpins Trial of the Medically Supervised Injecting Centre, was introduced into the Legislative Assembly by the Minister for Health on 7 June 2007 to extend the Trial for a further four years to 31 October 2011. The Act commenced on assent in July 2007 and operates as Part 2A of the Drug Misuse and Trafficking Act 1985.

Accounting Systems Upgrade

The actions required to upgrade the Department's accounting systems, Health Services' financial reporting systems and accommodate new practices for the Treasury banking tender for all health services have commenced, with scheduled completion in 2008/09.

Resource Distribution Formula – The weighted average distance from target for all Area Health Services

Desired outcome

More equitable access to health funding between Area Health Services.

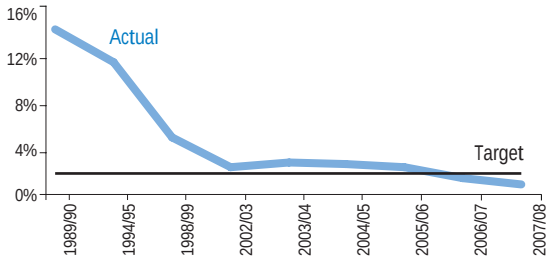
Context

Funding to NSW Area Health Services is guided by the resource distribution formula, which aims to indicate an equitable share of resources, taking account of local population health needs. Factors included in estimating local need include age, sex, mortality and socio-economic indicators.

Interpretation

In 1989/90, Area Health Services were on average 14% away from their resource distribution formula target. With a greater share of growth funding allocated to historically under-funded population growth areas, the average distance from target for Area Health Services has declined significantly over time and was less than 2% in 2007/08.

Resource Distribution Formula – The weighted average distance from target for all Area Health Services (%)



Source: Inter-Government and Funding Strategies Branch

Major and minor works – Variance against Budget Paper 4 (BP4) total capital allocation

Desired outcome

Optimal use of resources for asset management. The desired outcome is 0%, that is, full expenditure of the NSW Health capital allocation for major and minor works.

Context

Variance against total Buget Paper 4 capital allocation and actual accrued expenditure achieved in the financial year is used to measure performance in delivering capital assets.

Interpretation

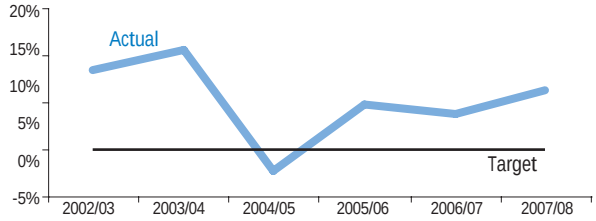
Actual accrued expenditure of $780.4 million for 2007/08 is an unfavourable (9.3%) result against the BP4 allocation of $714.3 million. The additional expenditure was largely attributed to repairs, maintenance and renewals (RMR>$10,000) by Area Health Services. This was balanced by under expenditure on some construction projects and statewide programs.

Related policies and programs

Strategies to achieve the desired outcome of 0% during 2008/09 include:

- Continual review and monitoring of the Health asset acquisition program against Area Health Services expenditure projections for projects with a value less than $10 million.
- Continued centralised monitoring of Health Infrastructure against expenditure projections for projects with a value greater than $10 million.
- Ongoing regular program meetings with Area Health Services Chief Executives to monitor project and expenditure progress.
- Ongoing monitoring of the asset acquisition program and capital budget processes by the NSW Health Cross-Divisional Capital Steering Committee.

Major and minor works – Variance against Budget Paper 4 (BP4) total capital allocation (%)



Net cost of service – General Fund variance against budget

Desired outcome

Optimal use of resources to deliver health care.

Context

Net Cost of Services is the difference between total expenses and retained revenues and is a measure commonly used across government to denote financial performance. In NSW Health, the General Fund (General) measure is refined to exclude the:

- effect of special purpose and trust fund moneys, which are variable in nature dependent on the level of community support
- operating result of business units (eg pathology services) which traverse a number of Health Services and which would otherwise distort the host Health Service's financial performance
- effect of Special Projects which are only available for the specific purpose (eg Oral Health, Drug Summit).

Health Service	2007/08 Budget	Variation from Budget	
	$M	$M	%
Sydney South West	1,723.2	(2.8)	(0.2)
South Eastern Sydney Illawarra	1,415.3	2.5	0.2
Sydney West	1,343.9	6.8	0.5
Northern Sydney Central Coast	1,153.9	63.3	5.5
Hunter New England	1,237.6	12.7	1.0
North Coast	687.6	29.9	4.3
Greater Southern	669.3	14.7	2.2
Greater Western	556.4	30.6	5.5
NSW Ambulance Service	372.4	(0.3)	(0.1)
Children's Hospital at Westmead	65.9	2.4	3.6
Justice Health	76.7	(0.4)	(0.5)
Issued Budgets	9,302.2	159.4	1.7
2006/07 Result	8,927.1	25.1	0.3
2005/06 Result	8,343.7	31.8	0.4
2004/05 Result	7,723.2	(9.0)	(0.1)
2003/04 Result	7,156.8	24.7	0.3

Interpretation

Five Health Services contributed significantly to the unfavourable 2007/08 total, ie Hunter/New England, Northern Sydney/Central Coast, North Coast, Greater Southern and Greater Western. The results reflect the significant pressures on health service budgets. North Coast and Greater Southern are also impacted due to increases in activity and patient flows to/from other States and Territories.

Employee Related Expense constitutes the major category of expense and control of this item is critical to achieve budget. For 2008/09 the Department requires that Chief Executives set monthly staff targets and devolve such throughout their Health Service. This will be closely monitored across NSW Health.

The Department has also required the development of financial strategies to address the budgetary problems experienced in 2007/08. Strategies have also been supplemented by various initiatives announced in the November 2008 Mini Budget.

General Creditors > 45 Days as at the end of the year

Desired outcome

Payment of general creditors within agreed terms.

Context

The NSW Department of Health monitors creditor performance on a regular basis and, where liquidity management is found to be deficient, requires relevant Health Services to improve performance and implement strategies. The Department monitors progress, both in the short term and on a long term basis to achieve acceptable payment terms to suppliers.

Performance at balance date in the past five years against Trade Creditor benchmarks reported by health services is:

Date	Value of General Accounts not paid within 45 days ($M)	Number of Health Services reporting General Creditors 45 days
30 June 2004	7.5	3
30 June 2005	13.2	4
30 June 2006	1.3	1
30 June 2007	0	0
30 June 2008	75.1	6

Since 2004/05 the Department has set a benchmark that creditor payments should not exceed between 35 and 45 days from receipt of invoice.

The Health Services reporting creditors over 45 days as at 30 June 2008 are as follows:

Health Service	$M
South Eastern Sydney Illawarra	24.3
Sydney West	6.2
Northern Sydney Central Coast	8.7
North Coast	2.3
Greater Southern	12.7
Greater Western	20.9
Total	75.1

Related policies and programs

The Department has introduced further monthly accountabilities for 2008/09 regarding liquidity performance. It is expected that pressure of each Health Service's liquidity position will be eased through a revised method of payment for all intra health creditors.

Strategic Direction 6

BUILD A SUSTAINABLE HEALTH WORKFORCE

Delivery of quality health services depends on having adequate numbers of skilled staff working where they are needed. Addressing the shortfall in the supply of health professionals and ensuring an even distribution of staff around the state are key priorities for the future. There has been a continued focus on health workforce at a state and national level over recent years with a range of strategies and initiatives showing positive results. Since 2003, there have been significant increases in professional staff across the NSW public health system as outlined in the table below. Clinical staff as a proportion of all NSW Health staff has continued to rise from 69.6% in 2003 to 72.6% in 2008.

Professional Staff FTE	June 2003	June 2007	June 2008	% Increase over 2003
Salaried Medical	6,112	7,318	7,866	28.7%
Visiting Medical Officers (2004-07)	4,263	n/a	n/a	n/a
Nursing	32,550	38,101	39,033	19.9%
Allied Health	6,323	7,387	7,487	18.4%
Oral Health	998	998	1,098	11.2%

Further workforce data is included in Appendix 4 – Statistics

Workplace injuries

Workplace injuries, many of which are preventable, result in significant direct and indirect costs to the public health system, injured employees, their families and co-workers.

Key prevention strategies include:

- consulting with staff
- identifying, assessing and controlling workplace hazards
- providing training
- regularly auditing public hospitals using the NSW Health OHS audit tool.

Injury reduction targets, based on those set by the National Occupational Health and Safety (OHS) Improvement Strategy, have been included in Area Health Service performance agreements.

Sick leave

Effective management and monitoring can reduce the amount of sick leave taken by staff. This in turn should reduce the need for, and additional cost of, staff replacement, and reduce possible negative effects on service delivery and on other staff where replacement staff is not readily available. Sick leave reduction targets, based on whole-of-Government targets set by NSW Premier's Department, have been included in Area Health Service performance agreements. NSW Health is providing regular reports on progress against targets. A sick leave management policy and detailed supporting guidelines to assist Area Health Services to meet these targets have been issued.

Recruitment and Retention

Emergency Care Workforce

An additional 35 Full Time Equivalent (FTE) emergency specialist positions to improve the level of senior staffing in the busiest emergency departments were announced as part of a government package of $30 million ($50 million annually) to relieve pressure in NSW public hospitals. The package also included 150 additional beds and a campaign to support recruitment of medical staff to areas of shortage.

The 35 new positions were allocated across the Area Health Services and The Children's Hospital at Westmead. A targeted advertising campaign to support recruitment to these positions is contributing to a net increase in the specialist emergency department workforce of 36 specialist doctors (24.15 full time equivalent) by August 2008. These new recruits are interstate, overseas, and locum doctors converting to permanent NSW Health employees, and trainees completing training in NSW to take up specialist positions.

International Medical Graduates

International Medical Graduates (IMGs) are an important part of NSW Health's medical workforce with many working in locations outside capital cities. Support for these doctors is key to ensuring effective service delivery and patient care.

In 2007, $640,000 was spent supporting these doctors to successfully integrate into the health system and the community. The program supplemented supervision and support and addressed a range of issues, such as understanding the Australian and NSW health system and effective communication and language skills, including Australian colloquialisms.

Pharmacy Workforce

Since July 2006, the Department has invested over $2.5 million to increase pharmacy intern positions statewide and improve recruitment into the Hospital Pharmacy workforce. A reduction in statewide vacancies in hospital pharmacy positions from 19% to 11.2% was achieved in just two years.

Allied Health ReConnect

NSW has developed one of the first re-entry models applicable for a range of allied health professions. The model was piloted with the Hospital Pharmacy workforce – an Australian first. Recruitment impact of this pilot resulted in 78% of re-entrants gaining employment after successful completion of the Program. Fourteen gained employment at the end of the program.

Nursing and Midwifery

Significant increase in the size of the nursing workforce

The total number of nurses and midwives permanently employed in the NSW public health system has steadily increased in the last four years due to a number of Government funded initiatives. In June 2008, there were 43,068 nurses employed in full and part-time permanent positions, a net increase of 9,064 (26.7%) from January 2002. The total number of permanent nurses (headcount) working in the NSW public system has increased by 884 since June 2007.

New Graduates

A record 1,650 new registered nurses and midwives were employed in NSW public hospitals in 2008.

Increase in the number of Enrolled Nurses

NSW Health has been proactive in significantly increasing the number of Trainee Enrolled Nurses employed over the past four years. The aim is to retain a high proportion in the public hospital workforce after completion of the one year course. Area Health Services have reported 70% to 80% have been employed.

Re-Connect

The "Nursing Re-connect" initiative attracts nurses and midwives who have been out of the nursing workforce for a number of years back to our hospitals. Nurses continue to be employed through the General and Mental Health Re-Connect and their retention rate is 75%.As at June 2008. 1,759 nurses were employed through this initiative, including 139 nurses connected to mental health positions. Rural Area Health Services have employed 561 nurses through "Nursing Re-Connect".

Overseas Recruitment

Over 400 overseas qualified registered nurses and midwives were recruited to NSW public hospitals in 2007/08. More than 200 registered nurses and midwives were interviewed and offered positions during a recruitment campaign in January and February 2008. Overseas recruitment is managed centrally through NaMO's on line database.

Retaining existing workforce

There were a number of initiatives to retain nurses in the public health system. Over $5 million was provided for education scholarships to more than 1200 nurses and midwives employed in facilities across NSW. Nurses/midwife study leave received $6 million, allowing positions to be "backfilled". Funding of $13.4 million was provided for initiatives such as support for new general and midwifery graduates, and ongoing clinical skill development programs for registered and enrolled nurses.

Improving workforce flexibility and strengthening career paths

Clinical Services Redesign

The Centre for Healthcare Redesign was established to ensure ongoing skills development in redesign across NSW Health. The Centre uses a combination of instructional styles including internal and external experts and a new e-learning platform. The first course for the Centre for Healthcare Redesign has been completed and demonstrated successful improvements in patient care.

The Hospitalist Career Pathway

A new training program and career pathway for non-specialist doctors in NSW hospitals was announced in October 2007. The career pathway for Career Medical Officers will be enhanced with the creation of a new 'Staff Hospitalist' classification that is more senior than the current Senior Career Medical Officer.

The Staff Hospitalists will provide a generalist clinical service in NSW public hospitals at a senior level and typically also have patient safety, clinical service redesign and education functions. Development of training programs to support the role of non-specialist Medical Officers is underway.

The NSW Institute of Medical Education and Training is coordinating the development and delivery of the Hospital Skills Program which will recognise and support the skills of non-specialist doctors.

Nurse Practitioners

NSW leads Australia with 104 authorised nurse practitioners and two midwife practitioners already appointed. A further 60 nurses are in transitional positions working towards authorisation by the NSW Nurses and Midwives Board. Recruitment continues for Nurse Practitioner roles across the state.

Mental health workforce

Mental Health Workforce Development

The inaugural Mental Health Workforce Development Sub-Committee meeting took place in August 2007. The Sub-Committee is overseeing workforce initiatives to support public Mental Health Services, current service delivery requirements and emerging priorities.

The work plan focuses on:

- Mental Health Workforce Planning
- Education, Training and Support
- Employment and Workplace Culture
- Partnerships.

Two working groups have been convened to progress a number of activities within the work plan.

Training in Addiction Medicine

Six applications were received for the NSW Health Addiction Medicine Fellowship. It was awarded to a GP who had worked as a prescriber on the NSW Opioid Treatment Program, who is now training to be an Addiction Medicine Specialist. Over 200 Opioid Treatment Program prescribers have completed the Advanced Prescribers Course designed to up-skill prescribers on the latest pharmacotherapies and prescribing guidelines. The course is now available online.

Education and training

Postgraduate education and training

The NSW Government investment in postgraduate education and training for the medical workforce includes:

- $32 million over the past two years (2006/07 to 2007/08)
- $66.85 million over the next four years
- $5.4 million over four years to strengthen the Emergency workforce

This investment has meant that over 1200 trainee specialist positions in psychiatry, surgery and medicine now have improved access to training and support. In 2008, new networks for paediatric and cardiology training were established, with 180 paediatric and 50 cardiology trainees part of the 1200 total. Trainee specialist networks have improved the distribution of these senior doctors to regional and rural NSW.

Dental Graduate Program

Now in its second year, the NSW International Dental Graduate Program takes 10 overseas trained dentists and provides a supervised training and service delivery program prior to candidates completing the final examination for registration in Australia. The program provides placements in rural and regional NSW for a period of six months which assists provision of dental services to these regions. Eight participants successfully completed the first year of the program and a further 10 are completing their rural placements.

Vocational Education and Training in Schools

Funding of $2.8 million over four years from 2007/08 has been provided to support the development of career pathways into the health workforce through Vocational Education and Training (VET) across Year 11 and 12 in health-related qualifications. An estimated 350 students are participating in 2008.

Bug Breakfast

Bug Breakfast is a series of hour-long breakfast seminars for staff on communicable diseases topics, such as tuberculosis. Ten Bug Breakfast seminars were delivered in 2007/08. There was a high level of interest and participation with over 50 participants attending each session in North Sydney and a further 50 participants in 19 remote sites linked by videoconference.

Aboriginal Workforce

Aboriginal nurses and midwives

NSW Health is committed to increasing the number of Aboriginal registered nurses, midwives and enrolled nurses in the NSW public health system. In partnership with the NSW Premier's Department, NSW Health has employed 48 Aboriginal nursing and midwifery cadets since 2004.

Ten cadets have graduated and a further 20 are still studying. This figure surpassed the target set in the NSW Aboriginal Affairs Plan – *Two Ways Together*, of 20 Aboriginal nursing cadets.

Aboriginal Mental Health Worker Training Program

This Program commenced January 2007 and employs Aboriginal people as full time, permanent employees of a mental health service. Recruited as trainees, they are supported in acquiring a recognised degree as a condition of employment.

The Program combines the formal degree course with workplace experience within an Area Health Service. Trainees are supported through an integrated system of peer support, on-the-job training and supervision.

At completion, trainees become qualified Aboriginal mental health professionals, working as part of a mainstream Area Mental Health structure on a permanent basis. There are currently 24 trainees in the Program.

Aboriginal Environmental Health Officer Training Program

There were two graduates in 2007/08 from the Aboriginal Environmental Health Officer (EHO) Training Program. The Program is the only one of its kind in Australia, and has produced eight degree qualified Aboriginal EHOs in all.

Aboriginal trainee EHOs are employed in Public Health Units. They undertake a Bachelor of Applied Science by distance learning and have also to meet workplace competencies.

Rural and remote workforce

Preferential Recruitment Program

Established in 2006, the Program allows graduates with an interest in rural training to apply directly to rural hospitals for prevocational training. In 2008, 35 doctors were recruited to 10 hospitals in rural NSW. This initiative, combined with priority filling of rural positions in specialist training networks, ensures better distribution of medical workforce across NSW.

Country Careers

Over $2 million has been committed over four years to encourage health professionals to live and work in rural NSW. The Country Careers program assists the recruitment and retention of staff and helps manage the transition into rural health settings. Project officers provide assistance with temporary housing, schooling and other forms of dependent care, spousal employment and support, and social integration initiatives.

A website, http://www.health.nsw.gov.au/countrycareers/, developed to support the initiative was launched in February 2008. It provides information on such topics as professional development, scholarships, pay rates and salary packaging.

Scholarships

The Rural Allied Health Scholarship Scheme provides scholarships to students from a rural background undertaking allied health studies, and clinical placement grants to students undertaking clinical placements in rural areas. Scholarships towards the cost of Post-Graduate studies are also offered to clinicians currently working in rural and remote NSW.In 2007/08, the value of scholarships increased from $5,750 to $10,000. A record 72 scholarships were awarded to students in their second last or final year of study at a total cost of $643,500.A total of 372 Clinical Placement Grants were awarded at a cost of $187,754.

Workforce planning

Inter-Governmental Relations

NSW Health is actively engaged in the national Council of Australian Government (COAG) reform process regarding education, training and regulation of health professionals. At COAG in March 2008, all Governments signed an agreement which underpins the National Registration and Accreditation Scheme that will replace separate state/territory registration schemes with a national scheme. The implementation is overseen by the Australian Health Ministers Advisory Council (AHMAC) Governance Committee and policy developed by the Practitioner Regulation Sub Committee to enable the new system to be in place by July 2010.

Emergency Workforce

An Emergency Department Workforce Action Plan has been developed in consultation with the Australian Salaried Medical Officers Federation. The Emergency Department Workforce Reference Committee was established in September 2007 to provide advice on this plan and on the workforce issues identified in the Position Paper of the Ministerial Taskforce on Emergency Care.

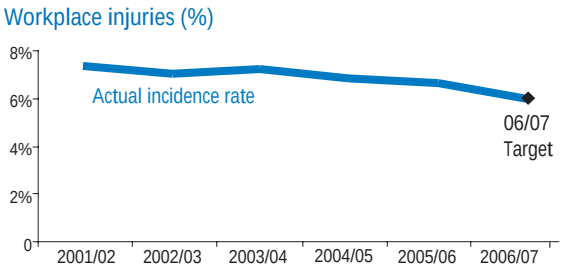
Workplace injuries

Desired outcome

Minimising workplace injuries as far as possible.

Context

Workplace injuries, many of which are preventable, result in significant direct and indirect costs to the public health system, injured employees, their families and their co-workers.



Source: Treasury Managed Fund via WorkCover NSW

Interpretation

NSW Health is performing well against the injury prevention target with an overall reduction of 18% in incident rate against baseline as at June 2007. While the target for June 2007 is 20%, it should be recognised that the 18% improvement referred to comes on top of already significant decreases during earlier initiatives between June 1998 and December 2002. During this time, NSW Health achieved an 18% reduction in workplace injuries and a 15% reduction in claims costs.

Related programs and policies

The National Occupational Health and Safety (OHS) Improvement Strategy and the NSW Government initiative *Working Together: Public Sector OHS and Injury Management Strategy 2005–2008* have set injury reduction targets, which have been included in Area Health Service performance agreements. To help them meet the targets, the NSW Health OHS audit tool was updated to help measure performance and drive improvements in OHS management. More recently, the NSW Health Registered Training Organisation developed OHS Profile training materials for Area Health Services to enable them to independently train and accredit future OHS Profilers. Other related polices of assistance include:

- Workplace Health and Safety: Policy and Better Practice Guide
- Policy and Best Practice Guidelines for the Prevention of Manual Handling Injuries
- Policy and Guidelines for Security Risk Management in Health Facilities (the Security Manual).

Staff Turnover - Non casual staff separation rate (%)

Desired outcome

To reduce/maintain turnover rates within acceptable limits to increase staff stability and minimise unnecessary loses.

Context

Human resources represent the largest single cost component for Health Services. High staff turnover rates are associated with increased costs in terms of advertising for and training new employees, lost productivity and potentially a decrease in the quality and safety of services and the level of services provided.

Factors influencing turnover include: remuneration and recognition, employer/employee relations and practices, workplace culture and organisational restructure. Monitoring turnover rates over time will enable the identification of areas of concern and development of strategies to reduce turnover.

Note that high turnover can be associated with certain facilities, such as tertiary training hospitals, where staff undertake training for specified periods of time. Also, certain geographically areas attract overseas nurses working on short-term contracts.

Interpretation

In 2007-08 the average staff turn over for non-casual staff employed within the health system was 13.3% (11.04% when excluding Junior Medical Officers & Trainee Enrolled Nurses).

The Ambulance Service of NSW, a statewide service, recorded the lowest turnover rate of 6.6% while The Children's Hospital

Clinical Staff as a proportion of total staff (%)

Desired outcome

Increased proportion of total salaried staff employed that, provide direct services or support the provision of direct care.

Context

The organisation and delivery of health care involves a wide range of health professionals, service providers and support staff. Clinical staff comprise of medical, nursing, allied and oral health professionals, ambulance clinicians and other health professionals such as counsellors and aboriginal health workers.

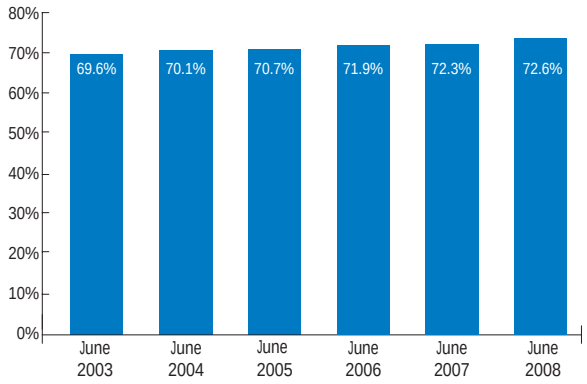
These groups are primarily the front line staff employed in the health system.In response to increasing demand for services, it is essential that the numbers of front line staff are maintained in line with that demand and that service providers re-examine how services are organised to direct more resources to front line care. Note that the primary function of a small proportion of this group may be in management or administrative, providing support to front line staff.

Interpretation

From June 2003 to June 2008, the percentage of 'clinical staff', as a proportion of total staff increased from 69% to 72.6% or an additional 10,397 health professionals working in the public health system. From June 2007 to June 2008 the NSW public health system employed an additional 548 medical practitioners, 932 nurses and 100 allied health professionals. The increase reflects the on-going commitment of NSW Health and its Health Services to direct resources to front line staff to meet strong growth in demand.

Ways to achieve the desired outcome are the continuation of strategies aimed at recruitment and retention of clinical staff within the system, and the continuation of the Shared Services and Corporate Reforms Strategies.

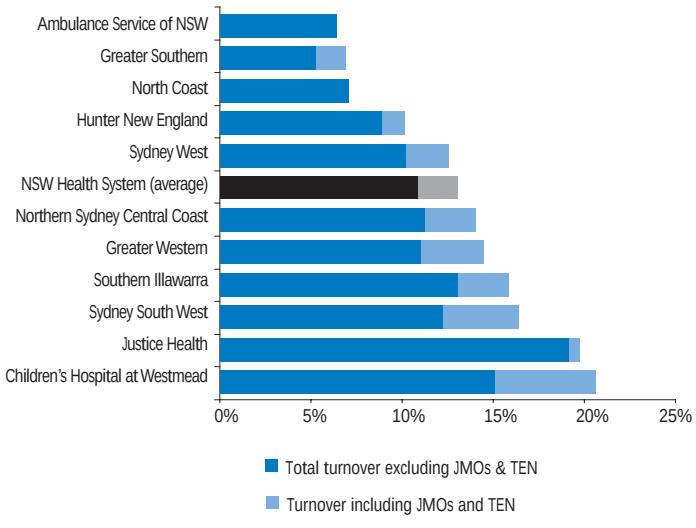
Medical, nursing, oral health practitioners, ambulance clinicians, allied health and other professionals, as a proportion of total staff (%)



at Westmead, a single facility, recorded the highest at 21.0% (15.34% when excluding Junior Medical Officers & Trainee Enrolled Nurses). The highest turn over when Junior Medical Officers & Trainee Enrolled Nurses are excluded is Justice Health with 19.49%.

As specified, under context, factors influencing turnover vary considerably between hospitals and Health Services. Health Services with tertiary training facilities will have higher turnover of medical and nursing staff.

Strategies to achieve the desired outcomes include flexible and family friendly work policies.

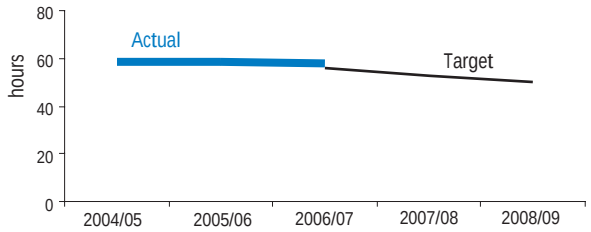


Sick leave

Desired outcome

Reduce the amount of paid sick leave taken by staff.

Sick leave – annual average per FTE (hours)



Context

Effective management and monitoring can reduce the amount of sick leave taken by staff. This in turn should reduce the need for, and additional cost of, staff replacement and reduce possible negative effects on service delivery and on other staff, where replacement staff is not readily available.

Interpretation

The Premier's Department has determined that 2004/05 data will form the baseline for sector wide improvements to be achieved by 2008/09. NSW Health has proposed a 15% reduction in average annual hours per FTE by 2008/09.

The target will require a 5% improvement for each year from 2006/07 to 2008/09. There was only a small decline in 2006/07 from the previous year.

Related policies and programs

Sick leave reduction targets, based on whole-of-Government targets set by Premier's Department, have been included in the Area Health Service Performance Agreements, and the Department is providing regular reports on progress against targets. Policy directive *Managing Sick Leave: Policy, Procedures and Eligibility* (PD2006_063) provides support to Area Health Services in managing sick leave and meeting the targets.

Aboriginal staff

Desired outcome

To meet and exceed the Government's policy of 2% representation of Aboriginal and Torres Strait Islander staff in the NSW Health workforce. Furthermore, the *Two Ways Together: Economic Development Action Plan 2005-2007* has projected this minimum 2% benchmark to 2.2% in 2008.

Context

NSW Health is committed towards excellence in the provision of health services to Aboriginal people to close the health gap and improve the health and wellbeing of Aboriginal people. To achieve this, it aims to meet current and future benchmarks in the recruitment and retention of Aboriginal staff. Increased employment opportunities for Aboriginal people through affirmative action strategies focused on recruitment, training and career development will contribute to improved Aboriginal health.

Interpretation

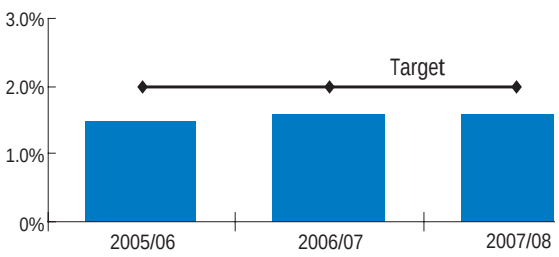
The proportion of Aboriginal health staff has been stable over the three years, 2005/06 to 2007/08. Better recruitment, training and career development for Aboriginal and Torres Strait Islanders is being undertaken to increase representation in the workforce.

Related policies and programs

Continuation of strategies aimed at recruitment and retention of Aboriginal staff within the NSW Health system. Some strategies/policies include but not restricted to:

- *Aboriginal Workforce Development Strategic Plan 2003-2007*, NSW Department of Health (2003)
- NSW Health Workforce Action Plan
- *Aboriginal Employment Strategy for the Year 2000 and Beyond*, NSW Department of Health (1997)

Aboriginal staff as a proportion of total NSW workforce (%)



Source: Premier's Workforce Profile (PWP)

Strategic Direction 7

BE READY FOR NEW RISKS AND OPPORTUNITIES

To meet the changing health needs of the community, NSW Health must continually adapt. The system must be quick to respond to new issues and sustain itself in the face of external pressures. We strive for a system that is alert to the changes in the world around it and quick to anticipate and respond to new issues as they emerge.

Ensuring the NSW health system is ready for new risks and opportunities

Being aware of NSW Health's major risks and integrating risk management into our planning and decision making processes enables us to meet our objectives of protecting, promoting and maintaining the health of the people of NSW.

Risk Management Policy and Framework

A 12 month management project commenced March 2008 aimed at developing a standard enterprise-wide risk management policy, framework and reporting requirements for use across NSW Health.

Build capacity to identify and respond to infectious disease emergencies

Communicable Diseases Branch revised public health protocols for meningococcal disease and developed quality improvement tools that enable public health units to record better information about cases and contacts, and monitor and improve public health responses. A two day workshop was held to promote evidence-based public health management of meningococcal disease

Preparedness for infectious disease and other public health emergencies

The Biopreparedness Unit was established in 2006 for preparation and response to large scale infectious disease emergencies such as an influenza pandemic, emerging infectious diseases, and bioterrorism, a role since expanded to include public health aspects of man-made and natural disasters, and mass gatherings. NSW Health allocated $3 million for preparedness for infectious disease and other public health emergencies, with an additional $10.5 million for provision of personal protective equipment and anti-influenza medication to the State Medical Stockpile.

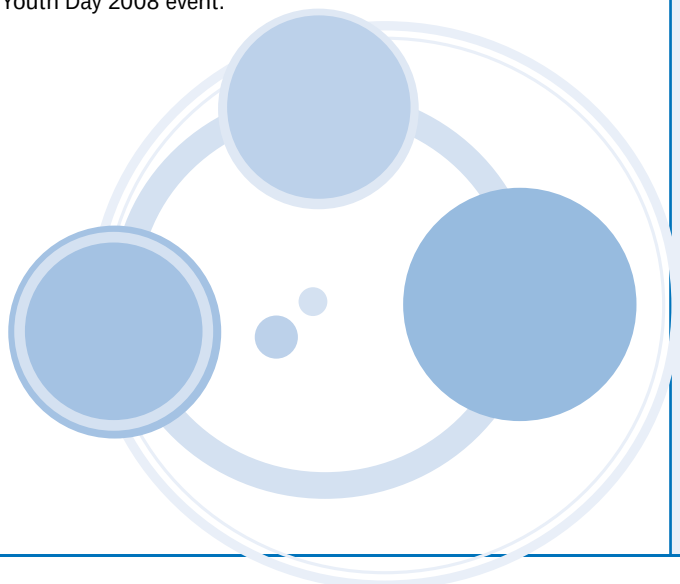
Pandemic influenza

Plans have been developed for detection and management of cases and contacts, and continuity of health services, businesses and the community in an influenza pandemic. Activities include development of electronic public health communications and specific signage, procedures for mass vaccination, laboratory testing, distribution from the State Medical Stockpile, and infection control.

Disease Surveillance

The Public Health Real-time Emergency Department Surveillance System (PHREDSS) was established in 2003 to provide intelligence on emerging health risks. PHREDSS has proved to be critical in monitoring the onset and magnitude of the influenza season in 2007 and in facilitating rapid response to infectious disease outbreaks.

The Department of Health worked with the NSW Ambulance Service to add monitoring of Sydney Ambulance despatch activity to the NSW Health System's disease surveillance system. This facility was established in readiness for the World Youth Day 2008 event.



Public health emergency exercises

NSW Health planned and participated in multi-agency discussion and field exercises, including:

- **Exercise Yellow Jack:** multi-agency discussion in December 2007 for management of people in home isolation or quarantine during an influenza pandemic.
- **Exercise Ring O'Rosies:** tested actual resourcing and performance of a mass influenza vaccination clinic in a rural NSW town in March 2008.
- **Exercise Grippe:** multi-agency field exercise at Sydney Airport in April 2008 tested border screening operations early in an influenza pandemic. Agencies included NSW Public Health, an airline, airport operations, police, customs, immigration, quarantine, and ambulance.
- **Exercise Sustain '08:** national whole-of-Government desk-top exercises examined the impact of widespread pandemic influenza on industry, community and communications.
- **Exercise Doniphon:** multi-agency discussion exercise in June 2008 for responses to an infectious disease emergency during World Youth Day 2008.

Mental Health Disaster Planning

The Mental Health Disaster Advisory Group is chaired by the NSW Mental Health Controller and leads the planning for disaster mental health. The major objective is to enhance the capacity of mental health services to respond effectively to a major event or disaster affecting NSW residents.

Guidelines were developed to assist Area Mental Health Services develop their disaster mental health response plans in line with NSW Health plan. A Mental Health 1800 Helpline was established for rapid activation to provide mental health triage, support, information and referral to local services. Strategic planning was undertaken with other key agencies in Pandemic Planning, Counter Terrorism Planning, Planning for World Youth Day, Community Recovery and Planning for Major Evacuation Centres.

Other highlights

Checking criminal records

Protecting patient and staff safety is a priority and checking the criminal record of people applying to work in paid or voluntary positions in a public health facility is an important risk management strategy.

During the financial year, a new Employment Screening Policy (PD2007_029) was developed to cover criminal record checking.

By consolidating information from a variety of documents into a single policy, the process has been simplified making it easier for those responsible for conducting criminal record checks to know how and when to do so.

Fraud Prevention

A new Health Fraud Control Strategy was implemented. It includes a policy and risk assessment tool to help managers identify vulnerable practices and areas at potential risk of fraud. It has been distributed to all public health organisations to assist with the development of localised strategies, policies and tools.

Fighting corruption

In partnership with the Independent Commission Against Corruption, the Department has researched and developed a corruption awareness and prevention training kit for use in professional development programs for all health general and clinical managers. It has been distributed to all public health organisations with a series of fact sheets on corruption prevention issues, such as conflicts of interest, gifts and benefits and the misuse of resources.

Ethical and Scientific Review

Substantial improvements have been made in ethical review of research and research governance across NSW Health. A major achievement was the implementation of a system of single ethical and scientific review of multi-centre research, which commenced on 1 July 2007 as a means of streamlining the review process for multi-centre research projects. Under this model, every research project is ethically and scientifically reviewed once only by a lead Human Research Ethics Committee (HREC).

In its first year of operation, 536 multi-centre projects were reviewed once by a lead HREC compared to 196 multi-centre projects, requiring 607 reviews, in 2004. This represents a doubling of multi-centre research activity in NSW.

Capacity Building Infrastructure Grants Program

In its second year of its current triennium, the Program strategically supports research in the fields of public health, health services and primary care. Six organisations are grant recipients. These are:

- Newcastle Institute for Public Health – Hunter Medical Research Institute ($1,499,898 grant).
- Australian Rural Health Research Collaboration ($1.5 million grant).
- Consortium for Social Policy Research in HIV/AIDS Hepatitis C and related diseases ($1,076,098 grant).
- University of NSW Research Centre for Primary Health Care and Equity ($1,469,514 grant).
- The Centre for Health Informatics, University of NSW ($1,379,591 grant).
- Centre for Infectious Diseases and Microbiology – Public Health ($1.5 million grant).

These organisations produced at least 160 peer-reviewed publications on relevant research areas in 2007/08.

Neuroscience of Addiction – Ministerial Council on Drug Strategy (MCDS) Cost Shared Funding Model Project

The Neuroscience of Addiction Project began in January 2008. It aims to understand the current developments in the neurological processes underpinning addiction, in order to identify emerging issues and relevant ethical issues. It also will inform future directions in the prevention, diagnosis and treatment of addiction.

A final report will be available in January 2009 for distribution across jurisdictions to inform policy development and clinical practice.

Ministerial Council on Drug Strategy (MCDS)

The Mental Health and Drug and Alcohol Office supported the NSW Government at the May 2008 meeting of the Ministerial Council on Drug Strategy, the peak national policy and decision-making body for licit and illicit drugs.

NSW led on a number of national issues including progressing outcomes of the National Leadership Forum on Ice and the uptake of standard drink logos by the alcohol industry which arose from the Alcohol Summit.

NSW also, on behalf of the Ministerial Council, coordinated the development of a report to the Commonwealth on the national impact of delays in confirming continuation of the Illicit Drug Diversion Initiative. This resulted in an extension of funding to 30 June 2009.

Comorbidity

The NSW Health Mental Health and Drug and Alcohol Office Comorbidity Framework for Action was finalised in 2007 and printed and uploaded to the Department's website in 2008. The Framework for Action provides the strategic direction for NSW Health to manage comorbidity of mental health and drug and alcohol in the state's health settings and is based on the four key action areas:

- Focus on workforce planning and development
- Improve infrastructure and systems development
- Improve response in priority settings for priority clients
- Improve promotion, prevention and early intervention strategies.

The Framework for Action provides a coordinated framework for addressing priority areas of concern and its main objective is to ensure that new approaches to providing equitable and effective health services to assist people with comorbid mental health and drug and alcohol problems are trialled and tested in NSW.

The remaining project being completed under the Comorbidity Subcommittee is the development of the NSW Health Clinical Guidelines for the Assessment and Management of People with a Coexisting Mental Health and Substance Use Disorder in Acute Care settings.

Financial Report

Our performance

AGAINST 2007/08 BUDGET ALLOCATION

NSW Health is the major provider of health services to the NSW public and comprises around 27% of NSW General Government Sector expenditures as compared to 25% a decade ago.

The Operating Statement identifies that total expenses for 2007-08 amounted to $13.12 billion which is an 8.9% increase over 2006/07. An average of $35.84 million is expended each day.

User charges, where applied, are not based on full cost recovery or on commercial returns, and instead reflect a contribution to the operating costs of health services. Because of these financial arrangements, the Department's performance measurement is best reflected in the net cost of providing those services. For the year ending 30 June 2008, this net cost was $11.30 billion compared with $10.35 billion in 2006/07.

The NSW Government increased its funding for operating and capital needs to the NSW Department of Health from the Consolidated Fund by $569 million or 5.6% to $10.755 billion in 2007/08.

Consolidated Funds are used to meet both recurrent and capital expenditures, and are accounted for after Net Cost of Service is calculated in order to determine the movement in accumulated funds for the year.

While capital funding is shown in the Operating Statement, capital expenditure is not treated as an expense. By its nature, it is reflected in the Balance Sheet.

The amount the Department receives from year to year for capital purposes varies in line with its Capital Works Program but does influence the amount reported as the "Result For the Year". The result reported is also influenced by the extent of third party contributions restricted by donor conditions.

Expenses incurred throughout the health system are varied but the major categories include:

- $7.96 billion for salaries and employee related expenses ($7.39 billion in 2006/07)
- $89 million for food ($82 million in 2006/07)
- $1.16 billion for drugs, medical and surgical supplies ($1.04 billion in 2006/07)
- $81 million for fuel, light and power ($78 million in 2006/07)
- $520 million for visiting medical staff ($468 million in 2006/07).

The financial statements identify that, whilst $449 million was charged for depreciation and amortisation on Property, Plant & Equipment and Intangibles, an amount of $624 million was incurred in capital expenditure. This constitutes a real increase in the value of health assets and reflects the significant capital works program to improve NSW Health infrastructure.

Since 30 June 2001, the total assets of NSW Health have increased by $4.086 billion or over 58% to $11.05 billion. The most significant movement has been the increase in Property, Plant & Equipment and Intangible Assets of $3.411 billion or 54.6% which, reflects the injection of capital funding referenced above and the independent revaluations of assets.

Cash and Other Financial Assets have also increased by $406 million since 30 June 2001 to $864 million flowing from factors such as increased monies held as restricted assets (eg donations) of $367 million, increased Salaries & Wages accruals of $151 million and increased superannuation liability of $42 million duly adjusted for other movements, eg the increase in receivables of $199 million. The cash/other financial asset movement in 2007/08 was a reduction of $43 million.

Total Liabilities since June 2001 have increased by some $1.835 billion or 106% to $3.56 billion. This generally comprises:

- an increase in Payables of $704 million stemming from the introduction of the Goods and Services Tax, the reclassification of Salary Accruals and salary related payments from Provisions to Payables in accordance with revised Australian Accounting Standards.
- an increase in employee entitlements or provisions of $1.11 billion due to various Award movements that have occurred together with changes in the measurement of leave values to accord with revised Australian Accounting Standards.

Health Services Liquidity and Creditor Payments - Health Services are required to utilise best practice liquidity management to maximise revenue and have funds available to pay staff, creditors and other cash liabilities as they fall due. However, payments to suppliers must be made in accordance with contract or normal terms unless payment is disputed over

the condition or quantum of goods and services or the late receipt of invoices.

The NSW Department of Health monitors creditor performance on a regular basis and, where liquidity management is found to be deficient, requires relevant Health Services to improve performance, and implement strategies. The Department monitors progress, both in the short term and on a long term basis to achieve acceptable payment terms to suppliers.

Performance at balance date in the past three years against Trade Creditor benchmarks reported by Health Services is:

	30 June 2006	30 June 2007	30 June 2008
Value of General Accounts not paid within 45 days, $M	1.3	0	75.1
Number of Health Services reporting General Creditors > 45 days	1	0	7

Since 2004/05 the Department has set a benchmark that creditor payments should not exceed between 35 and 45 days from receipt of invoice.

In 2007/08, seven Health Services did not achieve the 45 day requirement at 30 June 2008. The Department continues to work with Health Services to effect improvements in creditor payment and management with further requirements being imposed in 2008/09 to ensure that acceptable payment processes are observed, for example:

- any Health Service which had creditors at 1 July 2008 over its targeted benchmark has been required to articulate how the creditor problem will be eliminated, reduced or otherwise managed. The Health Service is to nominate the estimated date by which it expects that compliance with the benchmark will be achieved

- when a Health Service is contacted by a supplier about non or late payment of an account, the Director of Corporate Services is deemed to be the responsible Health Service executive to satisfactorily resolve the matter. All commitments given to suppliers in respect of future payment arrangements are to be honoured by the Health Service concerned.

- Health Services are to apply best practice protocols for dealing with enquiries from suppliers, e.g. a dedicated telephone number for enquiries (with the phone number and terms of payment listed on the purchase order), and the monitoring of calls from suppliers.

Note 40: of the Department's financial report indicates that the Net Cost of Services of $11.298 billion was at variance with the budget by $411 million or 3.77%. Details of the budget variation are provided in the note and include the impact of new beds, clinical services, leap year costs, private/public partnerships, increased grant payments, etc.

The note disclosures indicate that the variation consists of three key components:

	$M	%
Specific Treasury approvals	20	0.18
Technical adjustments	242	2.22
Health Service expenditures in excess of available revenues	149	1.37
Total	411	3.77

Exclusive of the specific approvals and technical adjustments the Department's variance was $149 million, ie a variance of over 1.3% from the initial Net Cost of Service budget of $10.877 billion. This compares reasonably closely with the tolerance of 0.5% accepted by Treasury for all Budget Sector agencies.

The Department is working with Health Services of concern and the November 2008 Mini Budget provides a number of opportunities for Health Services to improve their performance in 2008/09.

As a going concern the 2007/08 result was inconsistent with prior year trends which reflected a high level of correlation between Health Service actuals and budgets.

Major funding initiatives

FINANCIAL YEAR 2007/2008

The 2007/08 State Expenditure Budget was $12.519 billion, i.e., a 7.1% increase over the initial budget for 2006-07.

The Government focus in the 2007/08 health budget was directed towards addressing a number of demand pressures including a growing and ageing population, changes in morbidity and improved health technology plus increasing consumer expectations.

Key features of the 2007/08 recurrent expenditure on health care in NSW included:

- $54 million for 70 acute hospital beds, including 30 at Tweed Hospital, 360 community based bed equivalents and 26 bed equivalents for transitional aged care, building on the 1,226 bed and bed equivalents announced in the previous two years to deliver more elective surgery, faster emergency care and treatment in the home;
- $6 million for four new adult intensive care beds to help people recovering from major illness or surgery, a paediatric intensive care bed, two neonatal intensive care cots, a flexible intensive care cot for babies and coordination of intensive care services, bringing the total additional investment in intensive care services to $66 million since 2005/06;
- $105 million additional funding bringing the total funding for mental health services to $1.05 billion, an 11 per cent boost over 2006/07.
- $46.5 million in 2007/08 for ongoing Investing in Nurses initiatives with a further $6 million over four years for 30 new nurse practitioners in nursing and midwifery and $8 million over four years for 1,600 scholarships for registered and enrolled nurses.
- $2.5 million over four years for 125 rural midwives to undergo additional education and for a further 125 scholarships to attract midwives to rural communities.
- $14 million over four years for a further 80 clinical nurse educator positions to increase nursing workforce skills and enhance patient safety, bringing the total number to 420.
- $25.6 million over four years from 2006/07 for the National Health Call Centre Network so people in NSW can call the nurse-based health advice line 24 hours a day, every day.
- $14.2 million over four years to establish the NSW Statewide Eyesight Pre-schooler Screening program to check the eyes of all children before they start school.
- $6.4 million to boost Aboriginal health initiatives bringing funding in 2007/08 to $60 million.
- $4.1 million over four years to support people with eating disorders.
- $83.7 million over four years to continue the Australian Better Health Initiative, announced in 2006/07, to reduce the burden of chronic diseases such as diabetes, stroke and vascular disease by promoting prevention, early intervention and self management.
- $8 million over four years towards establishing 12 new after-hours GP clinics to alleviate the pressure on hospital emergency departments, bringing the total number of clinics to 30.
- $6.5 million funding over four years to promote the importance of physical activity, healthy diet and diabetes prevention as part of the Live Life Well initiative.
- An additional $8 million for oral health - $4 million to reduce waiting lists for children and $4 million to increase the number of dental therapists and hygienists and expand Rural Oral Health Centres, bringing the total oral health budget to $138 million in 2007/08.
- Continued investment in the Healthy School Canteens program providing $1.6 million over four years targeting schools in need.
- $2.3 million in 2007/08, with $12.2 million over four years, to establish HealthOne NSW services. The first roll-out will see a HealthOne NSW in Mt Druitt, Corowa, Cootamundra, Molong, Rylstone, Elderslie and Manilla focusing on health promotion, illness prevention and early intervention to ease the burden of ill health, especially chronic disease.
- the provision of a grant of $20 million for the Institute of Virology

Initial cash allocations in 2007/08 to health services were increased by over $510 million or on average by 5.7% compared to 2006-07 as follows:

HEALTH SERVICE	2007-08 $M	2006-07 $M	Increase	
			$M	%
Sydney South West Area Health Service	1,800.5	1,721.9	78.6	4.6
South Eastern Sydney/Illawarra Area Health Service	1,714.4	1,628.1	86.3	5.3
Sydney West Area Health Service	1,291.1	1,215.6	75.5	6.2
Northern Sydney/Central Coast Area Health Service	1,219.5	1,160.7	58.8	5.1
Hunter/New England Area Health Service	1,129.6	1,064.0	65.6	6.2
North Coast Area Health Service	681.0	627.1	53.9	8.6
Greater Southern Area Health Service	536.7	514.6	22.1	4.3
Greater Western Area Health Service	486.5	457.2	29.3	6.4
The Children's Hospital at Westmead	209.3	197.6	11.7	5.9
Ambulance Service	316.3	295.6	20.7	7.0
Justice Health	95.3	83.9	11.4	13.6
Total	9,480.2	8,966.3	513.9	5.7

Note: These figures reflect initial Net Cash Allocations for 2006/07 and 2007/08.

Consolidated financial statements

The Department is required under the Annual Reports (Departments) Act to present the annual financial statements of each of its controlled entities. This has been achieved by tabling the 2007/08 annual reports of each Health Service before Parliament. For these purposes the report of each Health Service should be viewed as a volume of the Department of Health's overall report.
Key indicators and comparatives at a Consolidated NSW Health level are:

NSW Health Key Financial Indicators

	2007-08 ($M)	2006-07 ($M)	Increase on previous Year ($M)	Increase on previous Year (%)
Expenses	13,117	12,040	+1077	+8.9
Revenue	1,870	1,702	+168	+9.9
Net Cost of Service	11,298	10,352	+946	+9.1
Recurrent Appropriation	10,353	9,801	+552	+5.6
Capital Appropriation	402	386	+16	+4.1
Net Assets	7,490	7,441	+49	+0.7
Total Assets	11,049	10,449	+600	+5.7
Total Liabilities	3,559	3,008	+551	+18.3

2007/08 Total Expenses Comparisons

Expenses include:	2007-08 ($M)	2006-07 ($M)	2005-06 ($M)	2004-05 ($M)	2003-04 ($M)	2002-03 ($M)
Salaries and employee-related expenses	7,959	7,394	6,961	6,381	5,893	5,339
Food	89	82	81	75	76	73
Drugs, medical and surgical supplies	1,165	1,040	918	842	766	699
Fuel, light and power	81	78	72	64	61	59
Visiting medical staff	520	468	441	402	381	361

Movement in Key Financial Indicators over the last 6 years

	June 2008 ($M)	June 2007 ($M)	June 2006 ($M)	June 2005 ($M)	June 2004 ($M)	June 2003 ($M)
Assets						
Property, Plant & Equipment & Intangibles	9,656	9,083	8,729	8,408	7,426	6,926
Inventories	105	115	108	72	66	68
Cash & Investments	864	907	860	868	683	666
Receivables	390	317	295	192	162	165
Other	34	27	28	52	42	35
Total	11,049	10,449	10,020	9,592	8,380	7,860
Liabilities						
Payables	1,052	751	711	690	543	525
Provisions	2,331	2,179	2,002	1,700	1,507	1,391
Interest Bearing Liabilities	101	36	48	82	109	105
Other	75	42	75	64	65	77
Total	3,559	3,008	2,836	2,536	2,224	2,098
Equity	7,490	7,441	7,184	7,056	6,156	5,762

NOTE: Source for all above tables is the Audited Financial Statements

2008/09 and Forward Years

New plans to better manage chronic disease in the community so that hospitals can continue to provide priority access for people who need acute care are the focus of the $13.15 billion 2008/09 health budget. This constitutes an increase of $632 million or 5% over that provided in 2007/08.

Demand on our public health system is at an alltime high and will continue to increase as the population ages and gets sicker.

Health spending in NSW has doubled in the past decade, and now comprises 27% of the entire NSW Budget.

The investment in public health services now represents around $1,850 for every person in NSW and $36 million every day – an investment that's delivering better services and important health infrastructure.

New strategies will include consolidating referral and access points to community-based services for people with chronic illness, streamlining processes of assessment and care, and promoting chronic disease prevention.

Key initiatives of the 2008/09 Health Budget include:

- An additional 72 beds to expand Medical Assessment Units across NSW
- $46.4 million over four years for expanded maternity services to care for mothers and babies, with an emphasis on co-locating intensive and neonatal intensive care services
- $19.8 million for an extra 160 community-based residential or aged care places
- $12.9 million for an additional 52 acute hospital beds
- $2 million for additional senior nursing and allied health staff to treat patients in local hospitals closer to home
- 4 additional intensive care beds to be based at Royal Prince Alfred, Wollongong, Nepean and Westmead hospitals, one additional paediatric intensive care bed at Sydney Children's Hospital, and one additional neo-natal intensive care cot at Nepean Hospital
- An additional $9 million to expand renal services
- $1.2 million to establish after-hours general practice clinics at Mona Vale and Canterbury
- $3.3 million towards the HealthOne program
- $19.1 million over four years commencing in 2008/09 for the Building Strong Foundations for Aboriginal Children, Families and Communities strategy to ensure quality access to early childhood health services for Aboriginal families.

The NSW public health system provides complex health care services delivered by some of the most highly trained staff in the world. The 2008/09 Budget delivers funding for a number of recruitment and retention programs to support our doctors, nurses and other health professionals and ultimately deliver better services to the people of NSW.

Workforce initiatives funded in the 2008/09 budget include:

- $7.2 million to recruit 75 additional full-time ambulance staff in the Sydney area
- $4 million for the recruitment and retention of public oral health practitioners across the state
- Recruitment of additional nurses and Clinical Nurse Educators across the state to increase nursing workforce skills and ensure patient safety
- $3.5 million for 10-hour night shifts at John Hunter, Blacktown, Mt Druitt, Gladesville/Macquarie, Dubbo and Macksville hospitals.

This year's budget recognises the need to strengthen our acute hospital services, with an additional $32 million in statewide services including funding for additional services for bone marrow transplants, spinal injuries and severe burns.

Independent Audit report

FOR THE YEAR ENDED 30 JUNE 2008

NSW DEPARTMENT OF HEALTH

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

The Department of Health and its controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Department of Health (the Department), which comprises the balance sheet as at 30 June 2008, the operating statement, statement of recognised income and expense, cash flow statement, program statement - expenses and revenues, and summary of compliance with financial directives for the year then ended, and a summary of significant accounting policies and other explanatory notes for both the Department and the consolidated entity. The consolidated entity comprises the Department and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Department and the consolidated entity as at 30 June 2008, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

Director-General's Responsibility for the Financial Report

The Director-General is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director-General, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Department or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

Peter Achterstraat
Auditor-General

10 December 2008
SYDNEY

Certification of accounts

FOR THE YEAR ENDED 30 JUNE 2008

NSW DEPARTMENT OF HEALTH

CERTIFICATE OF ACCOUNTS

Pursuant to Section 45(F) of the Public Finance and Audit Act 1983 (the Act), we state that:

(i) The financial statements of the NSW Health Department (parent entity) and the consolidated entity comprising the Department and its controlled activities for the year ended 30 June 2008 have been prepared in accordance with the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983, and its regulations and Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2)(n) of the Act and the requirements of the Health Administration Act 2000, and its regulations.

(ii) The financial statements present fairly the financial position and transactions of the Department and the consolidated entity.

(iii) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.

Ken Barker
Chief Financial Officer

Debora Picone
Director-General

3 December 2008

Operating statement

NSW DEPARTMENT OF HEALTH
FOR THE YEAR ENDED 30 JUNE 2008

PARENT				Notes	CONSOLIDATED		
Actual 2008 $000	Budget 2008 $000	Actual 2007 $000			Actual 2008 $000	Budget 2008 $000	Actual 2007 $000
			Expenses excluding losses				
			Operating Expenses				
121,938	132,022	118,063	– Employee Related	3	7,959,424	7,587,502	7,394,328
489,005	484,620	430,614	– Other Operating Expenses	4	3,674,765	3,617,315	3,365,315
5,099	4,821	4,821	Depreciation and Amortisation	5	448,619	434,474	418,171
10,404,775	10,440,440	9,861,469	Grants and Subsidies	6	1,026,945	886,836	855,498
799	799	4,041	Finance Costs	7	7,629	2,611	6,870
11,021,616	**11,062,702**	**10,419,008**	**Total Expenses excluding losses**		**13,117,382**	**12,528,738**	**12,040,182**
			Revenue				
96,261	140,177	135,937	Sale of Goods and Services	8	1,319,671	1,205,298	1,188,574
18,029	18,029	13,056	Investment Revenue	9	60,252	77,193	71,446
93,372	75,187	68,763	Grants and Contributions	10	358,025	286,334	330,448
4,355	4,355	1,415	Other Revenue	11	132,034	93,474	111,153
212,017	**237,748**	**219,171**	**Total Revenue**		**1,869,982**	**1,662,299**	**1,701,621**
(6,436)	–	(38)	Gain /(Loss) on Disposal	12	(17,074)	–	10,318
(1,299)	–	(85)	Other Losses	13	(33,779)	(20,542)	(23,303)
10,817,334	**10,824,954**	**10,199,960**	**Net Cost of Services**	**36**	**11,298,253**	**10,886,981**	**10,351,546**
			Government Contributions				
10,353,404	10,360,496	9,800,594	Recurrent Appropriation	15	10,353,404	10,360,496	9,800,594
401,639	385,439	385,735	Capital Appropriation	15	401,639	385,439	385,735
595	595	38,386	Asset Sale Proceeds transferred to Parent		–	–	–
7,444	7,429	5,393	Acceptance by the Crown Entity of Employee Benefits	16	163,216	154,448	147,061
10,763,082	**10,753,959**	**10,230,108**	**Total Government Contributions**		**10,918,259**	**10,900,383**	**10,333,390**
(54,252)	**(70,995)**	**30,148**	**RESULT FOR THE YEAR**	**32**	**(379,994)**	**13,402**	**(18,156)**

The accompanying notes form part of these Financial Statements

Statement of recognised income and expense

NSW DEPARTMENT OF HEALTH
FOR THE YEAR ENDED 30 JUNE 2008

PARENT				Notes	CONSOLIDATED		
Actual 2008 $000	Budget 2008 $000	Actual 2007 $000			Actual 2008 $000	Budget 2008 $000	Actual 2007 $000
–	–	38,727	Net increase/(decrease) in Property, Plant and Equipment Asset Revaluation Reserve	32	429,100	–	275,357
–	**–**	**38,727**	**Total Income And Expense Recognised Directly In Equity**	**32**	**429,100**	**–**	**275,357**
(54,252)	(70,995)	30,148	Result for the Year		(379,994)	13,402	(18,156)
(54,252)	**(70,995)**	**68,875**	**Total Income And Expense Recognised For The Year**	**32**	**49,106**	**13,402**	**257,201**

The accompanying notes form part of these Financial Statements

Balance sheet

NSW DEPARTMENT OF HEALTH
AS AT 30 JUNE 2008

PARENT				Notes	CONSOLIDATED		
Actual 2008 $000	Budget 2008 $000	Actual 2007 $000			Actual 2008 $000	Budget 2008 $000	Actual 2007 $000
			ASSETS				
			Current Assets				
141,961	138,499	183,720	Cash and Cash Equivalents	18	702,787	741,020	736,919
77,871	46,188	46,188	Receivables	19	380,137	304,016	310,405
24,655	38,775	38,775	Inventories	20	105,109	114,357	114,668
–	–	–	Financial Assets at fair value	21	125,900	129,012	129,012
22,007	25,147	31,896	Other Financial Assets	22	–	2,161	2,161
–	–	–	Non Current Assets Held for Sale	24	18,740	4,559	14,123
266,494	**248,609**	**300,579**	**Total Current Assets**		**1,332,673**	**1,295,125**	**1,307,288**
			Non-Current Assets				
–	–	–	Receivables	19	9,380	6,132	6,132
2,086	2,086	2,086	Financial Assets at Fair Value	21	35,324	39,233	39,233
47,319	44,179	34,081	Other Financial Assets	22	–	–	–
			Property, Plant and Equipment				
128,654	128,654	136,255	- Land and Buildings	25	8,551,252	8,052,635	7,978,749
7,708	7,708	8,452	- Plant and Equipment	25	690,459	772,138	724,072
–	–	–	- Infrastructure Systems	25	332,774	316,505	316,505
136,362	136,362	144,707	Total Property, Plant and Equipment		9,574,485	9,141,278	9,019,326
2,485	2,485	3,679	Intangible Assets	26	81,884	64,578	63,578
–	–	–	Other	23	15,081	13,210	13,210
188,252	**185,112**	**184,553**	**Total Non-Current Assets**		**9,716,154**	**9,264,431**	**9,141,479**
454,746	**433,721**	**485,132**	**Total Assets**		**11,048,827**	**10,559,556**	**10,448,767**
			LIABILITIES				
			Current Liabilities				
132,039	124,414	121,143	Payables	28	1,052,208	643,651	750,671
–	–	–	Borrowings	29	4,309	7,472	5,750
14,019	14,457	13,215	Provisions	30	2,234,340	2,188,603	2,073,123
13,015	15,757	–	Other	31	25,750	10,522	10,522
159,073	**154,628**	**134,358**	**Total Current Liabilities**		**3,316,607**	**2,850,248**	**2,840,066**
			Non-Current Liabilities				
–	–	–	Borrowings	29	96,853	98,810	30,693
368	–	686	Provisions	30	96,785	124,769	105,681
2,027	2,558	2,558	Other	31	48,847	31,698	31,698
2,395	**2,558**	**3,244**	**Total Non-Current Liabilities**		**242,485**	**255,277**	**168,072**
161,468	**157,186**	**137,602**	**Total Liabilities**		**3,559,092**	**3,105,525**	**3,008,138**
293,278	**276,535**	**347,530**	**Net Assets**		**7,489,735**	**7,454,031**	**7,440,629**
			EQUITY	**32**			
94,838	98,459	98,459	Reserves		2,001,189	1,632,356	1,632,356
198,440	178,076	249,071	Accumulated Funds		5,486,780	5,820,933	5,807,531
–	–	–	Amounts Recognised in Equity Relating to Assets Held for Sale	24	1,766	742	742
293,278	**276,535**	**347,530**	**Total Equity**		**7,489,735**	**7,454,031**	**7,440,629**

The accompanying notes form part of these Financial Statements

Cash flow statement

NSW DEPARTMENT OF HEALTH
FOR THE YEAR ENDED 30 JUNE 2008

PARENT				Notes	CONSOLIDATED		
Actual 2008 $000	Budget 2008 $000	Actual 2007 $000			Actual 2008 $000	Budget 2008 $000	Actual 2007 $000
			CASH FLOWS FROM OPERATING ACTIVITIES				
			Payments				
(112,528)	(138,499)	(107,969)	Employee Related		(7,537,621)	(7,386,539)	(7,009,062)
(10,362,973)	(10,440,440)	(9,859,455)	Grants and Subsidies		(1,026,945)	(808,836)	(855,764)
(799)	(799)	(4,041)	Finance Costs		(7,629)	(2,611)	(6,870)
(663,609)	(601,114)	(569,683)	Other		(4,114,964)	(4,235,214)	(3,999,972)
(11,139,909)	**(11,180,852)**	**(10,541,148)**	**Total Payments**		**(12,687,159)**	**(12,433,200)**	**(11,871,668)**
			Receipts				
83,174	140,177	148,692	Sale of Goods and Services		1,250,043	1,199,408	1,168,316
10,677	18,029	11,178	Interest Received		48,184	77,193	73,450
233,308	229,542	188,124	Other		1,090,532	947,788	999,069
327,159	**387,748**	**347,994**	**Total Receipts**		**2,388,759**	**2,224,389**	**2,240,835**
			CASH FLOWS FROM GOVERNMENT				
10,365,829	10,360,496	9,800,594	Recurrent Appropriation		10,365,829	10,360,496	9,800,594
401,639	385,439	385,735	Capital Appropriation		401,639	385,439	385,735
595	595	38,386	Asset Sale Proceeds transferred to Parent		–	–	–
10,768,063	**10,746,530**	**10,224,715**	**NET CASH FLOWS FROM GOVERNMENT**		**10,767,468**	**10,745,935**	**10,186,329**
(44,687)	**(46,574)**	**31,561**	**NET CASH FLOWS FROM OPERATING ACTIVITIES**	**36**	**469,068**	**537,124**	**555,496**
			CASH FLOWS FROM INVESTING ACTIVITIES				
298	298	77	Proceeds from Sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		9,102	51,444	64,567
81,820	27,775	44,689	Proceeds from Sale of Investments		45,319	–	77,541
(2,294)	(2,294)	(2,708)	Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(561,079)	(562,976)	(561,802)
(76,896)	(24,426)	(21,695)	Purchases of Investments		(28,289)	(20,000)	(14,278)
–	–	–	Other		(32,972)	–	–
2,928	**1,353**	**20,363**	**NET CASH FLOWS FROM INVESTING ACTIVITIES**		**(567,919)**	**(531,532)**	**(433,972)**
			CASH FLOWS FROM FINANCING ACTIVITIES				
–	–	–	Proceeds from Borrowings and Advances		88,908	1,157	2,646
–	–	–	Repayment of Borrowings and Advances		(24,308)	(2,648)	(5,240)
–	–	–	NET CASH FLOWS FROM FINANCING ACTIVITIES		64,600	(1,491)	(2,594)
(41,759)	**(45,221)**	**51,924**	**NET INCREASE/(DECREASE) IN CASH**		**(34,251)**	**4,101**	**118,930**
183,720	183,720	131,796	Opening Cash and Cash Equivalents		736,919	736,919	617,989
141,961	**138,499**	**183,720**	**CLOSING CASH AND CASH EQUIVALENTS**	**18**	**702,668**	**741,020**	**736,919**

The accompanying notes form part of these Financial Statements

Summary of compliance with financial directives

NSW DEPARTMENT OF HEALTH FOR THE YEAR ENDED 30 JUNE 2008

	2008				2007			
	Recurrent Appropriation ($000)	Expenditure /Net Claim on Consolidated Fund ($000)	Capital Appropriation ($000)	Expenditure /Net Claim on Consolidated Fund ($000)	Recurrent Appropriation ($000)	Expenditure /Net Claim on Consolidated Fund ($000)	Capital Appropriation ($000)	Expenditure /Net Claim on Consolidated Fund ($000)
Original Budget Appropriation/ Expenditure								
Appropriation Act	10,350,496	10,326,304	385,439	385,439	9,821,729	9,770,508	385,685	385,685
Additional Appropriations	10,000	10,000	–	–	–	–	–	–
	10,360,496	**10,336,304**	**385,439**	**385,439**	**9,821,729**	**9,770,508**	**385,685**	**385,685**
Other Appropriations/Expenditure								
Treasurer's Advance	20,000	20,000	16,200	16,200	26,010	26,010	50	50
Transfers to/from another agency (S32 of the Appropriation Act)	(2,900)	(2,900)	–	–	4,076	4,076	–	–
	17,100	**17,100**	**16,200**	**16,200**	**30,086**	**30,086**	**50**	**50**
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	**10,377,596**	**10,353,404**	**401,639**	**401,639**	**9,851,815**	**9,800,594**	**385,735**	**385,735**
Amount drawn down against Appropriation		**10,365,829**		**401,639**		**9,800,594**		**385,735**
Liability to Consolidated Fund *		**12,425**		**–**		**–**		**–**

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).
* The "Liability to Consolidated Fund" represents the difference between the "Amount Drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund".

Program statement - expenses and revenues

NSW DEPARTMENT OF HEALTH FOR THE YEAR ENDED 30 JUNE 2008

EXPENSES AND REVENUES	PROGRAM 1.1* Primary and Community based Services		PROGRAM 1.2* Aboriginal Health Services		PROGRAM 1.3* Outpatient Services		PROGRAM 2.1* Emergency Services		PROGRAM 2.2* Overnight Acute Inpatient Services		PROGRAM 2.3* Same Day Acute Inpatient Services		PROGRAM 3.1* Mental Health Services		PROGRAM 4.1* Rehabilitation & Extended Care Services		PROGRAM 5.1* Population Health Services		PROGRAM 6.1* Teaching and Research		Not Attributable		TOTAL	
	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000
Expenses excluding losses																								
Operating Expenses																								
Employee Related	612,905	573,279	25,922	23,919	790,943	732,253	950,872	876,626	3,192,679	2,956,289	442,289	403,833	724,330	670,842	634,655	612,149	186,761	172,853	398,068	372,285	–	–	7,959,424	7,394,328
Other Operating Expenses	209,405	189,039	12,074	14,205	376,302	396,287	355,988	304,202	1,628,034	1,474,949	366,235	267,731	197,251	193,465	177,644	228,274	240,669	174,915	111,163	122,248	–	–	3,674,765	3,365,315
Depreciation and Amortisation	28,131	27,172	1,207	1,022	52,544	49,165	56,494	48,623	195,715	183,116	30,803	28,393	27,315	27,449	34,322	33,138	7,322	6,754	14,766	13,339	–	–	448,619	418,171
Grants and Subsidies	136,396	106,259	16,602	13,987	100,414	89,001	38,780	26,840	277,978	274,140	23,455	16,817	87,897	72,508	159,062	154,893	122,419	48,035	63,942	53,018	–	–	1,026,945	855,498
Finance Costs	504	511	30	5	449	443	332	319	4,897	4,262	667	588	370	176	345	498	35	24	–	44	–	–	7,629	6,870
Total Expenses excluding losses	**987,341**	**896,260**	**55,835**	**53,138**	**1,320,652**	**1,267,149**	**1,402,466**	**1,256,610**	**5,299,303**	**4,892,756**	**863,449**	**717,362**	**1,037,163**	**964,440**	**1,006,028**	**1,028,952**	**557,206**	**402,581**	**587,939**	**560,934**	**–**	**–**	**13,117,382**	**12,040,182**
Revenue																								
Sale of Goods and Services	52,506	26,431	1,175	3,655	111,310	84,067	117,102	98,760	621,701	575,626	157,357	65,560	48,302	54,347	138,986	190,584	8,850	14,302	62,382	75,242	–	–	1,319,671	1,188,574
Investment Revenue	4,492	4,577	69	134	5,588	6,053	4,770	3,631	22,670	24,786	3,630	4,730	2,915	2,629	5,611	6,832	1,275	2,332	9,232	15,742	–	–	60,252	71,446
Grants and Contributions	36,114	36,167	3,769	6,699	23,169	14,756	10,778	7,123	89,324	60,234	9,956	13,938	12,336	10,003	38,707	56,799	46,458	25,843	87,414	98,886	–	–	358,025	330,448
Other Revenue	9,063	14,696	115	401	9,655	7,435	13,379	11,793	41,372	29,750	6,340	5,488	3,307	4,192	12,026	10,646	11,426	8,502	25,351	18,250	–	–	132,034	111,153
Total Revenue	**102,175**	**81,871**	**5,128**	**10,889**	**149,722**	**112,311**	**146,029**	**121,307**	**775,067**	**690,396**	**177,283**	**89,716**	**66,860**	**71,171**	**195,330**	**264,861**	**68,009**	**50,979**	**184,379**	**208,120**	**–**	**–**	**1,869,982**	**1,701,621**
Gain/ (Loss) on Disposal	(962)	620	(916)	35	(2,369)	869	(2,921)	1,003	(4,849)	4,225	(890)	799	(1,059)	684	(1,131)	1,133	(642)	118	(1,335)	832	–	–	(17,074)	10,318
Other Losses	(411)	(313)	(486)	(14)	(1,303)	(522)	(18,442)	(13,206)	(10,934)	(7,163)	(604)	(931)	(299)	(124)	(607)	(651)	(192)	(99)	(502)	(280)	–	–	(33,779)	(23,303)
Net Cost of Services	**886,539**	**814,082**	**52,109**	**42,228**	**1,174,602**	**1,154,491**	**1,277,800**	**1,147,506**	**4,540,019**	**4,205,298**	**687,660**	**627,778**	**971,661**	**892,709**	**812,436**	**763,609**	**490,031**	**351,583**	**405,397**	**352,262**	**–**	**–**	**11,298,253**	**10,351,546**
Government Contributions**																					10,918,259	10,333,390	10,918,259	10,333,390
RESULT FOR THE YEAR																							(379,994)	(18,156)
Administered Revenues																								
Consolidated Fund/Taxes, Fees and Fines																					652	640	652	640
Total Administered Revenues																					**652**	**640**	**652**	**640**

* The name and purpose of each program is summarised in Note 17.
The program statement uses statistical data to 31 December 2007 to allocate current year's financial information to each program.

** Appropriations are made on an agency basis and not to individual programs. Consequently government contributions must be included in the "Not Attributable" column.

Notes to and forming part of the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2008 - NSW DEPARTMENT OF HEALTH

1. The NSW Department of Health Reporting Entity

(a) The NSW Department of Health (the Department), as a reporting entity, comprises all the entities under its control, namely Area Health Services constituted under the *Health Services Act, 1997*; the Royal Alexandra Hospital for Children, the Justice Health Service, the Clinical Excellence Commission, HealthQuest, and the Health Administration Corporation (which for both years includes the operations of the Ambulance Service of NSW, Health Support Services, the NSW Institute of Medical Education and Training and from 1 July 2007 includes Health Infrastructure). All of these entities are reporting entities that produce financial statements in their own right.

The reporting economic entity is based on the control exercised by the Department, and, accordingly, encompasses Special Purposes and Trust Funds which, while containing assets which are restricted for specified uses by the grantor or donor, are nevertheless controlled by the entities referenced above.

(b) The Department's consolidated financial statements also include results for the parent entity thereby capturing the Central Administrative function of the Department.

(c) The consolidated accounts are those of the consolidated entity comprising the Department of Health (the parent entity) and its controlled entities. In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter entity transactions and balances have been eliminated.

(d) The Department is a NSW Government Department. The Department is a not for profit entity (as profit is not its principal objective). The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

(e) This consolidated financial report for the year ended 30 June 2008 has been authorised for issue by the Chief Financial Officer and Director-General on 3 December 2008.

2. Summary of Significant Accounting Policies

The NSW Department of Health's financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983 and Regulation*, and the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2)(n) of the Act.

Property, plant and equipment, assets held for sale and financial assets at "fair value through profit or loss" and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial report.

Comparative figures are, where appropriate, reclassified to give meaningful comparison with the current year.

No new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application. Set out below are changes to be effected, their date of application and the possible impact on the financial report of the Department.

The following standards were operative from 1 July 2008:

AASB3, AASB127 & AASB2008-3, Business Combinations
The changes address business combinations and the Australian Accounting Standards Board has indicated that it is yet to consider its suitability for combinations among not-for-profit entities.

AASB8 & AASB2007-3, Operating Segments
The changes do not apply to not-for-profit entities and have no application within NSW Health.

AASB101 & AASB2007-8, Presentation of Financial Statements
The Department is currently required to present a statement of recognised income and expense and no variation is expected.

AASB123 & AASB2007-6, Borrowing Costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. As Health Service borrowings are restricted to the Sustainable Energy Development Authority negligible impact is expected.

AASB1004, Contributions
The requirements on contributions from AASB27, 29 and 31 have been relocated, substantially unamended in AASB4.

AASB1049, Whole of Government and General Government Sector Financial Reporting
The standard aims to provide the harmonisation of Government Finance Statistics and Generally Accepted Accounting Principles (GAAP) reporting. The impact of changes will be considered in conjunction with the reporting requirements of the Financial Reporting Code for Budget Dependent General Government Sector Agencies.

AASB1050 regarding administered items
The requirements of AAS29 have been relocated, substantially unamended and are not expected to have material effect.

AASB1051 regarding land under roads
The standard will require the disclosure of "accounting policy for land under roads". It is expected that all such assets will need to be recognised "at fair value". The standard will have negligible impact on the Department

AASB1052 regarding disaggregated disclosures
The standard requires disclosure of financial information about service costs and achievements. Like other standards not yet effective the requirements have been relocated from AAS29 largely unamended.

AASB2007-9 regarding amendments arising from the review of AAS27, AAS29 and AAS31
The changes made are aimed at removing the uncertainties that previously existed over cross references to other Australian Accounting Standards and the override provisions in AAS29.

The following standards will be operative from 1 July 2009:

AAS2008-1, Share Based Payments
The standard will not have application to health entities under the control of the NSW Department of Health.

AASB2008-2 regarding puttable financial instruments
The standard introduces an exception to the definition of financial liability to classify as equity instruments certain puttable financial instruments and certain instruments that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation. Nil impact is anticipated.

Other significant accounting policies used in the preparation of these financial statements are as follows:

(a) Employee Benefits and Other Provisions

i) Salaries and Wages, Current Annual Leave, Sick Leave and On-Costs

At the consolidated level of reporting, liabilities for salaries and wages (including non monetary benefits), annual leave and paid sick leave that fall wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

All annual leave employee benefits are reported as "Current" as there is an unconditional right to payment. Current liabilities are then further classified as "Short Term" or "Long Term" based on past trends and known resignations and retirements. Anticipated payments to be made in the next twelve months are reported as "Short Term". On costs of 17% are applied to the value of leave payable at 30 June 2008, such on costs being consistent with actuarial assessment (Comparable on costs for 30 June 2007 were 21.7% which in addition to the 17% increase also included the impact of awards immediately payable at 30 June 2007).

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

ii) Long Service Leave and Superannuation

At the consolidated level of reporting, long service leave entitlements are dissected as "Current" if there is an unconditional right to payment and "Non Current" if the entitlements are conditional. Current entitlements are further dissected between "Short Term" and "Long Term" on the basis of anticipated payments for the next twelve months. This in turn is based on past trends and known resignations and retirements.

Long service leave provisions are measured on a short hand basis at an escalated rate of 8.1% (also 8.1% at 30 June 2007) for all employees with five or more years of service. Actuarial assessment has found that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement. Long service leave provisions for the parent entity have been calculated in accordance with the requirements of Treasury Circular T07/04. The parent entity's liability for long service leave is assumed by the Crown Entity.

The Department's liability for the closed superannuation pool schemes (State Authorities Superannuation Scheme and State Superannuation Scheme) is assumed by the Crown Entity. The Department accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Employee Benefits". Any liability attached to Superannuation Guarantee Charge cover is reported in Note 28, "Payables".

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

iii) Other Provisions

Other provisions exist when the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

(b) Insurance

The Department's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(c) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's mandate for general government sector agencies.

(d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

i) Parliamentary Appropriations and Contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations), are generally recognised as income when the agency obtains control over the assets comprising the appropriations/contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year-end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services ie user charges. User charges are recognised as revenue when the service is provided or by reference to the stage of completion.

Patient fees are derived from chargeable inpatients and non-inpatients on the basis of rates charged in accordance with approvals communicated in the Government Gazette.

Specialist doctors with rights of private practice are charged an infrastructure charge for the use of hospital facilities at rates determined by the NSW Department of Health. Charges are based on fees collected.

iii) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB139, "Financial Instruments: Recognition and Measurement". Rental revenue is recognised in accordance with AASB117, "Leases" on a straight line basis over the lease term. Dividend revenue is recognised in accordance with AASB118 "Revenue" when the Department's right to receive payment is established.

iv) Grants and Contributions

Grants and Contributions are generally recognised as revenues when the Department obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

(e) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the Department/its controlled entities as a purchaser, that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Intangible Assets

The Department recognises intangible assets only if it is probable that future economic benefits will flow to the Department and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Department's intangible assets, the assets are carried at cost less any accumulated amortisation.

The Department's intangible assets are amortised using the straight line method over a period of three to five years for items of computer software.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity the Department is effectively exempted from impairment testing (refer Paragraph 2(k)).

(g) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, ie the deferred payment amount is effectively discounted at an asset-specific rate.

(h) Capitalisation Thresholds

Individual items of property, plant and equipment and intangible assets costing $10,000 and above are capitalised.

(i) Depreciation

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the NSW Department of Health. Land is not a depreciable asset.

Details of depreciation rates for major asset categories are as follows:

Buildings	2.5%
Electro Medical Equipment – Costing less than $200,000 – Costing more than or equal to $200,000	 10.0% 12.5%
Computer Equipment	20.0%
Infrastructure Systems	2.5%
Office Equipment	10.0%
Passenger Motor Vehicles	12.5%
Motor Vehicles, Other	20.0%
Plant and Machinery	10.0%
Linen	25.0%
Furniture, Fittings and Furnishings	5.0%

"Infrastructure Systems" means assets that comprise public facilities and which provide essential services and enhance the productive capacity of the economy including roads, bridges, water infrastructure and distribution works, sewerage treatment plants, seawalls and water reticulation systems.

(j) Revaluation of Non Current Assets

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP07-1). This policy adopts fair value in accordance with AASB116, "Property, Plant and Equipment" and AASB140, "Investment Property".

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Department revalues Land and Buildings and Infrastructure at least every three years by independent valuation and with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. To ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date, indices provided in expert advice from the Department of Lands are applied. The indices reflect an assessment of

movements in the period between revaluations. Values assigned to Land and Buildings and Infrastructure have been modified accordingly.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except when, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Result for the Year, the increment is recognised immediately as revenue in the Result for the Year.

Revaluation decrements are recognised immediately as expenses in the Result for the Year, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not for profit entity revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset, is transferred to accumulated funds.

(k) Impairment of Property, Plant & Equipment

As a not for profit entity the Department is effectively exempted from AASB136, "Impairment of Assets" and impairment testing. This is because AASB136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(l) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset in which case the costs are capitalised and depreciated.

(m) Leased Assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(n) Inventories

Inventories are held for distribution and are stated at the lower cost and current replacement cost. Costs are assigned to individual items of stock mainly on the basis of weighted average costs.

Obsolete items are disposed of upon identification in accordance with delegated authority.

(o) Non-current Assets (or disposal groups) held for sale

The Department has certain non-current assets (or disposal groups) classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

(p) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs.

The Department, through its controlled Health Services determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- Fair value through profit or loss - The Department, through its controlled Health Services subsequently measures investments classified as "held for trading" or designated upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the operating statement.

  The Hour-Glass Investment Facilities are designated at fair value through profit or loss using the second leg of the fair value option, ie these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the agency's key management personnel.

The risk management strategy of the Department and its controlled Health Services has been developed consistent with the investment powers granted under the provision of the Public Authorities (Financial Arrangements) Act.

TCorp investments are made in an effort to improve interest returns on cash balances otherwise available whilst also providing secure investments guaranteed by the State market exposures. The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item "investment revenue".

(q) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(r) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the operating statement.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the operating statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the operating statement.

Any reversals of impairment losses are reversed through the operating statement, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

(s) De-recognition of Financial Assets and Financial Liabilities

A financial asset is de-recognised when the contractual rights to the cash flows from the financial assets expire; or if the agency transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the entity's continuing involvement in the asset.

A financial liability is de-recognised when the obligation specified in the contract is discharged or cancelled or expires.

(t) Payables

These amounts represent liabilities for goods and services provided to the NSW Department of Health and its controlled entities and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the NSW Department of Health and its controlled entities.

(u) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the operating statement on derecognition.

(v) Trust Funds

The Department's controlled entities receive monies in a trustee capacity for various trusts as set out in Note 34. As the controlled entities perform only a custodial role in respect of these monies and because the monies cannot be used for the achievement of NSW Health's objectives, they are not brought to account in the financial statements.

(w) Administered Activities

The Department administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Department's own objectives.

Transactions and balances relating to the administered activities are not recognised as Departmental revenue but are disclosed as "Administered Revenues" in the Program Statement.

The accrual basis of accounting and all applicable accounting standards have been adopted.

(x) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, S21A, S24 and/or S26 of the *Public Finance and Audit Act 1983.*

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts ie per the audited financial report (rather than carried forward estimates).

(y) Exemption from Public Finance and Audit Act 1983

The Treasurer has granted the Department an exemption under section 45e of the *Public Finance and Audit Act 1983*, from the requirement to use the line item title "Surplus/ (Deficit) for the Year" in the Operating Statement. The Treasurer approved the title "Result for the Year" instead.

(z) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/ functions and parts thereof between NSW public sector agencies is designated as a contribution by owners by NSWTPP 08-3 and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure between government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

(aa) Emerging Assets

NSW Health's emerging interest in car parks at Sydney Hospital, Prince of Wales Hospital and St George Hospital has been valued in accordance with "Accounting for Privately Financed Projects" (TPP06-8). Bowral Private Hospital, Prince of Wales Private Hospital, Bowral Private Medical Imaging and the Bankstown Medical General Practitioner Service have been similarly assessed.
This policy required the Health Services to initially determine the estimated written down replacement cost by reference to the project's historical cost escalated by a construction index and the system's estimated working life. The estimated written down replacement cost was then allocated on a systematic basis over the concession period using the annuity method and the Government Bond rate at commencement of the concession period.

(ab) Summary of Capital Management

With effect from 1 July 2008 project management for all capital projects over $10 million will be provided by Health Infrastructure, a division of the Health Administration Corporation created with the purpose of managing and coordinating approved capital works projects within time, budget and quality standards specified by the Department.

3. Employee Related Expenses

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Employee related expenses comprise the following specific items:		
90,057	90,774	Salaries and Wages	6,355,762	5,882,343
7,954	7,302	Superannuation – defined benefit plans	168,683	148,970
6,049	4,384	Superannuation – defined contributions plans	486,034	451,383
4,586	3,257	Long Service Leave	213,600	194,184
6,590	5,192	Recreation Leave	603,635	584,464
1,164	1,350	Worker's Compensation Insurance	124,741	126,048
5,538	5,804	Payroll Tax and Fringe Benefit Tax	6,969	6,936
121,938	**118,063**		**7,959,424**	**7,394,328**
		The following additional information is provided:		
–	–	Employee Related Expenses capitalised – Land and Buildings	208	2,257
–	–	Employee Related Expenses capitalised – Plant and Equipment	2,225	1,052
–	**–**		**2,433**	**3,309**

4. Other Operating Expenses

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
–	–	Blood and Blood Products	64,836	70,369
528	319	Domestic Supplies and Services	83,652	82,472
175,807	94,935	Drug Supplies	622,876	516,901
–	–	Food Supplies	88,564	81,562
265	360	Fuel, Light and Power	81,207	78,264
51,407	66,826	General Expenses (b)	211,393	179,499
10,317	10,927	Information Management Expenses	124,056	112,326
203,940	209,969	Insurance	215,855	219,610
–	6,581	Interstate Patient Outflows, NSW	110,128	98,284
3,754	1,379	Medical and Surgical Supplies	541,965	522,867
		Maintenance (c)		
823	–	Maintenance Contracts	89,518	82,438
941	3,599	New/Replacement Equipment under capitalisation threshold	88,739	121,649
3,526	3,228	Repairs	86,830	77,593
–	78	Maintenance/Non Contract	51,740	38,551
2	–	Other Maintenance	3,791	10,627
253	455	Operating Lease Rental Expense - minimum lease payments	38,096	41,678
2,209	2,529	Postal and Telephone Costs	54,044	50,563
3,470	3,102	Printing and Stationery	46,026	42,728
175	74	Rates and Charges	14,230	12,934
6,351	6,066	Rental	37,938	34,402
70	–	Special Service Departments	256,868	216,157
22,806	17,342	Staff Related Costs	66,184	48,281
–	–	Sundry Operating Expenses (a)	111,083	98,580
2,361	2,845	Travel Related Costs	64,837	59,037
–	–	Visiting Medical Officers	520,309	467,943
489,005	**430,614**		**3,674,765**	**3,365,315**
		(a) Sundry Operating Expenses comprise:		
–	–	Aircraft Expenses (Ambulance)	50,011	38,523
–	–	Contract for Patient Services	51,909	50,909
–	–	Isolated Patient Travel and Accommodation Assistance Scheme	9,163	9,148
–	**–**		**111,083**	**98,580**
		(b) General Expenses include:		
2,173	1,910	Advertising	10,609	10,983
349	346	Books, Magazines and Journals	7,916	8,285
		Consultancies		
1,706	1,361	Operating Activities	12,379	11,565
1,826	1,034	Capital Works	5,056	1,853
1,787	442	Courier and Freight	13,414	11,905
430	274	Auditors Remuneration - Audit of financial reports	3,847	2,640
960	1,806	Legal Services	7,346	10,698
241	228	Motor Vehicle Operating Lease Expense - minimum lease payments	65,564	63,913
269	–	Membership/Professional Fees	4,929	4,665
9	–	Payroll Services	504	304
358	–	Translator Services	3,275	2,435
–	–	Quality Assurance/Accreditation	2,386	1,561
1,003	–	Data Recording and Storage	3,721	1,721
		(c) Reconciliation - Total Maintenance		
5,292	6,905	Maintenance expense - contracted labour and other (non employee related), included in Note 4 above	320,618	330,858
–	–	Employee related maintenance expense included in Note 3	72,384	70,933
5,292	**6,905**	**Total maintenance expenses included in Notes 3 and 4**	**393,002**	**401,791**

5. Depreciation and Amortisation

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
1,853	1,874	Depreciation - Buildings	280,338	260,243
2,052	1,656	Depreciation - Plant and Equipment	138,789	134,049
–	–	Depreciation - Infrastructure Systems	12,379	11,686
–	–	Amortisation - Leased Buildings	211	1,844
1,194	1,291	Amortisation - Intangibles	16,902	10,349
5,099	**4,821**		**448,619**	**418,171**

6. Grants and Subsidies

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
15,265	9,169	Payments to the National Blood Authority and the Red Cross Blood Transfusion Service net of payments recognised in Note 4	15,265	9,169
–	–	Operating Payments to Other Affiliated Health Organisations	565,495	485,694
18,666	–	Capital Payments to Affiliated Health Organisations	23,089	7,356
		Grants –		
139,509	113,198	Cancer Institute NSW	139,509	113,198
18,879	5,060	External Research	41,510	23,315
2,135	1,959	NSW Institute of Psychiatry	2,135	1,959
1,814	3,646	National Drug Strategy	1,814	3,646
59,803	45,981	Non Government Voluntary Organisations	138,914	119,089
10,108,565	9,650,342	Payments to Controlled Health Entities	–	–
40,139	32,114	Other Payments	99,214	92,072
10,404,775	**9,861,469**		**1,026,945**	**855,498**

7. Finance Costs

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
–	–	Finance Lease Interest Charges	1,678	2,061
799	4,041	Other Interest Charges	5,951	4,809
799	**4,041**		**7,629**	**6,870**

8. Sale of Goods and Services

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		(a) Sale of Goods comprise the following:		
–	–	Sale of Prosthesis	37,242	34,027
–	–	Cafeteria/Kiosk	21,587	19,353
–	–	Linen Service Revenues - Non Health Services	15,332	13,156
–	–	Meals on Wheels	2,908	2,984
–	–	Pharmacy Sales	5,978	4,896

8. Sale of Goods and Services (continued)

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		(b) Rendering of Services comprise the following:		
–	–	Patient Fees	407,063	341,876
–	–	Staff - Meals and Accommodation	8,056	9,613
		Infrastructure Fees		
–	–	– Monthly Facility Charge	192,016	166,891
–	–	– Annual Charge	48,537	44,222
55,522	52,833	Department of Veterans' Affairs Agreement Funding	296,343	315,974
–	–	Ambulance Non Hospital User Charges	69,253	57,129
–	–	Use of Ambulance Facilities	3,304	2,504
–	28,529	Motor Accident Authority Third Party Receipts	28,500	28,529
–	–	Car Parking	20,132	19,561
–	–	Child Care Fees	8,310	7,072
–	–	Clinical Services	16,995	4,862
–	–	Commercial Activities	32,031	21,423
–	–	Fees for Medical Records	2,210	1,907
–	–	Services Provided to Non NSW Health Organisations	17,844	15,680
–	–	PADP Patient Copayments	935	631
2,734	2,672	Personnel Services - Institute of Psychiatry	2,734	2,672
5,615	4,710	Personnel Services - Health Professional Registration Boards	5,615	4,710
4,785	2,493	Patient Inflows from Interstate	368	2,493
–	4	Computer Support Charges - Health Services	99	–
27,605	44,696	Other	76,279	66,409
96,261	**135,937**		**1,319,671**	**1,188,574**

9. Investment Revenue

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Interest		
–	–	TCorp Hour Glass Investment Facilities designated at Fair Value through profit or loss	7,848	32,109
17,656	12,789	Other	38,354	26,988
–	–	Lease and Rental Income	13,003	11,443
373	267	Other	1,047	906
18,029	**13,056**		**60,252**	**71,446**

10. Grants and Contributions

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
–	–	Clinical Drug Trials	18,263	16,437
57,158	18,317	Commonwealth Government grants	99,532	91,949
23,000	23,050	Health Super Growth	23,000	23,050
–	–	Industry Contributions/Donations	74,029	70,721
5,500	6,500	Grants from Cancer Institute of NSW	62,310	65,092
153	–	Research grants	33,997	28,906
–	–	University Commission grants	135	475
7,561	20,896	Other grants	46,759	33,818
93,372	**68,763**		**358,025**	**330,448**

11. Other Revenue

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Other Revenue comprises the following:-		
–	–	Commissions	2,738	2,697
–	–	Conference and Training Fees	5,683	4,016
65	246	Treasury Managed Fund Hindsight Adjustment	69,286	58,390
–	–	Sale of Merchandise, Old Wares and Books	52	1,590
–	–	Rights to Receive Fixed Assets	8,534	1,551
4,290	1,169	Sundry Revenue	45,741	42,909
4,355	**1,415**		**132,034**	**111,153**

12. Gain/(Loss) on Disposal

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
8,802	1,369	Property, Plant and Equipment	249,131	122,586
(2,713)	(1,254)	Less Accumulated Depreciation	(224,366)	(80,613)
6,089	115	Written Down Value	24,765	41,973
347	(77)	Less Proceeds from Disposal	(8,043)	(46,573)
(6,436)	**(38)**	**Gain/(Loss) on Disposal of Property Plant and Equipment**	**(16,722)**	**4,600**
77,855	79,190	Financial Assets at Fair Value	–	–
(77,855)	(79,190)	Less Proceeds from Disposal	–	–
0	**0**	**Gain/(Loss) on Disposal of Financial Assets at Fair Value**	**0**	**0**
–	–	Intangible Assets	229	–
–	–	Less Proceeds from Disposal	(3)	–
0	**0**	**Gain/(Loss) on Disposal of Intangible Assets**	**(226)**	**0**
–	–	Assets Held for Sale	1,179	13,423
–	–	Less Proceeds from Disposal	(1,053)	(19,141)
0	**0**	**Gain/(Loss) on Disposal of Assets Held for Sale**	**(126)**	**5,718**
(6,436)	**(38)**	**Total Gain/(Loss) on Disposal**	**(17,074)**	**10,318**

13. Other (Losses)

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
(1,299)	(85)	Impairment of Receivables	(33,779)	(23,303)
(1,299)	**(85)**		**(33,779)**	**(23,303)**

14. Conditions on Contributions - Consolidated

	Purchase of Assets ($000)	Health Promotion, Education and Research ($000)	Other ($000)	Total ($000)
Contributions recognised as revenues during current year for which expenditure in manner specified had not occurred as at balance date	9,290	61,511	61,717	132,518
Contributions recognised in previous years which were not expended in the current financial year	53,973	384,337	79,432	517,742
Total amount of unexpended contributions as at balance date	**63,263**	**445,848**	**141,149**	**650,260**

Comment on restricted assets appears in Note 27

15. Appropriations

	PARENT AND CONSOLIDATED	
	2008 ($000)	2007 ($000)
Recurrent appropriations		
Total recurrent draw-downs from NSW Treasury (per Summary of Compliance)	10,365,829	9,800,594
Less Liability to Consolidated Fund (per Summary of Compliance)	(12,425)	–
Total	**10,353,404**	**9,800,594**
Comprising: Recurrent appropriations (per Operating Statement)	10,353,404	9,800,594
Total	**10,353,404**	**9,800,594**
Capital appropriations		
Total capital draw-downs from NSW Treasury (per Summary of Compliance)	401,639	385,735
Total	**401,639**	**385,735**
Comprising: Capital appropriations (per Operating Statement)	401,639	385,735
Total	**401,639**	**385,735**

16. Acceptance by the Crown Entity of Employee Benefits and Other Liabilities

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		The following liabilities and/or expenses have been assumed by the Crown Entity or other government agencies:		
2,934	2,412	Superannuation - Defined Benefit	158,706	144,080
4,334	2,836	Long Service Leave	4,334	2,836
176	145	Payroll Tax	176	145
7,444	**5,393**		**163,216**	**147,061**

17. Programs/Activities of the Agency

Program 1.1 - Primary and Community Based Services

Objective: To improve, maintain or restore health through health promotion, early intervention, assessment, therapy and treatment services for clients in a home or community setting.

Program 1.2 - Aboriginal Health Services

Objective: To raise the health status of Aborigines and to promote a healthy lifestyle.

Program 1.3 - Outpatient Services

Objective: To improve, maintain or restore health through diagnosis, therapy, education and treatment services for ambulant patients in a hospital setting.

Program 2.1 - Emergency Services

Objective: To reduce the risk of premature death and disability for people suffering injury or acute illness by providing timely emergency diagnostic, treatment and transport services.

Program 2.2 - Overnight Acute Inpatient Services

Objective: To restore or improve health and manage risks of illness, injury and childbirth through diagnosis and treatment for people intended to be admitted to hospital on an overnight basis.

Program 2.3 - Same Day Acute Inpatient Services

Objective: To restore or improve health and manage risks of illness, injury and childbirth through diagnosis and treatment for people intended to be admitted to hospital and discharged on the same day.

Program 3.1 - Mental Health Services

Objective: To improve the health, well being and social functioning of people with disabling mental disorders and to reduce the incidence of suicide, mental health problems and mental disorders in the community.

Program 4.1 - Rehabilitation and Extended Care Services

Objective: To improve or maintain the well being and independent functioning of people with disabilities or chronic conditions, the frail and the terminally ill.

Program 5.1 - Population Health Services

Objective: To promote health and reduce the incidence of preventable disease and disability by improving access to opportunities and prerequisites for good health.

Program 6.1 - Teaching and Research

Objective: To develop the skills and knowledge of the health workforce to support patient care and population health. To extend knowledge through scientific enquiry and applied research aimed at improving the health and well being of the people of New South Wales.

18. Cash and Cash Equivalents

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
141,961	183,720	Cash at bank and on hand	348,292	486,319
–	–	Short Term Deposits	354,495	250,600
141,961	**183,720**		**702,787**	**736,919**
		Cash and cash equivalent assets recognised in the Balance Sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:		
141,961	183,720	Cash and Cash Equivalents (per Balance Sheet)	702,787	736,919
–	–	Bank Overdraft *	(119)	–
141,961	**183,720**	**Closing Cash and Cash Equivalents (per Cash Flow Statement)**	**702,668**	**736,919**

** Health Services are not allowed to operate bank overdraft facilities. The amounts disclosed as "bank overdrafts" meet Australian Accounting Standards reporting requirements, however the relevant Health Services are in effect utilising and operating commercially available banking facility arrangements to their best advantage. The total of these facilities at a Health Service level is a credit balance which is inclusive of cash at bank and investments.*

Refer to Note 41 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

19. Receivables

PARENT		CURRENT	CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
52,056	18,422	**(a) Sale of Goods and Services**	264,212	197,869
11,195	5,128	Goods and Services Tax	68,585	66,712
1,026	903	Personnel Services - Institute of Psychiatry	1,026	903
1,784	1,717	Personnel Services - HPRB	1,784	1,717
3,902	183	Other Debtors	43,877	40,002
69,963	26,353	Sub Total	379,484	307,203
(1,286)	(177)	Less Allowance for Impairment	(46,658)	(38,290)
9,194	20,012	Prepayments	47,311	41,492
77,871	**46,188**		**380,137**	**310,405**
		(b) Movement in the allowance for impairment		
		Sale of Goods and Services		
(177)	(102)	Balance at 1 July	(32,913)	(32,322)
190	10	Amounts written off during the year	23,759	20,956
–	–	Amounts recovered during the year	(452)	(5)
(1,299)	(85)	(Increase)/decrease in allowance recognised in profit or loss	(29,782)	(21,542)
(1,286)	**(177)**	**Balance at 30 June**	**(39,388)**	**(32,913)**
		(c) Movement in the allowance for impairment		
		Other Debtors		
–	–	Balance at 1 July	(5,377)	(4,334)
–	–	Amounts written off during the year	1,316	328
–	–	Amounts recovered during the year	–	(120)
–	–	(Increase)/decrease in allowance recognised in profit or loss	(3,209)	(1,251)
–	**–**	**Balance at 30 June**	**(7,270)**	**(5,377)**

19. Receivables (continued)

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Non-Current		
–	–	**(a) Sale of Goods and Services**	2,547	2,724
		Other Debtors	596	–
–	–	Sub-total	3,143	2,724
–	–	Less Allowance for Impairment	(1,682)	(1,228)
–	–	Prepayments	7,919	4,636
–	**–**		**9,380**	**6,132**
		(b) Movement in the allowance for impairment		
		Sale of Goods and Services		
–	–	Balance at 1 July	(894)	(751)
–	–	Amounts written off during the year	226	168
–	–	Amounts recovered during the year	–	–
–	–	(Increase)/decrease in allowance recognised in profit or loss	(681)	(311)
–	**–**	**Balance at 30 June**	**(1,349)**	**(894)**
		(c) Movement in the allowance for impairment		
		Other Debtors		
–	–	Balance at 1 July	(334)	(157)
–	–	Amounts written off during the year	108	22
–	–	Amounts recovered during the year	–	–
–	–	(Increase)/decrease in allowance recognised in profit or loss	(107)	(199)
–	**–**	**Balance at 30 June**	**(333)**	**(334)**
		Receivables (both Current and Non Current) includes:		
–	–	Patient Fees - Compensable	16,068	17,156
–	–	Patient Fees - Ineligibles	16,687	13,886
–	–	Patient Fees - Other	65,766	54,087

As indicated in Note 2(q) an allowance for impairment of receivables is recognised when there is objective evidence that the entity will not be able to collect all amounts due.
Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired are disclosed in Note 41.

20. Inventories

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current - Held for Distribution		
17,961	32,553	Drugs	52,834	65,308
6,694	6,222	Medical and Surgical Supplies	40,570	40,886
–	–	Food Supplies	2,294	2,244
–	–	Engineering Supplies	521	617
–	–	Other including Goods in Transit	8,890	5,613
24,655	**38,775**		**105,109**	**114,668**

21. Financial Assets at Fair Value

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
–	–	TCorp Hour Glass Investment Facilities	125,900	128,735
–	–	Shares	–	277
–	–		125,900	129,012
		Non-Current		
–	–	TCorp Hour Glass Investment Facilities	33,238	37,147
2,086	2,086	Shares	2,086	2,086
2,086	**2,086**		**35,324**	**39,233**

Refer Note 41 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

22. Other Financial Assets

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
–	–	Other Loans and Deposits	–	2,161
22,007	31,896	Advances Receivable - Intra Health	–	–
22,007	**31,896**		**–**	**2,161**
		Non-Current		
47,319	34,081	Advances Receivable - Intra Health	–	–
47,319	**34,081**		**–**	**–**

Refer Note 41 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

23. Other Assets

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
–	–	**Non Current**		
		Emerging Rights to Assets (Refer to Note 2 (aa))	15,081	13,210
–	**–**		**15,081**	**13,210**

24. Non Current Assets (or Disposal Groups) Held for Sale

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Assets Held for Sale		
–	–	Land and Buildings	18,566	13,993
–	–	Infrastructure Systems	174	130
–	**–**		**18,740**	**14,123**
		Amounts recognised in equity relating to assets held for sale		
		Available for sale financial asset revaluation increments/(decrements)		
–	–	- Note 32 refers	1,766	742
–	**–**		**1,766**	**742**

The assets held for sale all relate to properties that have been classified as surplus to need. In such case sales are expected to be realised within the next reporting period.

25. Property, Plant and Equipment

	PARENT	
	2008 ($000)	2007 ($000)
Land and Buildings		
Gross Carrying Amount	185,557	193,634
Less Accumulated Depreciation and impairment	(56,903)	(57,379)
Net Carrying Amount at Fair Value	**128,654**	**136,255**
Plant and Equipment		
Gross Carrying Amount	29,973	29,049
Less Accumulated Depreciation and impairment	(22,265)	(20,597)
Net Carrying Amount at Fair Value	**7,708**	**8,452**
Total Property, Plant and Equipment Net Carrying Amount at Fair Value	**136,362**	**144,707**

25. Property, Plant and Equipment - Reconciliations (continued)

	PARENT			
	Land ($000)	Buildings ($000)	Plant and Equipment ($000)	Total ($000)
Year Ended 30 June 2008				
Net Carrying amount at start of year	79,137	57,118	8,452	144,707
Additions	–	–	1,649	1,649
Disposals	(5,062)	(686)	(341)	(6,089)
Depreciation expense	–	(1,853)	(2,052)	(3,905)
Net Carrying amount at end of year	**74,075**	**54,579**	**7,708**	**136,362**
Year Ended 30 June 2007				
Net Carrying amount at start of year	66,925	34,227	10,505	111,657
Additions	–	–	1,794	1,794
Disposals	–	–	(115)	(115)
Net revaluation increment less revaluation decrements	13,542	25,185	–	38,727
Administrative restructures transfers in/(out)	(1,330)	(420)	(2,076)	(3,826)
Depreciation expense	–	(1,874)	(1,656)	(3,530)
Net Carrying amount at end of year	**79,137**	**57,118**	**8,452**	**144,707**

All Land and Buildings for the parent entity were valued by the State Valuation Office independently of the Department on 1 July 2006.
Plant and Equipment is predominantly recognised on the basis of depreciated cost.

	CONSOLIDATED	
	Plant and Equipment ($000)	Total ($000)
Land and Buildings		
Gross Carrying Amount	14,418,458	13,237,535
Less Accumulated Depreciation and impairment	(5,867,206)	(5,258,786)
Net Carrying Amount at Fair Value	**8,551,252**	**7,978,749**
Plant and Equipment		
Gross Carrying Amount	1,945,924	1,996,664
Less Accumulated Depreciation and impairment	(1,255,465)	(1,272,592)
Net Carrying Amount at Fair Value	**690,459**	**724,072**
Infrastructure Systems		
Gross Carrying Amount	563,857	489,532
Less Accumulated Depreciation and impairment	(231,083)	(173,027)
Net Carrying Amount at Fair Value	**332,774**	**316,505**
Total Property, Plant and Equipment Net Carrying Amount at Fair Value	**9,574,485**	**9,019,326**

25. Property, Plant and Equipment - Reconciliations (continued)

	CONSOLIDATED					
	Land ($000)	Buildings ($000)	Leased Buildings ($000)	Plant and Equipment ($000)	Infrastructure Systems ($000)	Total ($000)
Year Ended 30 June 2008						
Net Carrying amount at start of year	1,510,114	6,416,941	51,694	724,072	316,505	9,019,326
Additions	12,012	463,222	–	113,848	1,720	590,802
Reclassifications to Intangibles	–	–	–	(2,465)	–	(2,465)
Assets Held for Sale	(3,008)	(2,745)	–	–	(43)	(5,796)
Disposals	(6,480)	(7,631)	–	(10,654)	–	(24,765)
Net revaluation increment less revaluation decrements recognised in reserves	136,892	272,704	1,937	–	17,567	429,100
Depreciation expense	–	(280,338)	(211)	(138,789)	(12,379)	(431,717)
Reclassifications	22,575	(35,294)	(1,132)	4,447	9,404	–
Net Carrying amount at end of year	**1,672,105**	**6,826,859**	**52,288**	**690,459**	**332,774**	**9,574,485**
Year Ended 30 June 2007						
Net Carrying amount at start of year	1,494,399	6,094,494	51,527	713,057	322,072	8,675,549
Additions	1,341	389,771	2,010	136,561	135	529,818
Recognition of Assets Held for Sale	(8,870)	(2,603)	–	–	(130)	(11,603)
Disposals	(13,699)	(16,207)	–	(10,801)	(1,266)	(41,973)
Net revaluation increment less revaluation decrements	36,230	231,724	–	–	7,403	275,357
Depreciation expense	–	(260,243)	(1,844)	(134,049)	(11,686)	(407,822)
Reclassifications	713	(19,995)	1	19,304	(23)	–
Net Carrying amount at end of year	**1,510,114**	**6,416,941**	**51,694**	**724,072**	**316,505**	**9,019,326**

Land and Buildings include land owned by the Health Administration Corporation and administered by either the Department or its controlled entities.

Valuations for each of the Health Services are performed regularly within a three year cycle. Revaluation details are included in the individual entities' financial reports.

Plant and Equipment is predominantly recognised on the basis of depreciated cost.

26. Intangible Assets

	PARENT	
	2008 ($000)	2007 ($000)
Software		
Cost (Gross Carrying Amount)	8,945	8,945
Less Accumulated Amortisation and Impairment	(6,460)	(5,266)
Net Carrying Amount	**2,485**	**3,679**
Total Intangible Assets at Net Carrying Amount	**2,485**	**3,679**

Intangible Assets - Reconciliation

	PARENT
	SOFTWARE ($000)
Year Ended 30 June 2008	
Net Carrying amount at start of year	3,679
Amortisation (recognised in depreciation and amortisation)	(1,194)
Net Carrying amount at end of year	**2,485**
Year Ended 30 June 2007	
Net Carrying amount at start of year	4,056
Additions - Internal Development	914
Amortisation (recognised in depreciation and amortisation)	(1,291)
Net Carrying amount at end of year	**3,679**

26. Intangible Assets (continued)

	CONSOLIDATION	
	2008 ($000)	2007 ($000)
Software		
Cost (Gross Carrying Amount)	141,382	136,914
Less Accumulated Amortisation and Impairment	(59,818)	(73,336)
Net Carrying Amount	**81,564**	**63,578**
Other		
Cost (Gross Carrying Amount)	946	–
Less Accumulated Amortisation and Impairment	(626)	–
Net Carrying Amount	**(320)**	**–**
Total Intangible Assets at Net Carrying Amount	**81,884**	**63,578**

Intangible Assets - Reconciliation

	CONSOLIDATION		
	SOFTWARE ($000)	OTHER ($000)	TOTAL ($000)
Year Ended 30 June 2008			
Net Carrying amount at start of year	63,578	–	63,578
Additions - Internal Development	32,495	477	32,972
Reclassifications from Plant & Equipment	2,465	–	2,465
Amortisation (recognised in depreciation and amortisation)	(16,745)	(157)	(16,902)
Disposals	(229)	–	(229)
Net Carrying amount at end of year	**81,564**	**320**	**81,884**
Year Ended 30 June 2007			
Net Carrying amount at start of year	52,434	852	53,286
Additions - Internal Development	20,641	–	20,641
Amortisation (recognised in depreciation and amortisation)	(10,349)	–	(10,349)
Reclassifications	852	(852)	–
Net Carrying amount at end of year	**63,578**	**–**	**63,578**

27. Restricted Assets

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		The Department's financial statements include the following assets which are restricted by externally imposed conditions, eg. donor requirements. The assets are only available for application in accordance with the terms of the donor restrictions.		
–	–	Specific Purposes	323,475	278,359
–	–	Perpetually Invested Funds	6,880	6,783
–	–	Research Grants	137,879	165,599
–	–	Private Practice Funds	155,669	117,971
–	–	Other	26,357	51,586
–	**–**		**650,260**	**620,298**

Details of Conditions on Contributions appear in Note 14.

Major categories included in the Consolidation are:

CATEGORY	BRIEF DETAILS OF EXTERNALLY IMPOSED CONDITIONS
Specific Purposes Trust Funds	Donations, contributions and fundraisings held for the benefit of specific patient, Department and/or staff groups.
Perpetually Invested Trust Funds	Funds invested in perpetuity. The income therefrom used in accordance with donors' or trustees' instructions for the benefit of patients and/or in support of hospital services.
Research Grants	Specific research grants.
Private Practice Funds	Annual Infrastructure Charges raised in respect of Salaried Medical Officers Rights of Private Practice arrangements.

28. Payables

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
427	202	Accrued Salaries, Wages and On-Costs	220,371	163,354
3,176	3,016	Taxation and Other Payroll Deductions	78,589	38,705
41,748	32,168	Superannuation Guarantee Charge Payables	41,748	32,168
		Creditors		
19,152	56,178	Other Creditors	644,619	477,453
–	–	- Capital Works	66,881	38,991
67,536	29,579	- Intra Health Liability	–	–
132,039	**121,143**		**1,052,208**	**750,671**

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 41

29. Borrowings

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
–	–	Bank Overdraft* - Unsecured	119	–
–	–	Treasury Advances Repayable - Secured	1,137	3,202
–	–	Finance Leases [See note 33(d)] - Secured	3,053	2,548
–	**–**		**4,309**	**5,750**
		Non Current		
–	–	Treasury Advances Repayable - Secured	7,423	8,795
–	–	Finance Leases [See note 33(d)] - Secured	18,845	21,898
–	–	Other - Mater PPP	70,585	–
–	**–**		**96,853**	**30,693**
		Repayment of Borrowings (Excluding Finance Leases)		
–	–	Not later than one year	1,353	3,202
–	–	Between one and five years	7,073	8,795
–	–	Later than five years	70,838	–
–	**–**	**Total Borrowings at face value (Excluding Finance Leases)**	**79,264**	**11,997**

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 41.

* Health Services are not allowed to operate bank overdraft facilities. The amounts disclosed as "bank overdrafts" meet Australian Accounting Standards reporting requirements, however the relevant Health Services are in effect utilising and operating commercially available banking facility arrangements to their best advantage. The total of these facilities at a Health Service level is a credit balance which is inclusive of cash at bank and investments.

30. Provisions

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current Employee Benefits and Related On-Costs		
5,243	5,265	Recreation Leave - Short Term Benefit	606,465	589,441
5,074	4,863	Recreation Leave - Long Term Benefit	402,426	364,441
370	309	Long Service Leave - Short Term Benefit	127,408	108,149
3,332	2,778	Long Service Leave - Long Term Benefit	1,097,426	1,010,438
–	–	Sick Leave - Long Term Benefit	615	654
14,019	**13,215**	**Total current provisions**	**2,234,340**	**2,073,123**
		Non Current Employee Benefits and Related On-Costs		
368	686	Long Service Leave - Conditional	96,735	105,635
–	–	Sick Leave - Long Term Benefit	50	46
368	**686**	**Total non current provisions**	**96,785**	**105,681**

30. Provisions (continued)

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Aggregate Employee Benefits and Related On-Costs		
14,019	13,215	Provisions - current	2,234,340	2,073,123
368	686	Provisions - non current	96,785	105,681
45,351	35,386	Accrued Salaries, Wages and On-Costs (refer to Note 28)	340,708	234,227
59,738	**49,287**		**2,671,833**	**2,413,031**

As indicated in Note 2(a) i) leave is classified as current if the employee has an unconditional right to payment. Short Term/Long Term classification is dependent on whether or not payment is anticipated within the next 12 months.

31. Other Liabilities

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
590	–	Income in Advance	13,280	10,522
12,425	–	Liability to Consolidated Fund	12,425	–
–	–	Other	45	–
13,015	**–**		**25,750**	**10,522**
		Non Current		
–	–	Income in Advance	46,820	31,698
2,027	2,558	Other	2,027	–
2,027	**2,558**		**48,847**	**31,698**

Income in advance has been received as a consequence of Health Services entering into agreements for the sale of surplus properties and the provision and operation of private health facilities and car parks.

32. Changes in Equity

	ACCUMULATED FUNDS		ASSET REVALUATION RESERVE		TOTAL EQUITY	
PARENT	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)
Balance at the beginning of the Financial Year	**249,071**	**222,749**	**98,459**	**59,732**	**347,530**	**282,481**
Changes in Equity - transactions with owners as owners						
Decrease in net assets from administrative restructure	**–**	(3,826)	**–**	**–**	**–**	(3,826)
Total	**–**	**(3,826)**	**–**	**–**	**–**	**(3,826)**
Changes in Equity - other than transactions with owners as owners						
Result for the Year	(54,252)	30,148	–	–	(54,252)	30,148
Increment on Revaluation of Land and Buildings	–	–	–	38,727	–	38,727
Total	**(54,252)**	**30,148**	**–**	**38,727**	**(54,252)**	**68,875**
Transfer within Equity						
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset	3,621	–	(3,621)	–	–	–
Total	**3,621**	**–**	**(3,621)**	**–**	**–**	**–**
Balance at the end of the financial year	**198,440**	**249,071**	**94,838**	**98,459**	**293,278**	**347,530**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non current assets. This accords with the Department's policy on the "Revaluation of Physical Non Current Assets" and "Investments", as discussed in Note 2(j).
The decrease in net assets from the administrative restructure reported by the Parent in 2006/07 relates to the transfer of Plant and Equipment and Intangibles to the Health Administration Corporation.

32. Changes in Equity (continued)

CONSOLIDATED	ACCUMULATED FUNDS		ASSET REVALUATION RESERVE		NOT CURRENT ASSETS HELD FOR SALE RESERVES		TOTAL EQUITY	
	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)
Balance at the beginning of the Financial Year	**5,807,531**	**5,822,340**	**1,632,356**	**1,360,017**	**742**	**1,071**	**7,440,629**	**7,183,428**
Changes in Equity - transactions with owners as owners								
Result for the Year	(379,994)	(18,156)	–	–	–	–	(379,994)	(18,156)
Increment on Revaluation of:								
Land and Buildings	–	–	411,533	267,954	–	–	411,533	267,954
Plant and Equipment	–	–	–	–	–	–	–	–
Infrastructure Systems	–	–	17,567	7,403	–	–	17,567	7,403
Total	**(379,994)**	**(18,156)**	**429,100**	**275,357**	**–**	**–**	**49,106**	**257,201**
Transfer within Equity								
Available for sale reserves transferred to Asset revaluation reserve	(84)	50	(940)	279	1024	(329)	–	–
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset	–	3,297	–	(3,297)	–	–	–	–
Other transfers	59,327	–	(59,327)	–	–	–	–	–
Total	**59,243**	**3,347**	**(60,267)**	**(3,018)**	**1024**	**(329)**	**–**	**–**
Balance at the end of the financial year	**5,486,780**	**5,807,531**	**2,001,189**	**1,632,356**	**1,766**	**742**	**7,489,735**	**7,440,629**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non current assets. This accords with the Department's policy on the "Revaluation of Physical Non Current Assets" and "Investments", as discussed in Note 2(j).

33. Commitments for Expenditure

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		(a) Capital Commitments		
		Aggregate capital expenditure for the acquisition of land and buildings, plant and equipment, infrastructure and intangible assets contracted for at balance date and not provided for :		
–	–	Not later than one year	364,817	336,651
–	–	Later than one year and not later than five years	332,622	283,192
–	–	Later than five years	738,909	570,893
–	**–**	**Total Capital Expenditure Commitments (including GST)**	**1,436,348**	**1,190,736**

The Government is committed to capital expenditures as follows in accordance with the Department's Asset Acquisition Program:	2008 ($000)	2007 ($000)
Not later than one year	668,621	642,976
Later than one year and not later than five years	1,281,956	2,113,899
Later than five years	289,268	506,401
Total Capital Program	**2,239,845**	**3,263,276**

Contractual Commitments are confined to the values reported above for 2008 ($1.406 billion) and 2007 ($1.191 billion).

33. Commitments for Expenditure (continued)

PARENT 2008 ($000)	PARENT 2007 ($000)		CONSOLIDATED 2008 ($000)	CONSOLIDATED 2007 ($000)
		(b) Other Expenditure Commitments		
		Aggregate other expenditure contracted for at balance date and not provided for:		
11,196	13,274	Not later than one year	271,228	151,872
6,939	1,431	Later than one year and not later than five years	354,312	444,750
–	–	Later than five years	1,969,496	1,094,328
18,135	**14,705**	**Total Other Expenditure Commitments (including GST)**	**2,595,036**	**1,690,950**
		Major commitments relate to contracts for Public Private Partnership provision of services - see Notes 33 (f) to (h)		
		(c) Operating Lease Commitments		
		Commitments in relation to non-cancellable operating leases are payable as follows:		
7,563	7,938	Not later than one year	108,665	107,767
7,724	7,646	Later than one year and not later than five years	195,607	168,279
–	–	Later than five years	72,433	102,947
15,287	**15,584**	**Total Operating Lease Commitments (including GST)**	**376,705**	**378,993**
		The operating leases include motor vehicles arranged through a lease facility negotiated by NSW Treasury as well as electro medical equipment. Operating leases have also been included for information technology equipment. These operating lease commitments are not recognised in the financial statements as liabilities.		
		(d) Finance Lease Commitments		
		Minimum lease payment commitments in relation to finance leases payable as follows:		
–	–	Not later than one year	4,745	4,649
–	–	Later than one year and not later than five years	16,110	17,919
–	–	Later than five years	9,435	12,370
–	**–**	**Minimum Lease Payments (including GST)**	**30,290**	**34,938**
–	–	Less: Future Financing Charges	(5,638)	(7,316)
–	–	Less: GST Component	(2,754)	(3,176)
		Present Value of Minimum Lease Payments	**21,898**	**24,446**
–	–	Current (Note 29)	3,053	2,548
–	–	Non-Current (Note 29)	18,845	21,898
		Total	**21,898**	**24,446**
		The present value of finance lease commitments is as follows:		
–	–	Not later than one year	3,053	2,548
–	–	Later than one year and not later than five years	14,033	13,347
–	–	Later than five years	4,812	8,551
–	**–**	**Total**	**21,898**	**24,446**
		The finance lease commitment is in respect of Hawkesbury Private Hospital. The term of the lease is 20 years at which time the ownership of the buildings transfers to the NSW State Government.		

(e) Contingent Asset related to Commitments for Expenditure

The total "Expenditure Commitments" above includes input tax credits of $3M in relation to the Parent Entity and $402M in relation to NSW Health that are expected to be recoverable from the Australian Taxation Office. The comparatives for 2006/07 are $3M and $300M respectively.

(f) Calvary Mater Newcastle Hospital Private/ Public Partnership

In 2005-06, the Health Administration Corporation entered into a contract with a private sector provider, Novacare Project Partnership for financing, design, construction and commissioning of a new Mater Hospital, a mental health facility, refurbishment of existing buildings, facilities management and delivery of ancillary non-clinical services on the site until November 2033. The redevelopment will be completed in three stages. Stage 1 was completed on 9 January 2008 and full service commencement is anticipated in mid 2009.

When Stage 1 construction was completed in January 2008 the Hunter New England Area Health Service (HNEAHS) transferred the Mater Hospital to Calvary Mater Newcastle and recognised the transfer as a grant expense of $71M. The recognition is based on the fact

that services are delivered by Little Company of Mary Health Care being a Third Schedule Hospital health care provider which is outside the accounting control of either HNEAHS or the Department. After completion of the project, HNEAHS will transfer the other parts of the new hospital and will recognise the transfer of a grant expense of $35M.

HNEAHS will recognise the new mental health facility as an asset of $39M. The refurbished Convent and McAuley buildings at the Mater hospital site, to be occupied by HNEAHS, will also be recognised as an asset and offsetting liability of $11M. The basis for the accounting treatment is that services will be delivered by HNEAHS on the site of Mater Hospital for the duration of the Head Lease of these facilities until November 2033.

In addition, the HNEAHS will recognise the liability to Novacare, payable over the period to 2033, for the construction of both hospitals.

An estimate of the commitments inclusive of Goods and Services Tax which has been recognised in Notes 33(a) and (b) is as follows:

Capital Commitments – New Mental Health Building and Refurbished Buildings

NOMINAL	2008 ($000)	2007 ($000)
Not later than one year	4,253	1,401
Later than one year and not later than five years	29,315	26,156
Later than five years	89,818	97,230

Other Expenditure Commitments – Redevelopment of Mater Hospital (which will be recognised as a grant after completion of construction) and provision of facilities management and other non-clinical services to both hospitals.

NOMINAL	2008 ($000)	2007 ($000)
Not later than one year	11,896	8,426
Later than one year and not later than five years	86,955	113,460
Later than five years	586,801	748,034

The expenditure commitments include Goods & Services Tax. Related input tax credits of $74M (2007: $90M) are expected to be recoverable from the Australian Taxation Office.

(g) Long Bay Forensic and Prison Hospitals Private/ Public Partnership

In 2006-07 a private sector company, PPP Solutions (Long Bay) Pty Limited, was engaged to finance, design, construct and maintain the Long Bay Forensic and Prison Hospitals at Long Bay under a Project Deed. The development is a joint project between the NSW Department of Health and the Department of Corrective Services. In addition to the hospital facilities, the project includes a new Operations Building, a new Pharmacy Building for Justice Health and a new Gatehouse for the NSW Department of Corrective Services. The new development will be completed in November 2008.

When construction is completed, Justice Health, a statutory health corporation, will operate and recognise the new Hospital, the Operations Building and the Pharmacy Building as an asset of $86M. The basis for the accounting treatment is that services will be delivered by Justice Health for the duration of the term until July 2034.

In addition, Justice Health will recognise the liability to PPP Solutions, payable over the period to 2034 for the construction of the new facilities.

An estimate of the commitment inclusive of Goods & Services Tax which has been recognised in Notes 33 (a) and 33 (b) is as follows:

(a) Capital Commitments - New Forensic Hospital and Operations Building

NOMINAL	2008 ($000)	2007 ($000)
Not later than one year	6,499	–
Later than one year and not later than five years	43,095	38,820
Later than five years	228,941	239,715

(b) Other Expenditure Commitments - Provision of facilities management and other non-clinical services to the new facilities

NOMINAL	2008 ($000)	2007 ($000)
Not later than one year	4,837	–
Later than one year and not later than five years	34,082	29,804
Later than five years	303,137	312,253

The expenditure commitments include Goods & Services Tax. Related input tax credits of $56M (2007: $56M) are expected to be recoverable from the Australian Taxation Office.

(h) Orange and Associated Health Services Private/ Public Partnership

In November 2007 a private sector company, Pinnacle Healthcare (OAHS) Pty Limited, was engaged to finance, design and construct the new Orange Hospital and new health facilities including Orange Tertiary Mental Health, Radiotherapy Unit, expanded Oral Health and Bloodbank Units. Pinnacle will refurbish existing buildings and provide facilities management and delivery of non-clinical services for these hospital facilities and the new Bathurst Hospital under a Project Deed. Provision of facilities maintenance commenced in April 2007. Provision of other non-clinical support services will commence in November 2008. The new development will be completed in stages and full service commissioning is anticipated in 2011.

When construction is completed, the Greater Western Area Health Service (GWAHS) will operate and recognise the new Orange Hospital, Orange Tertiary Mental Health and refurbished facilities as an asset of $162M, and the Radiotherapy/ expanded Oral/Bloodbank Units at $12M. The basis for the accounting treatment is that services will be delivered by GWAHS for the duration of the term until December 2035.

In addition, GWAHS will recognise the liability to Pinnacle Healthcare, payable over the period up to 2035 for the construction of the new Orange Hospital, Orange Tertiary Mental Health and refurbished facilities.

An estimate of the commitment inclusive of Goods & Services Tax which has been recognised in Notes 33 (a) and 33 (b) is as follows:

(a) Capital Commitments - New Orange Hospital and health facilities

NOMINAL	2008 ($000)	2007 ($000)
Not later than one year	5,841	–
Later than one year and not later than five years	52,398	–
Later than five years	509,968	–

(b) Other Expenditure Commitments - Provision of facilities management and other non-clinical services to the new and existing facilities

NOMINAL	2008 ($000)	2007 ($000)
Not later than one year	15,391	–
Later than one year and not later than five years	100,134	–
Later than five years	970,036	–

The expenditure commitments include Goods & Services Tax. Related input tax credits of $150M (2007: $Nil) are expected to be recoverable from the Australian Taxation Office.

34. Trust Funds

The NSW Department of Health's controlled entities hold Trust Fund monies of $56.384 Million which are used for the safe keeping of patients' monies, deposits on hired items of equipment and Private Practice Trusts. These monies are excluded from the financial statements as the Department or its controlled entities perform only a custodial role and cannot use them for the achievement of their objectives. The following is a summary of the transactions in the trust account:

	PATIENT TRUST		REFUNDABLE DEPOSITS		PRIVATE PRACTICE TRUST FUNDS		TOTAL TRUST FUNDS	
	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)
Cash Balance at the beginning of the financial year	4,306	3,873	19,797	20,876	12,886	16,862	36,989	41,611
Receipts	3,979	5,476	8,073	96,802	316,632	281,645	328,684	383,923
Expenditure	(3,729)	(5,043)	(18,847)	(97,881)	(286,713)	(285,621)	(309,289)	(388,545)
Cash Balance at the end of the financial year	**4,556**	**4,306**	**9,023**	**19,797**	**42,805**	**12,886**	**56,384**	**36,989**

35. Contingent Liabilities (Parent and Consolidated)

(a) Claims on Managed Fund

Since 1 July 1989, the NSW Department of Health has been a member of the NSW Treasury Managed Fund. The Fund will pay to or on behalf of the Department all sums, which it shall become legally liable to pay by way of compensation, or legal liability if sued except for employment related, discrimination and harassment claims that do not have statewide implications. The costs relating to such exceptions are to be absorbed by the Department. As such, since 1 July 1989, no contingent liabilities exist in respect of liability claims against the Department. A Solvency Fund (now called Pre-Managed Fund Reserve) was established to deal with the insurance matters incurred before 1 July 1989 that were above the limit of insurance held or for matters that were incurred prior to 1 July 1989 that would have become verdicts against the State. That Solvency Fund will likewise respond to all claims against the Department.

(b) Workers Compensation Hindsight Adjustment

TMF normally calculates hindsight premiums each year. However, in regard to workers compensation the final hindsight adjustment for the 2001/02 fund year and an interim adjustment for the 2003/04 fund year were not calculated until 2007/08. As a result, the 2002/03 final and 2004/05 interim hindsight calculations will be paid in 2008/09.

(c) Affiliated Health Organisations

Based on the definition of control in Australian Accounting Standard AASB127, Affiliated Health Organisations listed in the Third Schedule of the *Health Services Act, 1997* are only recognised in the Department's consolidated Financial Statements to the extent of cash payments made.

However, it is accepted that a contingent liability exists which may be realised in the event of cessation of health service activities by any Affiliated Health Organisation. In this event the determination of assets and liabilities would be dependent on any contractual relationship, which may exist or be formulated between the administering bodies of the organisation and the Department.

(d) Mater Private/Public Partnership

Note 33 provides disclosure of commitments for expenditure concerning the Mater Private/Public Partnership under which the Health Administration Corporation has entered into a contract with a private sector provider, Novacare Project Partnerships for financing, design, construction and commissioning of a range of health facilities.

The liability to pay Novacare for the redevelopment of the Mater Hospital is based on a financing arrangement involving CPI linked finance and fixed finance. An interest rate adjustment will be made as appropriate for the CPI linked interest component over the project term. The estimated value of the contingent liability is unable to be fully determined because of uncertain future events.

(e) Forensic Hospital - Long Bay, Private/Public Partnership

The liability to pay PPP Solutions for the development of the Long Bay Forensic Hospital is based on a financing arrangement involving floating interest rate bank debt. An interest rate adjustment will be made in accordance with interest rate movements over the project term. The estimated value of the contingent liability is unable to be fully determined because of uncertain future events.

Note 33 also provides disclosure of commitments for expenditure for this project.

(f) Orange Hospital and Associated Health Services Private/Public Partnership

The liability to pay Pinnacle Healthcare for the development of the Orange Hospital and health facilities is based on a financing arrangement involving a CPI indexed annuity bond. An interest rate adjustment will be made in accordance with the CPI index over the project term. The estimated value of the contingent liability is unable to be fully determined because of uncertain future events.

Note 33 also provides disclosure of commitments for expenditure for this project.

(g) Other Legal Matters

Eleven legal matters are currently on foot, which carry a potential total liability of $980,000 (inclusive of costs).

(h) Claim by Lessee of Certain Property

The lessee of certain property controlled by Sydney South West Area Health Service (SSWAHS) has made a claim against SSWAHS. The claim is in relation to Supreme Court proceedings in respect of recision of an agreement and lease regarding a proposed private hospital on the Royal Prince Alfred Hospital Campus, which was to be constructed and operated by the lessee. Litigation is ensuing with a claim by the lessee for compensation in respect of rentals unpaid to date together with damages which have not been quantified.

It is considered that the likelihood of success of the claim is minimal and accordingly no provision in relation to this matter has been reflected in the financial statements.

As part of the original agreement for construction of the private hospital, the lessee constructed a private car park on the land leased from SSWAHS. The lease was cancelled in March 2000 and, after an interlocutory hearing, SSWAHS was granted the right to operate the car park from 26 June 2000. In doing so, SSWAHS is entitled to collect parking fees and pay costs associated with operating the car park, retaining any excess in trust pending resolution of matters referred to above. At year end this excess amounted to $4,585,786. The car park has not been recognised as an asset in the financial statements as ownership has not been transferred.

36. Reconciliation of Cash Flows from Operating Activities to Net Cost of Services

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
(44,687)	31,561	Net Cash Used on Operating Activities	469,068	555,496
(5,099)	(4,821)	Depreciation	(448,619)	(418,171)
(1,299)	(85)	Allowance for Impairment	(33,779)	(23,303)
(7,444)	(5,393)	Acceptance by the Crown of Employee Benefits	(163,216)	(147,061)
(486)	403	(Increase)/ Decrease in Provisions	(152,321)	(176,797)
23,065	2,899	Increase / (Decrease) in Prepayments and Other Assets	100,907	58,863
(23,276)	(918)	(Increase)/ Decrease in Creditors	(306,024)	(25,282)
(6,436)	(38)	Net Gain/(Loss) on Sale of Property, Plant and Equipment	(17,074)	10,318
(10,353,404)	(9,800,594)	Recurrent Appropriation	(10,353,404)	(9,800,594)
(401,639)	(385,735)	Capital Appropriation	(401,639)	(385,735)
–	–	Revaluation of Investment	7,848	–
3,371	(37,239)	Other	–	720
(10,817,334)	**(10,199,960)**	**Net Cost of Services**	**(11,298,253)**	**(10,351,546)**

37. Non Cash Financing and Investing Activities

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
–	–	Assets Received by Donation	1,836	720
–	**–**	**Total**	**1,836**	**720**

38. 2007/08 Voluntary Services

It is considered impracticable to quantify the monetary value of voluntary services provided to health services. Services provided include:

- Chaplaincies and Pastoral Care: *Patient & Family Support*
- Pink Ladies/Hospital Auxiliaries: *Patient Services, Fund Raising*
- Patient Support Groups: *Practical Support to Patients and Relatives*
- Community Organisations: *Counselling, Health Education, Transport, Home Help & Patient Activities.*

39. Unclaimed Monies

Unclaimed salaries and wages of Health Services are paid to the credit of the Department of Industrial Relations and Employment in accordance with the provisions of the Industrial Arbitration Act, 1940, as amended.

All money and personal effects of patients which are left in the custody of Health Services by any patient who is discharged or dies in the hospital and which are not claimed by the person lawfully entitled thereto within a period of twelve months are recognised as the property of health services.

All such money and the proceeds of the realisation of any personal effects are lodged to the credit of the Samaritan Fund, which is used specifically for the benefit of necessitous patients or necessitous outgoing patients.

40. Budget Review (Consolidated)

Net Cost of Services

The actual Net Cost of Services of $11.298 billion was at variance with the budget by $411 million. The following line item variations were not recognised in the budget:

Increased Employee Related Costs, e.g. for new beds, clinical services, leap year costs and services sourced from increased revenues. ..... $372 million

Additional other Operating Expenses including the expensing of capital projects that do not satisfy asset measurement criteria, e.g. individual assets exceeding $10,000 in value..... $57 million

Grants and subsidies payments including $20 million to the University of NSW Institute of Virology, St Vincent's Bio Hub Technology project $14 million, the Newcastle Mater Private Public Partnership $18 million, Cancer Institute payments of $57 million and Capital expensing of Third Schedule Hospitals projects $23 million ..... $140 million

Increased revenues (Sale of Goods & Services $114 million, Grants & Contributions $72 million and reduced Investment Revenues ($17) million and Other Revenue $39 million which has been applied in turn to increased expenses generated in the provision of health services..... $(208) million

Loss in disposal of assets or relating to estimates made for debts that are likely to prove irrecoverable. ..... $31 million

Depreciation charges due to the increased value of Property, Plant and Equipment ..... $14 million

Increased finance costs..... $5 million

TOTAL ..... $411 million

The Department has dissected the variation into the following key components:

Budget Committee Decisions, Protected Items and Commonwealth Monies
The variation includes Treasury approvals for Beds/Emergency Medical, Maternity, Clinical Services Redesign Program and the NSW Institute of Virology. ..... $20 million

Technical Adjustments
Leap Year Costs, Capital Expensing, utilisation of Inventory, St Vincent's BioHub expenditures and standardisation of practices through the transition to Health System Support, Leave Adjustments, Superannuation, Depreciation,Loss on disposal of assets and impairments..... $242 million

Health Service Expenditure in excess of Available Revenues ..... $149 million

TOTAL ..... $411 million

Result for the Year

The Result for the Year is derived as the difference between the above Net Cost of Services result and the amounts injected by Government for recurrent services, capital works and superannuation/long service leave costs:

Variation from budget for Net Cost of Services as detailed above ..... $411 million

Reduction in recurrent appropriation due principally to annual expenditures accrued but not yet paid ..... $7 million

Increase in capital appropriation ..... $(16) million

Crown acceptance of employee liabilities (a non-cash expense to the Department)..... $(9) million

TOTAL ..... $393 million

Assets and Liabilities

Net assets increased by $35 million from budget. This included the following variations:

The restatement of Property, Plant and Equipment ($433M), Intangibles ($17M) & Assets Held for Sale ($14M) per independent asset valuations, additional capital funding, and a variation in asset sales ..... $464 million

Increase in Leave Provisions due mainly to awards and actuarial assessment of accumulated leave entitlements .... $(18) million

Increase in Receivables..... $79 million

Increase in Current Payables ..... $(409) million

Decrease in Cash/Other Financial Assets ..... $(47) million

Decrease in Inventories ..... $(9) million

Decrease in Borrowings ..... $5 million

Increase in Other Liabilities ..... $(32) million

Other ..... $2 million

TOTAL ..... $35 million

Cash Flow

Cash Flows from Operating Activities

Payments
2007/08 total payments exceeded the budget by $254 million, the principal components of which were increased Employee Related payments of $151 million, Grants & Subsidies of $218 million, an increase in finance costs of $5 million and a reduction in Other Payments of $120 million.

The increased payments were sourced from increased Revenue/ Cash at Bank or through the increase in Accounts Payable.

Receipts
2007/08 total revenue receipts were $164 million more than budget estimates due principally to the increased revenues of $208 million reported in the Operating Statement adjusted for the effects of increased receivables.

Cash Flows from Government

The increase of $22 million in Cash Flows from Government results from additional funding of $12.3 million provided via the Appropriation (Budget Variations) Bill 2008 for additional hospital beds and the Bathurst Hydrotherapy Pool as well as Treasurer's Advances net of savings in protected allocations (e.g. Awards) to cover additional expenditure on items such as research, additional beds and clinical services.

41. Financial Instruments

The Department's principal financial instruments are outlined below. These financial instruments arise directly from the Department's operations or are required to finance its operations. The Department does not enter into or trade financial instruments, including derivative financial instruments,for speculative purposes.

The Department's main risks arising from financial instruments are outlined below, together with the Department's objectives, policies and processes for measuring and managing risk.

Further quantitative and qualitative disclosures are included throughout this financial report.

The Director-General has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the Department, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit Committee/Internal auditors on a continous basis.

(a) Financial Instrument Categories

PARENT

		Total Carrying Amounts as per the Balance Sheet	
CLASS	**CATEGORY**	**2008 ($000)**	**2007 ($000)**
Financial Assets			
Cash and Cash Equivalents (note 18)	N/A	141,961	183,720
Receivables at Amortised Cost (note 19)[1]	Loans & Receivables (amortised costs)	57,482	21,048
Financial Assets at Fair Value designated as such per initial recognition (note 21)		2,086	2,086
Other Financial Assets (Note 22)	Loans & Receivables (amortised costs)	69,326	65,977
Total Financial Assets		**270,855**	**272,831**
Financial Liabilities			
Payables (Note 28)[2]	Loans & Receivables (amortised costs)	84,152	85,038
Other (Note 31)	N/A	14,452	2,558
Total Financial Liabilities		**98,604**	**87,596**

Notes: 1 Excludes statutory receivables and prepayments (ie not within scope of AASB 7).
2 Excludes unearned revenue (ie not within scope of AASB 7)

CONSOLIDATION

		Total Carrying Amounts as per the Balance Sheet	
CLASS	**CATEGORY**	**2008 ($000)**	**2007 ($000)**
Financial Assets			
Cash and Cash Equivalents (note 18)	N/A	702,787	736,919
Receivables at Amortised Cost (note 19)[1]	Loans & Receivables (amortised costs)	265,702	203,697
Financial Assets at Fair Value designated as such per initial recognition (note 21)		161,224	168,245
Other Financial Assets (Note 22)	Loans & Receivables (amortised costs)	–	2,161
Total Financial Assets		**1,129,713**	**1,111,022**
Financial Liabilities			
Borrowings (Note 29)	Loans & Receivables (amortised costs)	101,162	36,443
Payables (Note 28)[2]	N/A	993,090	703,074
Other (Note 31)		14,497	–
Total Financial Liabilities		**1,108,749**	**739,517**

Notes: 1 Excludes statutory receivables and prepayments (ie not within scope of AASB 7).
2 Excludes unearned revenue (ie not within scope of AASB 7)

b) Credit Risk

Credit risk arises when there is the possibility of the Entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the Entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). Credit risk arises from financial assets of the Entity i.e receivables. No collateral is held by the Entity nor has it granted any financial guarantees.

Credit risk associated with the Department's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balance deposited in accordance with Public Authorities (Financial Arrangements) Act approvals. Interest is earned on daily bank balances at rates between 5.25% and 6.25% for the Parent and between 5% and 8% for the Consolidation. This compares to rates between 4.45% and 6.60% in the previous year. The TCorp Hour Glass cash facility is discussed in para (d) below.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the NSW Department of Health Accounting Manual and Fee Procedures Manual are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect the amounts due. The evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Department is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Debtors that are not past due (Parent 2008: $44.429M; 2007: $10.586M; Consolidated 2008 $109.973M; 2007 $99.048M) plus those not more than 3 months past due but not impaired (Parent 2008: $0.818M; 2007: $1.754M; Consolidated 2008 $57.708M; 2007 $43.479M) but for which no provision for impairment is warranted represent 86.9% (2007 74.4%) of the total trade debtors reported by the Parent and 62.9% (2007 71.1%) reported in the consolidation. In addition Patient Fees Compensables are frequently not settled with 6 months of the date of the service provision due to the length of time it takes to settle legal claims. Most of the debtors of the Department and its controlled entities are Health Insurance Companies or Compensation Insurers settling claims in respect of inpatient treatments. There are no debtors which are currently not past due or impaired whose terms have not been renegotiated.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the balance sheet. Patient Fees Ineligibles represent the majority of financial assets that are past due or impaired.

PARENT

2008	TOTAL ($000)	PAST DUE BUT NOT IMPAIRED ($000)	CONSIDERED IMPAIRED ($000)
<3 months overdue	856	818	38
3 months - 6 months overdue	505	467	38
> 6 months overdue	6,266	5,056	1,210
Total	**7,627**	**6,341**	**1,286**
2007	**TOTAL ($000)**	**PAST DUE BUT NOT IMPAIRED ($000)**	**CONSIDERED IMPAIRED ($000)**
<3 months overdue	1,754	1,754	0
3 months - 6 months overdue	24	24	0
> 6 months overdue	4,218	4,041	177
Total	**5,996**	**5,819**	**177**

CONSOLIDATION

2008	TOTAL ($000)	PAST DUE BUT NOT IMPAIRED ($000)	CONSIDERED IMPAIRED ($000)
<3 months overdue	70,714	57,708	13,006
3 months - 6 months overdue	41,015	37,440	6,575
> 6 months overdue	42,057	20,901	21,156
Total	**156,786**	**116,049**	**40,737**
2007	**TOTAL ($000)**	**PAST DUE BUT NOT IMPAIRED ($000)**	**CONSIDERED IMPAIRED ($000)**
<3 months overdue	54,035	43,479	10,556
3 months - 6 months overdue	17,005	12,125	4,880
> 6 months overdue	30,505	12,134	18,371
Total	**101,545**	**67,738**	**33,807**

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the balance sheet. Patient Fees Ineligibles represent the majority of financial assets that are past due or impaired.

Authority Deposits

Controlled entities of the Department have placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits vary. The deposits at balance date across Health Services under the control of the NSW Department of Health ranged between -3.92% and 7.92% (2007 6.27% and 9.53%) while over the year the weighted average interest rates reported by Health Services ranged between -1.32% and 7.9% (2007 6.22% and 6.53%). None of these assets are past due or impaired.

c) Liquidity Risk

Liquidity risk is the risk that the Department will be unable to meet its payment obligations when they fall due. The Department and its controlled entities continuously manage risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The Department and its controlled entities have negotiated no loan outside of arrangements with the Sustainable Energy Development Authority or the Private Public Partnership arrangements negotiated through Treasury.

During the current and prior year, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Department's controlled entities' exposure to liquidity risk is significant. However, this risk is minimised as the NSW Department of Health has indicated its ongoing financial report to those entities. Risks to the Department are not considered significant as the Department is a budget dependent agency that is funded to continue to provide essential health services.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. It is expected that amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Department of Health. This requires that, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

In those instances where settlement cannot be effected in accordance with the above, eg due to short term liquidity constraints within Health Services, terms of payment are negotiated with creditors.

The table below summarises the maturity profile of the Department's financial liabilities together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

PARENT

	INTEREST RATE EXPOSURE						MATURITY DATES			Weighted Average Effective Int. Rate
	Fixed Interest Rate (%)	Variable Interest Rate %	Nominal Amount ($000)	Fixed Interest Rate ($000)	Variable Interest Rate ($000)	Non-Interest Bearing ($000)	< 1 Yr ($000)	1-5 Yrs ($000)	> 5 Yrs ($000)	
2008										
Payables:										
Accrued Salaries, Wages and Payroll Deductions	–	–	2,973	–	–	2,973	2,973	–	–	–
Creditors	–	–	81,179	–	–	81,179	81,179	–	–	–
Total	**–**	**–**	**84,152**	**–**	**–**	**84,152**	**84,152**	**–**	**–**	**–**
2007										
Payables:										
Accrued Salaries, Wages and Payroll Deductions	–	–	2,378	–	–	2,378	2,378	–	–	–
Creditors	–	–	82,494	–	–	82,494	82,494	–	–	–
Total	**–**	**–**	**84,872**	**–**	**–**	**84,872**	**84,872**	**–**	**–**	**–**

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	INTEREST RATE EXPOSURE						MATURITY DATES			Weighted Average Effective Int. Rate
	Fixed Interest Rate (%)	Variable Interest Rate %	Nominal Amount ($000)	Fixed Interest Rate ($000)	Variable Interest Rate ($000)	Non-Interest Bearing ($000)	< 1 Yr ($000)	1-5 Yrs ($000)	> 5 Yrs ($000)	
2008										
Payables:										
Accrued Salaries, Wages and Payroll Deductions	–	–	298,330	–	–	298,330	298,330	–	–	–
Creditors	–	–	694,760	–	–	694,760	694,760	–	–	–
Borrowings:										
Bank Overdraft	–	–	119	–	–	119	119	–	–	–
Other Loans and Deposits	5.2-6.6	6.0	79,145	79,145	–	–	1,137	6,997	71,011	5.99
Finance leases	–	6.6 - 7.1	21,898	–	21,898	–	3,053	14,033	4,812	6.9
Total			**1,094,252**	**79,145**	**21,898**	**993,209**	**997,399**	**21,030**	**75,823**	
2007										
Payables:										
Accrued Salaries, Wages and Payroll Deductions	–	–	201,219	–	–	201,219	201,219	–	–	–
Creditors	–	–	501,855	–	–	501,855	501,855	–	–	–
Borrowings:										
Other Loans and Deposits	5.2-6.6	–	11,997	11,997	–	–	3,202	8,449	346	5.87
Finance leases	–	6.3 - 6.7	24,446	–	24,446	–	2,548	13,347	8,551	6.5
Total			**739,517**	**11,997**	**24,446**	**703,074**	**708,824**	**21,796**	**8,897**	

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The exposures of the Department and its controlled entities to market risk are primarily through interest rate risk on borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The Department and its controlled entities have no exposure to foreign currency risk and do not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Department and its controlled entities operate and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2007. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through the interest bearing liabilities held by the Department's controlled entities.

However, Health Services are not permitted to borrow external to the NSW Department of Health (Sustainable Energy Development Authority loans which are negotiated through Treasury excepted). Both SEDA and NSW Department of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. For financial instruments a reasonably possible change of +/-1% is consistent with trends in interest. The Department's exposure to interest rate risk is set out below and addresses both the Parent and the Consolidated Entity.

PARENT

	CARRYING AMOUNT ($000)	-1%		+1%	
		RESULT	EQUITY	RESULT	EQUITY
2008					
Financial assets					
Cash and cash equivalents	141,961	(1,420)	(1,420)	1,420	1,420
Receivables	57,482	–	–	–	–
Financial assets at fair value	2,086	(21)	(21)	21	21
Other financial assets	69,326	(693)	(693)	693	693
Financial liabilities					
Payables	84,152	–	–	–	–
Other	14,452	145	145	(145)	(145)

PARENT

2007	CARRYING AMOUNT ($000)	-1%		+1%	
		RESULT	EQUITY	RESULT	EQUITY
Financial assets					
Cash and cash equivalents	183,720	(1,837)	(1,837)	1,837	1,837
Receivables	21,048	–	–	–	–
Financial assets at fair value	2,086	(21)	(21)	21	21
Other financial assets	65,977	(660)	(660)	660	660
Financial liabilities					
Payables	85,038	–	–	–	–
Other	2,558	26	26	(26)	(26)

CONSOLIDATED

	CARRYING AMOUNT ($000)	-1%		+1%	
		RESULT	EQUITY	RESULT	EQUITY
2008					
Financial assets					
Cash and cash equivalents	702,787	(7,028)	(7,028)	7,028	7,028
Receivables	265,702	–	–	–	–
Financial assets at fair value	161,224	(1,612)	(1,612)	1,612	1,612
Other financial assets	–	–	–	–	–
Financial liabilities					
Borrowings	101,162	1,012	1,012	(1,012)	(1,012)
Payables	993,090	–	–	–	–
Other	14,497	145	145	(145)	(145)
2007					
Financial assets					
Cash and cash equivalents	736,919	(7,369)	(7,369)	7,369	7,369
Receivables	203,697	–	–	–	–
Financial assets at fair value	168,245	(1,682)	(1,682)	1,682	1,682
Other financial assets	2,161	(22)	(22)	22	22
Financial liabilities					
Borrowings	36,443	364	364	(364)	(364)
Payables	703,074	–	–	–	–
Other	–	–	–	–	–

Other price risk - TCorp Hour Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes. Neither the Department nor its controlled entities have direct equity investments. Units in the following Hour-Glass investment trusts are confined to controlled entities only with the Parent unit having no such investments:

FACILITY	INVESTMENT SECTORS	INVESTMENT HORIZON	2008 ($000)	2007 ($000)
Cash facility	Cash, money market instruments	Up to 2 years	142,934	116,424
Bond market facility	Cash, money market instruments, Australian bonds	2 years to 4 years	17,718	16,815
Medium term growth facility	Cash, money market instruments, Australian and International bonds, listed property, Australian and International shares	4 years to 7 years	49,422	46,662
Long term growth facility	Cash, money market instruments, Australian and International bonds, listed property, Australian and International shares	7 years and over	91,998	102,405

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risk of each facility in accordance with a mandate agreed by the parties. However, TCorp, acts as manager for part of the Cash facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour Glass facilities limits the exposure to risk of the Department and its controlled entities, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the facilities, using historically based volatility information. The TCorp Hour Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

Impact on profit/loss

	CHANGE IN UNIT PRICE	2008 ($000)	2007 ($000)
Hour Glass Investment - Cash facility	-0.43% to 1%	1,234	1,113
Hour Glass Investment - Bond market facility	4.64%	596	(185)
Hour Glass Investment - medium term growth facility	-0.18%	(61)	(650)
Hour Glass Investment - long term growth facility	-5.73% to 15%	2,956	4,793

A reasonable possible change is based on the percentage change in unit price multiplied by the redemption price as at 30 June each year for each facility (as advised by TCorp).

e) Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour Glass facilities, which are measured at fair value. As discussed, the value of the Hour Glass Investments is based on the share of the value of the underlying assets of the facility held by controlled entities of the Department, based on the market value. The Parent unit has no such investments. All of the Hour Glass facilities, are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value because of the short term nature of many of the financial instruments. There are no financial instruments where the fair value differs from the carrying amount.

42. After Balance Date Events

Graythwaite Property

The Graythwaite property at North Sydney was bequeathed to NSW in 1915 and is subject to a charitable trust to be used for the specific purpose of providing a convalescent home for "sick and injured soldiers and sailors" and when not required for that purpose as a convalescent home for "distressed subjects of the British Empire regardless of sect or creed".

In 2006 NSCCAHS lodged an application with the Supreme Court to approve a cy-pres scheme in respect of the Graythwaite Trust. A cy-pres case runs in two stages. First the court must consider whether the original objects of the Trust can continue to be met. If it decides in the negative, the Trustee can apply for approval of a cy-pres scheme which applies the trust property for a purpose "as near as possible" to the original purpose.

In August 2007 the Supreme Court determined the original objects of the trust cannot be met, and that the provision of residential aged care on the Graythwaite property was contrary to the original intent of the Trust. The Court determined that cy-pres schemes would be invited by public advertisement. Two cy-pres schemes were before the Court - State of NSW (DOH / NSCCAHS) and the RSL/St Vincent's Mater Hospital.

The State of NSW Scheme proposes that the Graythwaite sale proceeds be applied to the construction of a 30 - 60 bed 'Graythwaite Rehabilitation Centre' on the Ryde Hospital campus for patients of the public health system.

On 20 November 2008 the Court decided in favour of the State of NSW scheme, as it was as near as possible to the original objectives of the Trust. However the decision in favour of the State scheme is subject to a number of conditions, namely the property at Ryde where the rehabilitation facility is intended to be built must be transferred to the Crown by 20 May 2009 and all necessary government approvals required for capital expenditure of the proceeds of sale must be obtained by 20 May 2009. Once the two mentioned conditions have been met the trust property must be sold by 20 November 2009 for a sale price not less than $16.8 million.

The conditions must be satisfied before the sale of Graythwaite takes place. If the State of NSW is unable to comply with the conditions the matter will return to Court for further consideration. The other parties to the proceedings also have a right to appeal.

Relocation of Health Services from Callan Park Site

Given the relocation of health services from the Callan Park site to Concord Hospital an offer has been made to Leichardt Municipal Council for a 99 year lease of 40 of the 60 hectares contained in the Callan Park site. The conditions of the lease and the impact on both the Sydney South West AHS and the Department are not yet known.

However based on transfer of 40 hectares the potential reduction in the Area's land and buildings and infrastructure assets approximates $52M.

Royal North Shore Hospital Rebuild

On 28 October 2008, the Government entered into a $721 million public private partnership project with InfraShore which will consolidate 53 outdated buildings into high purpose built facilities for acute hospital care and community health.

Work is expected to commence in late 2008, with the completion of the community health building expected in the first quarter of 2011. The new main property building is scheduled for completion by the end of 2012.

No contractual commitments existed as at 30 June 2008 and therefore have not been included in the Department's commitment disclosures.

END OF AUDITED FINANCIAL STATEMENTS

Independent Audit report

HEALTH ADMINISTRATION CORPORATION (HAC) FOR THE YEAR ENDED 30 JUNE 2008

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Health Administration Corporation and its Controlled Entity

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Health Administration Corporation (the Corporation), which comprises the balance sheet as at 30 June 2008, the operating statement, statement of recognised income and expense, cash flow statement and program statement - expenses and revenues for the year then ended, a summary of significant accounting policies and other explanatory notes for both the Corporation and the consolidated entity. The consolidated entity comprises the Corporation and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Corporation and the consolidated entity as at 30 June 2008, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005

My opinion should be read in conjunction with the rest of this report.

Director-General's Responsibility for the Financial Report

The Director-General of the Department of Health is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Corporation's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director-General, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Corporation or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

J Kheir B Ec FCPA
Director, Financial Audit Services

5 December 2008
SYDNEY

Certification of accounts

HEALTH ADMINISTRATION CORPORATION (HAC) FOR THE YEAR ENDED 30 JUNE 2008

CERTIFICATE OF ACCOUNTS

Pursuant to Section 45(F) of the Public Finance and Audit Act 1983 (the Act), we state that:

(iv) The financial statements of the Health Administration Corporation for the year ended 30 June 2008 have been prepared in accordance with the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983, and its regulations and Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2)(n) of the Act and the requirements of the Health Administration Act 2000, and its regulations.

(v) The financial statements present fairly the financial position and transactions of the parent and the consolidated entity.

(vi) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.

Ken Barker
Chief Financial Officer

Debora Picone
Director-General

3 December 2008

Operating statement

HEALTH ADMINISTRATION CORPORATION (HAC)
FOR THE YEAR ENDED 30 JUNE 2008

PARENT				Notes	CONSOLIDATED		
Actual 2008 $000	Budget 2008 $000	Actual 2007 $000			Actual 2008 $000	Budget 2008 $000	Actual 2007 $000
			Expenses excluding losses				
			Operating Expenses				
–	–	–	Employee Related	3	443,923	416,931	371,866
443,923	416,931	371,866	Personnel Services	4	–	–	–
225,488	217,631	192,429	Other Operating Expenses	5	225,488	217,631	192,429
51,340	46,907	35,920	Depreciation and Amortisation	2(h), 6	51,340	46,907	35,920
17,623	17,133	856	Grants and Subsidies	7	17,623	17,133	856
840	845	121	Finance Costs	8	840	845	121
739,214	**699,447**	**601,192**	**Total Expenses excluding losses**		**739,214**	**699,447**	**601,192**
			Revenue				
305,828	261,078	230,434	Sale of Goods and Services	9	305,828	261,078	230,434
2,996	956	2,019	Investment Revenue	10	2,996	956	2,019
15,751	12,073	11,817	Grants and Contributions	11	4,745	1,041	1,331
10,557	22,281	9,028	Other Revenue	12	10,557	22,281	9,028
335,132	**296,388**	**253,298**	**Total Revenue**		**324,126**	**285,356**	**242,812**
(2,846)	(1,191)	(3,357)	Gain/(Loss) on Disposal	13	(2,846)	(1,191)	(3,357)
(17,358)	(25,039)	(12,777)	Other gains/(losses)	14	(17,358)	(25,039)	(12,777)
424,286	**429,289**	**364,028**	**Net Cost of Services**		**435,292**	**440,321**	**374,514**
			Government Contributions				
359,667	359,667	315,896	NSW Department of Health Recurrent Allocations	2(d)	359,667	359,667	315,896
64,435	80,224	62,313	NSW Department of Health Capital Allocations	2(d)	64,435	80,224	62,313
–	–	–	Acceptance by the Crown Entity of employee benefits	2(a)	11,006	11,032	10,486
424,102	**439,891**	**378,209**	**Total Government Contributions**		**435,108**	**450,923**	**388,695**
(184)	**10,602**	**14,181**	**RESULT FOR THE YEAR**	**29**	**(184)**	**10,602**	**14,181**

The accompanying notes form part of these Financial Statements

Statement of recognised income and expense

HEALTH ADMINISTRATION CORPORATION (HAC)
FOR THE YEAR ENDED 30 JUNE 2008

PARENT				Notes	CONSOLIDATED		
Actual 2008 $000	Budget 2008 $000	Actual 2007 $000			Actual 2008 $000	Budget 2008 $000	Actual 2007 $000
6,954	–	–	Net increase/(decrease) in Property, Plant and Equipment Asset Revaluation Reserve	29	6,954	–	–
6,954	**–**	**–**	**TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY**		**6,954**	**–**	**–**
(184)	10,602	14,181	Result for the Year	29	(184)	10,602	14,181
6,770	**10,602**	**14,181**	**TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR**		**6,770**	**10,602**	**14,181**

The accompanying notes form part of these Financial Statements

Balance sheet

HEALTH ADMINISTRATION CORPORATION (HAC)
AS AT 30 JUNE 2008

PARENT					CONSOLIDATED		
Actual 2008 $000	Budget 2008 $000	Actual 2007 $000		Notes	Actual 2008 $000	Budget 2008 $000	Actual 2007 $000
			ASSETS				
			Current Assets				
50,339	50,883	29,457	Cash and Cash Equivalents	17	50,339	50,883	29,457
62,391	46,242	54,858	Receivables	18	62,391	46,242	54,858
3,490	1,798	1,798	Inventories	19	3,490	1,798	1,798
2,880	2,426	2,426	Non Current Assets Held for Sale	20	2,880	2,426	2,426
2,809	1,387	1,763	Other Financial Assets	21	2,809	1,387	1,763
121,909	**102,736**	**90,302**	**Total Current Assets**		**121,909**	**102,736**	**90,302**
			Non-Current Assets				
2,751	652	652	Receivables	18	2,751	652	652
6,526	6,173	6,173	Other Financial Assets	21	6,526	6,173	6,173
			Property, Plant and Equipment				
185,706	155,085	183,363	- Land and Buildings	22	185,706	155,085	183,363
97,538	138,922	109,974	- Plant and Equipment	22	97,538	138,922	109,974
96	96	96	- Infrastructure System	22	96	96	96
283,340	294,103	293,433	Total Property, Plant and Equipment		283,340	294,103	293,433
71,908	66,889	51,619	Intangible Assets	23	71,908	66,889	51,619
364,525	**367,817**	**351,877**	**Total Non-Current Assets**		**364,525**	**367,817**	**351,877**
486,434	**470,553**	**442,179**	**Total Assets**		**486,434**	**470,553**	**442,179**
			LIABILITIES				
			Current Liabilities				
76,538	60,952	57,769	Payables	25	76,538	60,952	57,769
2,337	3,420	3,420	Borrowings	26	2,337	3,420	3,420
137,155	121,468	121,468	Provisions	27	137,155	121,468	121,468
1,007	2,424	2,424	Other	28	1,007	2,424	2,424
217,037	**188,264**	**185,081**	**Total Current Liabilities**		**217,037**	**188,264**	**185,081**
			Non-Current Liabilities				
4,483	12,558	3,762	Provisions	27	4,483	12,558	3,762
6,812	7,797	3,093	Borrowings	26	6,812	7,797	3,093
11,295	**20,355**	**6,855**	**Total Non-Current Liabilities**		**11,295**	**20,355**	**6,855**
228,332	**208,619**	**191,936**	**Total Liabilities**		**228,332**	**208,619**	**191,936**
258,102	261,934	250,243	Net Assets		258,102	261,934	250,243
			EQUITY				
48,250	41,296	41,296	Reserves	29	48,250	41,296	41,296
209,852	220,638	208,947	Accumulated Funds	29	209,852	220,638	208,947
258,102	**261,934**	**250,243**	**Total Equity**		**258,102**	**261,934**	**250,243**

The accompanying notes form part of these Financial Statements

Cash flow statement

HEALTH ADMINISTRATION CORPORATION (HAC)
FOR THE YEAR ENDED 30 JUNE 2008

PARENT				Notes	CONSOLIDATED		
Actual 2008 $000	Budget 2008 $000	Actual 2007 $000			Actual 2008 $000	Budget 2008 $000	Actual 2007 $000
			CASH FLOWS FROM OPERATING ACTIVITIES				
			Payments				
–	–	–	Employee Related		(408,506)	(397,103)	(343,676)
(18,043)	(17,133)	(908)	Grants and Subsidies		(18,043)	(17,133)	(908)
(278)	(845)	(121)	Finance Costs		(278)	(845)	(121)
(651,445)	(611,551)	(539,304)	Other		(242,939)	(214,448)	(195,628)
(669,766)	**(629,529)**	**(540,333)**	**Total Payments**		**(669,766)**	**(629,529)**	**(540,333)**
			Receipts				
296,340	236,039	222,383	Sale of Goods and Services		296,340	236,039	222,383
2,996	956	2,058	Interest Received		2,996	956	2,058
18,851	31,938	15,434	Other		18,851	31,938	15,434
318,187	**268,933**	**239,875**	**Total Receipts**		**318,187**	**268,933**	**239,875**
			CASH FLOWS FROM GOVERNMENT				
359,667	359,667	315,896	NSW Department of Health Recurrent Allocations		359,667	359,667	315,896
66,175	80,224	55,084	NSW Department of Health Capital Allocations		66,175	80,224	55,084
425,842	**439,891**	**370,980**	**NET CASH FLOWS FROM GOVERNMENT**		**425,842**	**439,891**	**370,980**
74,263	**79,295**	**70,522**	**NET CASH FLOWS FROM OPERATING ACTIVITIES**	**32**	**74,263**	**79,295**	**70,522**
			CASH FLOWS FROM INVESTING ACTIVITIES				
1,397	–	503	Proceeds from Sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		1,397	–	503
–	376	1,930	Proceeds from Sale of Investments		–	376	1,930
(19,949)	(47,679)	(50,831)	Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(19,949)	(47,679)	(50,831)
(1,399)	–	(1,930)	Purchase of Investments		(1,399)	–	(1,930)
(32,317)	(15,270)	–	Purchases of Intangibles		(32,317)	(15,270)	–
–	–	4,175	Other		–	–	4,175
(52,268)	(62,573)	(46,153)	Net Cash Flows From Investing Activities		(52,268)	(62,573)	(46,153)
			CASH FLOWS FROM FINANCING ACTIVITIES				
59,276	5,000	46,805	Proceeds from Borrowings and Advances		59,276	5,000	46,805
(60,506)	(296)	(58,306)	Repayment of Borrowings and Advances		(60,506)	(296)	(58,306)
(1,230)	**4,704**	**(11,501)**	**NET CASH FLOWS FROM FINANCING ACTIVITIES**		**(1,230)**	**4,704**	**(11,501)**
20,765	**21,426**	**12,868**	**NET INCREASE / (DECREASE) IN CASH**		**20,765**	**21,426**	**12,868**
29,457	29,457	16,589	Opening Cash and Cash Equivalents		29,457	29,457	16,589
50,222	**50,883**	**29,457**	**CLOSING CASH AND CASH EQUIVALENTS**	**17**	**50,222**	**50,883**	**29,457**

The accompanying notes form part of these Financial Statements

Program Statement - Expenses and Revenues

HEALTH ADMINISTRATION CORPORATION (HAC) FOR THE YEAR ENDED 30 JUNE 2008

CORPORATION'S EXPENSES AND REVENUES	PROGRAM 1.1*		PROGRAM 1.2*		PROGRAM 1.3*		PROGRAM 2.1*		PROGRAM 2.2*		PROGRAM 2.3*		PROGRAM 3.1*		PROGRAM 4.1*		PROGRAM 5.1*		PROGRAM 6.1*		NOT ATTRIBUTABLE		TOTAL	
	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000
Expenses excluding losses																								
Operating Expenses																								
Employee Related	3,238	1,172	58	42	9,819	6,813	360,189	314,283	37,241	25,258	4,922	3,414	10,269	7,140	8,328	5,780	495	356	9,364	7,608	–	–	443,923	371,866
Other Operating Expenses	3,589	2,822	196	183	9,190	7,908	147,295	127,205	42,190	35,058	6,563	5,667	6,212	4,690	4,557	3,828	1,012	949	4,684	4,119	–	–	225,488	192,429
Depreciation and Amortisation	1,190	845	48	34	4,186	2,965	25,209	17,395	13,368	9,469	2,047	1,450	1,845	1,309	2,348	1,663	309	219	790	571	–	–	51,340	35,920
Grants and Subsidies	17,312	–	–	–	–	–	–	380	–	–	–	–	–	–	–	–	–	–	311	476	–	–	17,623	856
Finance Costs	–	–	–	–	–	–	–	2	727	103	113	16	–	–	–	–	–	–	–	–	–	–	840	121
Total Expenses excluding losses	**25,329**	**4,839**	**302**	**259**	**23,195**	**17,686**	**532,693**	**459,265**	**93,526**	**69,888**	**13,645**	**10,547**	**18,326**	**13,139**	**15,233**	**11,271**	**1,816**	**1,524**	**15,149**	**12,774**	**–**	**–**	**739,214**	**601,192**
Revenue																								
Sale of Goods and Services	20,017	3,099	215	202	17,223	13,449	161,465	129,486	68,121	53,878	10,038	8,060	13,605	10,276	12,155	9,105	1,111	1,042	1,878	1,837	–	–	305,828	230,434
Investment Revenue	38	22	2	1	142	85	1,800	1,250	577	345	88	52	106	64	93	56	13	7	137	137	–	–	2,996	2,019
Grants and Contributions	–	3	–	–	–	49	644	957	–	186	–	26	–	42	4,100	39	–	1	1	28	–	–	4,745	1,331
Other Revenue	14	1	1	–	251	133	8,503	8,017	1,083	568	133	67	222	121	203	112	5	–	142	9	–	–	10,557	9,028
Total Revenue	**20,069**	**3,125**	**218**	**203**	**17,616**	**13,716**	**172,412**	**139,710**	**69,781**	**54,977**	**10,259**	**8,205**	**13,933**	**10,503**	**16,551**	**9,312**	**1,129**	**1,050**	**2,158**	**2,011**	**–**	**–**	**324,126**	**242,812**
Gain / (Loss) on Disposal	(13)	(86)	(1)	(5)	(272)	(446)	(921)	(29)	(1,013)	(1,763)	(142)	(260)	(241)	(351)	(222)	(314)	(4)	(29)	(17)	(74)	–	–	(2,846)	(3,357)
Other Gains / (Losses)	–	–	–	–	(138)	–	(16,366)	(12,777)	(542)	–	(69)	–	(126)	–	(117)	–	–	–	–	–	–	–	(17,358)	(12,777)
Net Cost of Services	**5,273**	**1,800**	**85**	**61**	**5,989**	**4,416**	**377,568**	**332,361**	**25,300**	**16,674**	**3,597**	**2,602**	**4,760**	**2,987**	**(979)**	**2,273**	**691**	**503**	**13,008**	**10,837**	**–**	**–**	**435,292**	**374,514**
Government Contributions **																					435,108	388,695	435,108	388,695
Result for the Year																					**–**	**–**	**(184)**	**14,181**

* The name and purpose of each program is summarised in Note 16. The program statement utilises statistical data to 31 December 2007 to allocate current year's financial information to each program.

** Appropriations are made on an agency basis and not to individual program.

Notes to and forming part of the Financial Statements

HEALTH ADMINISTRATION CORPORATION (HAC) FOR THE YEAR ENDED 30 JUNE 2008

1. The Health Administration Corporation (HAC) Reporting Entity

From 17 March 2006 the Director General became responsible for providing health support services. Under Section 8A of the *Health Administration Act 1982* she has determined that HAC may exercise this function.

Health Administration Corporation consists of a number of units established under the Public Health System Support Division of Health Administration Corporation in accordance with the provisions of the *Health Services Act 1997*. These divisions are as follows:

- HealthTechnology established 1 April 2005 to provide information support to the health sector;
- NSW Institute of Medical Education and Training established 1 September 2005 to provide educational support to the health sector;
- HealthSupport established 1 November 2005 to provide financial payroll, linen, food and other health support services;
- the Ambulance Service of NSW transferred to Health Administration Corporation on 17 March 2006 after the *Ambulance Service Act 1990* was repealed;
- Health Infrastructure established 1 July 2007 to provide a broad range of asset services in connection with public health organisations, eg the management and coordination of Government approved capital works projects.

On 24 April 2007 the HealthTechnology and HealthSupport units merged to form the Health Support Service unit.

HAC as a reporting entity also encompasses the Special Purposes and Trust Funds of these units which, while containing assets which are restricted for specified uses by the grantor or the donor, are nevertheless controlled by HAC. HAC is a not for profit entity.

With effect from 17 March 2006 fundamental changes to the employment arrangements of Health Services including those reported under HAC were made through amendment to the *Public Sector Employment and Management Act 2002* and other Acts including the *Health Services Act 1997*. The status of the previous employees of HAC changed from that date. They are now employees of the Government of New South Wales in the service of the Crown rather than employees of HAC. Employees of the Government are employed in Divisions of the Government Service.

In accordance with Accounting Standards these Divisions are regarded as special purpose entities that must be consolidated with the financial report of the related Health Service. This is because the Divisions were established to provide personnel services to enable a Health Service, including HAC to exercise its functions.

As a consequence the values in the annual financial statements presented herein consist of HAC (as the parent entity), the financial report of the special purpose entity Division and the consolidated financial report for the economic entity. Notes capture both the Parent and Consolidated values with Notes 3, 4, 11, 25, 27 and 32 being especially relevant.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The Consolidated Financial report for the year ended 30 June 2008 has been authorised for issue by the Chief Financial Officer and Director General on 3 December 2008.

2. Summary of Significant Accounting Policies

HAC's financial statements are a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Health Services Act 1997* and its regulations including observation of the Accounts and Audit Determination for Area Health Services and Public Hospitals.

The consolidated entity has a deficiency of working capital of $95.128M (2007 $94.779M). Notwithstanding this deficiency the financial report has been prepared on a going concern basis because the entity has the support of the New South Wales Department of Health.

Property, plant and equipment, assets held for sale and financial assets at "fair value through profit or loss" and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

Comparative figures are, where appropriate reclassified to give meaningful comparison with the current year.

No new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application. Set out below are changes to be effected, their date of application and the possible impact on the financial report of HAC.

The following standards were operational from 1 July 2008:

AASB1004, Contributions
The requirements on contributions from AASB27, 29 and 31 have been relocated, substantially unamended in AASB4.

AASB1049, Whole of Government and General Government Sector Financial Reporting
The standard aims to provide the harmonisation of Government Finance Statistics and Generally Accepted Accounting Principles (GAAP) reporting. The impact of changes will be considered in conjunction with the reporting requirements of the Financial Reporting Code for Budget Dependent General Government Sector Agencies.

AASB1050 regarding administered items
The requirements of AAS29 have been relocated, substantially unamended and are not expected to have material effect on Health entities.

AASB1051 regarding land under roads
The standard will require the disclosure of "accounting policy for land under roads". It is expected that all such assets will need to be recognised "at fair value". The standard will have negligible impact on Health entities.

AASB1052 regarding disaggregated disclosures
The standard requires disclosure of financial information about Corporation costs and achievements. Like other standards not yet effective the requirements have been relocated from AAS29 largely unamended.

AASB2007-9 regarding amendments arising from the review of AAS27, AAS29 and AAS31
The changes made are aimed at removing the uncertainties that previously existed over cross references to other Australian Accounting Standards and the override provisions in AAS29.

The following standards are operational from 1 July 2009:

AASB3, AASB127 & AASB2008-3, Business Combinations
The changes address business combinations and the Australian Accounting Standards Board has indicated that it is yet to consider its suitability for combinations among not-for-profit entities.

AASB8 & AASB2007-3, Operating Segments
The changes do not apply to not-for-profit entities and have no application within NSW Health entities such as HAC.

AASB101 & AASB2007-8, Presentation of Financial Statements
Health agencies are currently required to present a statement of recognised income and expense and no variation is expected.

AASB123 & AASB2007-6, Borrowing Costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.

As Corporation borrowings are restricted to the Sustainable Energy Development Authority negligible impact is expected

AAS2008-1, Share Based Payments
The standard will not have application to health entities like HAC which comes under the control of the NSW Department of Health.

AASB2008-2 regarding puttable financial instruments
The standard introduces an exception to the definition of financial liability to classify as equity instruments certain puttable financial instruments and certain instruments that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation. Nil impact is anticipated.

Other significant accounting policies used in the preparation of these financial statements are as follows:

a) Employee Benefits and Other Provisions

i) Salaries & Wages, Current Annual Leave, Sick Leave and On Costs

At the consolidated level of reporting, liabilities for salaries and wages (including non monetary benefits), annual leave and paid sick leave that fall wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

All annual leave employee benefits are reported as "Current" as there is an unconditional right to payment. Current liabilities are then further classified as "Short Term" or "Long Term" based on past trends and known resignations and retirements. Anticipated payments to be made in the next twelve months are reported as "Short Term". On costs of 17% are applied to the value of leave payable at 30 June 2008, such on costs being consistent with actuarial assessment. (Comparable on costs for 30 June 2007 were 21.7% which in addition to the 17% increase also includes the impact of awards immediately payable at 30 June 2007).

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of workers' compensation insurance premiums and fringe benefits which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

ii) Long Service Leave and Superannuation Benefits

At the consolidated level of reporting, long service leave entitlements are dissected as "Current" if there is an unconditional right to payment and "Non Current" if the entitlements are conditional. Current entitlements are further dissected between "Short Term" and "Long Term" on the basis of anticipated payments for the next twelve months. This in turn is based on past trends and known resignations and retirements.

Long service leave provisions are measured on a short hand basis at an escalated rate of 8.1% (also 8.1% at 30 June 2007) for all employees with five or more years of service. Actuarial assessment has found that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

HAC's liability for the closed superannuation pool schemes (State Authorities Superannuation Scheme and State Superannuation Scheme) is assumed by the Crown Entity. HAC accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Employee Benefits". Any liability attached to Superannuation Guarantee Charge cover is reported in Note 25, "Payables".

The superannuation expense for the financial year is determined by using the formulae specified by the NSW Department of Health. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Consequential to the legislative changes of 17 March 2006 no salary costs or provisions are recognised by the Parent Entity beyond that date.

iii) Death and Disability Scheme

In February 2008 the *Ambulance Service Death and Disability Award* (the Award) was established. The Award provided death and disability benefits for eligible employees including:

- A partial and permanent disability benefit
- A total and permanent disability benefit
- A death benefit payable to the family or estate
- On and off duty and disability benefit

The Award provides that the eligible employees are required to contribute a percentage of salary. Funds are administered by Pillar Administration in respect of death and total permanent disability from February 2008 whilst death and total permanent disability for the period November 2006 to February 2008 and partial permanent disability are managed within Special Purpose and Trust Fund monies dedicated for this purpose. Actuarial advice obtained indicates inter alia that, in the absence of a significant claims history, the present cash backing is deemed appropriate. An actuarial assessment, drawing upon the greater availability of claims data, will be obtained in 2008/09.

iv) Other Provisions

Other provisions exist when the agency has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

b) Insurance

HAC's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government Agencies. The expense (premium) is determined by the Fund Manager based on past experience.

c) Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred in accordance with Treasury's mandate for general government sector agencies.

d) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Sale of Goods and Services
Revenue from the sale of goods and services comprises revenue from the provision of products or services, ie user charges. User charges are recognised as revenue when the service is provided or by reference to the stage of completion.

Investment Revenue
Interest revenue is recognised using the effective interest method as set out in AASB139, "Financial Instruments: Recognition and Measurement". Rental revenue is recognised in accordance with AASB117 "Leases" on a straight line basis over the lease term. Dividend revenue is recognised in accordance with AASB118 "Revenue" when HAC's right to receive payment is established.

Debt Forgiveness
Debts are accounted for as extinguished when and only when settlement occurs through repayment or replacement by another liability.

Grants and Contributions
Grants and Contributions are generally recognised as revenues when HAC obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

NSW Health Department Allocations
Payments are made by the NSW Department of Health on the basis of the allocation for HAC as adjusted for approved supplementations mostly for salary agreements, computer hardware/software acquisitions and approved enhancement projects. e.g for rescue services. This allocation is included in the Operating Statement before arriving at the "Result for the Year " on the basis that the allocation is earned in return for the health services provided on behalf of the Department. Allocations are normally recognised upon the receipt of Cash.

e) Accounting for the Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by HAC as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the cash flow statement on a gross basis. However the GST components of cash flows arising from investing and financing activities which is receivable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

f) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by HAC. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, ie the deferred payment amount is effectively discounted at an asset-specific rate.

Land and Buildings which are owned by the Health Administration Corporation or the State and administered by the Health Service (other than Health Technology, Health Support, the Institute of Medical Education and Training and the Ambulance Service of NSW) are deemed to be controlled by the Health Service and are reflected as such in their financial statements.

g) Capitalisation Thresholds

Individual items of property, plant & equipment, intangibles and infrastructure systems are capitalised where their cost is $10,000 or above.

h) Depreciation

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to HAC. Land is not a depreciable asset.

Details of depreciation rates initially applied for major asset categories are as follows:

Buildings 2.5%

Electro Medical Equipment
- Costing less than $200,000 ..... 10.0%
- Costing more than or equal to $200,000 ..... 12.5%

Computer Equipment 20.0%

Infrastructure Systems 2.5%

Passenger Motor VehicleS	12.5%
Office Equipment	10.0%
Plant and Machinery	10.0%
Linen	25.0%
Furniture, Fittings and Furnishings	5.0%
Ambulance Vehicles	11.75%
Trucks and Vans	20.0%

Depreciation rates are subsequently varied where changes occur in the assessment of the remaining useful life of the assets reported.

"Infrastructure Systems" means assets that comprise public facilities which provide essential services and enhance the productive capacity of the economy including roads, bridges, water infrastructure and distribution works, sewage treatment plants, seawalls and water reticulation systems.

i) Revaluation of Non Current Assets

Physical non-current assets are valued in accordance with the NSW Department of Health's "Valuation of Physical Non-Current Assets at Fair Value". This policy adopts fair value in accordance with AASB116, "Property, Plant & Equipment" and AASB140, "Investment Property".

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

HAC revalues Land and Buildings at minimum every three years by independent valuation and with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. To ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date, indices provided in expert advice from the Department of Lands are applied for assets not valued by independent valuation in the current year. The indices reflect an assessment of movements in the period between revaluations. Values assigned to Land & Buildings and Infrastructure have been modified accordingly.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Result for the Year, the increment is recognised immediately as revenue in the Result for the Year.

Revaluation decrements are recognised immediately as expenses in the Result for the Year, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

j) Impairment of Property, Plant and Equipment

As a not-for-profit entity HAC is effectively exempted from AASB 136 "Impairment of Assets" and impairment testing. This is because AASB136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are regarded as material. Selling costs are regarded as immaterial.

k) Non Current Assets (or disposal groups) Held for Sale

HAC has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

l) Intangible Assets

HAC recognises intangible assets only if it is probable that future economic benefits will flow to HAC and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or

nominal cost, the cost is its fair value as at the date of acquisition. All research costs are expensed. Development costs are only capitalised when certain criteria are met. The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for HAC's intangible assets, the assets are carried at cost less any accumulated amortisation. HAC's intangible assets are amortised using the straight line method over a period of 5 years [for items of computer software]. In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity HAC is effectively exempted from impairment testing (see Note 2[j])

m) Maintenance

Day to day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset in which case the costs are capitalised and depreciated.

n) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

o) Inventories Held for Distribution

Inventories are stated at cost. Costs are assigned to individual items of stock mainly on the basis of weighted average costs.

Obsolete items are disposed of in accordance with instructions issued by the NSW Department of Health.

p) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowence for any impairement of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount the effect of discounting is immaterial.

q) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs.

HAC determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Fair value through profit or loss - HAC subsequently measures investments classified as "held for trading" or designated upon initial recognition "at fair value through profit or loss" at fair value. Financial assets are classified as "held for trading" if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses of these assets are recognised in the operating statement.

The Hour-Glass Investment facilities are designed at fair value through profit or loss using the second leg of the fair value option ie these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the agency's key management personnel.

The risk management strategy of HAC has been developed consistent with the investment powers granted under the provision of Public Authorities (Financial Arrangements) Act. T Corp investments are permissable in an effort to improve interest returns on cash balances otherwise available whilst also providing secure investments guaranteed by the State market exposure.

r) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the operating statement.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the operating statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the operating statement.

Any reversals of impairment losses are reversed through the operating statement, where there is objective evidence, except reversals of impairment losses on an investment in

an equity instrument classified as "available for sale" must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

s) De-recognition of Financial Assets and Financial Liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if HAC transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where HAC has not transferred substantially all the risks and rewards if the entity has not retained control.

Where HAC has neither transferred nor retained substantially all the risks and rewards or transferred control the asset is recognised to the extent of the HAC's continuing involvement in the asset.

A financial liability is recognised when the obligation specified in the contract is discharged or cancelled or expires.

t) Payables

These amounts represent liabilities for goods and services provided to HAC and its controlled entities and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

u) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the operating statement on derecognition.

v) Budgeted Amounts

The budgeted amounts are drawn from budgets agreed with the NSW Department of Health at the beginning of the financial year and with any adjustments for the effects of additional supplementation provided.

w) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies is designated as a contribution by owners and is recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Australian Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities.

Transfers arising from an administrative restructure to HAC from Health Services/Government Departments are recognised at the amount at which the asset was recognised by the transferor Health Service/Government Department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value.

2007/08 Equity Transfer

Information Technology assets of $1.089M transferred from Sydney West Area Health Service in respect of services now provided by Health Support Service.

2006/07 Equity Transfer

The responsibility for the operation of Linen Services transferred to HealthSupport in 2006/07. This resulted in net assets of $60.631M being transferred from the Health Services and the Department of Health to HAC, under Section 126B of the *Health Services Act*. Information Technology assets of $2.077M were also transferred from the Department in respect of services now provided by Health Technology.

x) Trust Funds

HAC receives monies in a trustee capacity for various trusts as set out in Note 36. As HAC performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of HAC's own objectives, they are not brought to account in the financial statements.

y) Summary of Capital Management

With effect from 1 July 2008 project management for all capital projects over $10M will be provided by Health Infrastructure, a division of HAC created with the purpose of managing and coordinating approved capital works projects within time, budget and quality standards specified by the NSW Department of Health.

3. Employee Related

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Employee related expenses comprise the following:		
–	–	Salaries and Wages	342,277	288,393
–	–	Superannuation [see note 2(a)] – defined benefit plans	11,006	10,486
–	–	Superannuation [see note 2(a)] – defined contribution plans	20,219	17,192
–	–	Long Service Leave [see note 2(a)]	12,373	10,640
–	–	Annual Leave [see note 2(a)]	35,717	32,819
–	–	Redundancies	21	10
–	–	Workers Compensation Insurance	21,928	12,171
–	–	Fringe Benefits Tax	382	155
–	**–**		**443,923**	**371,866**
		The following additional information is provided:		
–	–	Employee Related Expenses capitalised – Plant and Equipment	6,022	6,022

4. Personnel Services

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Personnel Services comprise the purchase of the following:		
342,277	288,393	Salaries and Wages	–	–
11,006	10,486	Superannuation [see note 2(a)] – defined benefit plans	–	–
20,219	17,192	Superannuation [see note 2(a)] – defined contributions	–	–
12,373	10,640	Long Service Leave [see note 2(a)]	–	–
35,717	32,819	Annual Leave [see note 2(a)]	–	–
21	10	Redundancies	–	–
21,928	12,171	Workers Compensation Insurance	–	–
382	155	Fringe Benefits Tax	–	–
443,923	**371,866**		**–**	**–**

5. Other Operating Expenses

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
10,973	6,801	Domestic Supplies and Services	10,973	6,801
724	646	Food Supplies	724	646
4,901	3,540	Fuel, Light and Power	4,901	3,540
50,261	46,268	General Expenses (See (a) below)	50,261	46,268
46,875	43,520	Information Management Expenses	46,875	43,520
2,557	2,215	Insurance	2,557	2,215
		Maintenance (See (b) below)		
3,129	4,712	– Maintenance Contracts	3,129	4,712
7,987	6,715	– New/Replacement Equipment under Capitalisation threshold	7,987	6,715
15,452	13,058	– Repairs	15,452	13,058
1	116	– Maintenance/Non Contract	1	116
2,855	1,615	– Other	2,855	1,615
8,501	7,326	Medical and Surgical Supplies	8,501	7,326
8,172	7,585	Postal and Telephone Costs	8,172	7,585
1,716	1,368	Printing and Stationery	1,716	1,368
1,778	1,287	Rates and Charges	1,778	1,287
4,073	3,636	Rental	4,073	3,636
1,512	1,171	Staff Related Costs	1,512	1,171
50,011	38,523	Ambulance Aircraft Expenses	50,011	38,523
3,981	2,327	Travel Related Costs	3,981	2,327
29	–	Special Service Departments	29	–
225,488	**192,429**		**225,488**	**192,429**

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		(a) General Expenses include:		
553	322	Advertising	553	322
53	–	Catering Costs	53	–
207	385	Books, Magazines and Journals	207	385
736	638	Legal Expenses	736	638
1,452	1,205	Consultancies, Operating Activities	1,452	1,205
1,207	844	Courier and Freight	1,207	844
278	216	Auditor's Remuneration – Audit of financial reports	278	216
22,608	19,986	Motor Vehicle Operating Lease Expense – minimum lease payments	22,608	19,986
391	252	Other Operating Lease Expense – minimum lease payments	391	252
7,094	8,235	Vehicle Registration/ other Motor vehicle expenses	7,094	8,235
22	69	Payroll Services	22	69
203	154	Data Recording and Storage	203	154
		(b) Reconciliation Total Maintenance		
29,424	25,991	Maintenance expense – contracted labour and other (non employee related), included in Note 5	29,424	25,991
5,141	6,022	Employee related/Personnel Services maintenance expense included in Notes 3 and 4	5,141	6,022
34,565	**32,013**	**Total maintenance expenses included in Notes 3, 4 and 5**	**34,565**	**32,013**

6. Depreciation and Amortisation

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
6,777	6,749	Depreciation – Buildings	6,777	6,749
32,741	20,884	Depreciation – Plant and Equipment	32,741	20,884
20	–	Amortisation – Leasehold Buildings	20	–
11,802	8,287	Amortisation – Intangible Assets	11,802	8,287
51,340	**35,920**		**51,340**	**35,920**

7. Grants and Subsidies

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
588	569	Non Government Voluntary Organisations	588	569
17,035	287	Other	17,035	287
17,623	**856**		**17,623**	**856**

8. Finance Costs

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
840	121	Interest	840	121
840	**121**		**840**	**121**

9. Sale of Goods and Services

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
246	234	Fees for Medical Records	246	234
144,128	115,202	Patient Transport Fees	144,128	115,202
2,489	2,040	Use of Ambulance Facilities	2,489	2,040
250	161	Salary Packaging Fee	250	161
61,975	51,266	Shared Corporate Services	61,975	51,266
81,792	60,889	Other – Linen Service Revenues	81,792	60,889
14,948	642	Other	14,948	642
305,828	**230,434**		**305,828**	**230,434**

10. Investment Revenue

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
2,330	1,409	Interest from financial assets not at fair value through profit or loss	2,330	1,409
666	610	Lease and Rental Revenue	666	610
2,996	**2,019**		**2,996**	**2,019**

11. Grants and Contributions

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
102	1,226	Industry Contributions/Donations	102	1,226
15,649	10,591	Other Grants	4,643	105
15,751	**11,817**		**4,745**	**1,331**

12. Other Revenue

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Other Revenue comprises the following:		
–	219	Bad Debts recovered	–	219
49	51	Conference and Training Fees	49	51
35	10	Sale of Merchandise	35	10
5,352	6,844	Treasury Managed Fund Hindsight Adjustment	5,352	6,844
5,121	1,904	Other	5,121	1,904
10,557	**9,028**		**10,557**	**9,028**

13. Gain/(Loss) on Disposal of Non Current Assets

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
28,633	24,970	Property Plant and Equipment	28,633	24,970
(25,321)	(20,745)	Less Accumulated Depreciation	(25,321)	(20,745)
3,312	**4,225**	**Written Down Value**	**3,312**	**4,225**
(1,098)	(503)	Less Proceeds from Disposal	(1,098)	(503)
(2,214)	**(3,722)**	**Gain/(Loss) on Disposal of Property Plant and Equipment**	**(2,214)**	**(3,722)**
226	–	Intangibles	226	–
–	–	Less Proceeds from Disposal	–	–
(226)	**–**	**Loss on disposal of Intangible Assets**	**(226)**	**–**
705	273	Assets Held for Sale	705	273
(299)	(638)	Less Proceeds from Disposal	(299)	(638)
(406)	**365**	**Gain/(Loss) on Disposal of Assets Held for Sale**	**(406)**	**365**
(2,846)	**(3,357)**	**Total Gain/(Loss) on Disposal**	**(2,846)**	**(3,357)**

14. Other Gains/(Losses)

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
(17,358)	(12,777)	Impairment of Receivables	(17,358)	(12,777)
(17,358)	**(12,777)**		**(17,358)**	**(12,777)**

15. Conditions on Contributions

	PARENT AND CONSOLIDATED		
	Purchase of Assets ($000)	Other ($000)	Total ($000)
Contributions recognised as revenues during the current reporting period for which expenditure in the manner specified had not occurred as at balance date	8	9,526	9,534
Contributions recognised in previous years which were not expended in the current financial year	229	204	433
Total amount of unexpended contributions as at balance date	**237**	**9,730**	**9,967**

Comment on restricted assets appears in Note 24.

16. Programs/Activities of the Health Administration Corporation

Program 1.1 - Primary and Community Based Services

Objective: To improve, maintain or restore health through health promotion, early intervention, assessment, therapy and treatment services for clients in a home or community setting.

Program 1.2 - Aboriginal Health Services

Objective: To raise the health status of Aborigines and to promote a healthy life style.

Program 1.3 - Outpatient Services

Objective: To improve, maintain or restore health through diagnosis, therapy, education and treatment services for ambulant patients in a hospital setting.

Program 2.1 - Emergency Services

Objective: To reduce the risk of premature death and disability for people suffering injury or acute illness by providing timely emergency diagnostic, treatment and transport services.

Program 2.2 - Overnight Acute Inpatient Services

Objective: To restore or improve health and manage risks of illness, injury and childbirth through diagnosis and treatment for people intended to be admitted to hospital on an overnight basis.

Program 2.3 - Same Day Acute Inpatient Services

Objective: To restore or improve health and manage risks of illness, injury and childbirth through diagnosis and treatment for people intended to be admitted to hospital and discharged on the same day.

Program 3.1 - Mental Health Services

Objective: To improve the health, well being and social functioning of people with disabling mental disorders and to reduce the incidence of suicide, mental health problems and mental disorders in the community.

Program 4.1 - Rehabilitation and Extended Care Services

Objective: To improve or maintain the well being and independent functioning of people with disabilities or chronic conditions, the frail and the terminally ill.

Program 5.1 - Population Health Services

Objective: To promote health and reduce the incidence of preventable disease and disability by improving access to opportunities and prerequisites for good health.

Program 6.1 - Teaching and Research

Objective: To develop the skills and knowledge of the health workforce to support patient care and population health. To extend knowledge through scientific enquiry and applied research aimed at improving the health and well being of the people of New South Wales.

17. Cash and Cash Equivalents

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
10,890	12,455	Cash at bank and on hand	10,890	12,455
39,449	17,002	Short Term Deposits	39,449	17,002
50,339	**29,457**		**50,339**	**29,457**
		Cash and cash equivalent assets recognised in the Balance Sheet are reconciled to cash at the end of the financial year to the Cash Flow Statement as follows:		
50,339	29,457	Cash and cash equivalents (per Balance Sheet)	50,339	29,457
(117)	–	Bank overdraft *	(117)	–
50,222	**29,457**	**Closing Cash and Cash Equivalents (per Cash Flow Statement)**	**50,222**	**29,457**

* HAC divisions are not allowed to operate bank overdraft facilities. The amounts disclosed as "bank overdrafts" meet Australian Accounting Standards reporting requirements, however the relevant controlled divisions of HAC are in effect utilising and operating commercially available banking facility arrangements to their best advantage. The total of these facilities is a credit balance which is inclusive of cash at bank and investments.

Refer to Note 37 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

18. Receivables

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
5,627	13,884	(a) Sale of Goods and Services	5,627	13,884
28,745	24,963	Patient Transport fee	28,745	24,963
2,726	377	Leave Mobility	2,726	377
6,139	7,002	Goods and Services Tax	6,139	7,002
6,088	7,229	NSW Department of Health	6,088	7,229
2,437	2,235	Other Debtors	2,437	2,235
18,616	8,558	Intra Health	18,616	8,558
70,378	64,248	Sub Total	70,378	64,248
(20,680)	(15,629)	Less Allowance for impairment	(20,680)	(15,629)
49,698	48,619	Sub Total	49,698	48,619
12,693	6,239	Prepayments	12,693	6,239
62,391	**54,858**		**62,391**	**54,858**
		(b) Movement in the allowance for impairment Sale of Goods & Services		
(15,629)	(14,384)	Balance at 1 July	(15,629)	(14,384)
12,307	11,532	Amounts written off during the year	12,307	11,532
(17,358)	(12,777)	(Increase)/decrease in allowance recognised in profit or loss	(17,358)	(12,777)
(20,680)	**(15,629)**	**Balance at 30 June**	**(20,680)**	**(15,629)**
		Non Current		
2,751	652	Prepayments	2,751	652
2,751	**652**		**2,751**	**652**

As indicated in Note 2 (r) an allowance for impairment of receivables is recognised when there is objective evidence that the entity will not be able to collect all amounts due.

Details regarding credit risk, liquidity risk including financial assets that are either past due or impaired are disclosed in Note 37.

19. Inventories

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current – at cost		
702	627	Medical and Surgical Supplies	702	627
2,788	1,171	Motor Vehicle Parts and Other	2,788	1,171
3,490	**1,798**		**3,490**	**1,798**

20. Non Current Assets or Disposal Groups Held for Sale

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
2,880	2,426	Assets Held for Sale Land and Buildings	2,880	2,426
2,880	**2,426**		**2,880**	**2,426**

21. Other Financial Assets

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
2,809	**1,763**	**Advances Receivable – Intra Health**	**2,809**	**1,763**
		Non Current		
6,526	**6,173**	**Advances Receivable – Intra Health**	**6,526**	**6,173**

Refer Note 37 for further information regarding credit risk, liquidity risk and market risk arising from financial instruments.

22. Property, Plant and Equipment

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Land and Buildings		
359,396	337,349	Gross Carrying Amount	359,396	337,349
(173,690)	(153,986)	Less Accumulated depreciation and impairment	(173,690)	(153,986)
185,706	**183,363**	**Net Carrying Amount at Fair Value**	**185,706**	**183,363**
		Plant and Equipment		
215,042	210,604	Gross Carrying Amount	215,042	210,604
(117,504)	(100,630)	Less Accumulated depreciation and impairment	(117,504)	(100,630)
97,538	**109,974**	**Net Carrying Amount at Fair Value**	**97,538**	**109,974**
		Infrastructure Systems		
180	180	Gross Carrying Amount	180	180
(84)	(84)	Less Accumulated depreciation and impairment	(84)	(84)
96	**96**	**Net Carrying Amount at Fair Value**	**96**	**96**
283,340	**293,433**	**Total Property, Plant and Equipment Net Carrying Amount at Fair Value**	**283,340**	**293,433**

22. Property, Plant and Equipment Reconciliations

PARENT AND CONSOLIDATED	Land ($000)	Buildings ($000)	Leasehold Buildings ($000)	Plant and Equipment ($000)	Infrastructure Systems ($000)	Total ($000)
2008						
Carrying amount at start of year	67,329	116,034	–	109,974	96	293,433
Additions	–	10,115	–	16,848	–	26,963
Revaluations	457	6,497	–	–	–	6,954
Asset Held for Sale	(533)	(628)	–	–	–	(1,161)
Disposals	–	–	–	(3,311)	–	(3,311)
Reclassifications	(23)	(6,921)	175	6,769	–	–
Depreciation expense	–	(6,776)	(20)	(32,742)	–	(39,538)
Net Carrying amount at end of year	**67,230**	**118,321**	**155**	**97,538**	**96**	**283,340**

PARENT AND CONSOLIDATED	Land ($000)	Buildings ($000)	Leasehold Buildings ($000)	Plant and Equipment ($000)	Infrastructure Systems ($000)	Total ($000)
2007						
Carrying amount at start of year	60,072	102,466	–	63,818	–	226,356
Additions	493	4,114	–	32,254	–	36,861
Asset Held for Sale	(524)	(559)	–	–	–	(1,083)
Disposals	(419)	–	–	(3,806)	–	(4,225)
Administrative restructures – transfers in (out)	7,185	19,049	–	36,827	96	63,157
Reclassifications	522	(2,287)	–	1,765	–	–
Depreciation expense	–	(6,749)	–	(20,884)	–	(27,633)
Net Carrying amount at end of year	**67,329**	**116,034**	**–**	**109,974**	**96**	**293,433**

Land and Buildings for the Ambulance Service of NSW were revalued by the NSW Department of Commerce, Property Valuation Services as at 31 May 2006. In 2007/08 advice was obtained from the Department of Lands of the percentage movements that have occurred throughout NSW in the period 1 July 2006 to 30 June 2008. Such indices have been applied to ensure fair value measurement.

Land and Buildings for Health Support were revalued by the Department of Lands on 31 March 2008.

23. Intangible Assets

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Software		
116,717	84,626	Gross Carrying Amount	116,717	84,626
(44,809)	(33,007)	Less Accumulated Amortisation and Impairment	(44,809)	(33,007)
71,908	**51,619**	**Total Intangible Assets**	**71,908**	**51,619**

23. Intangibles – Reconciliation

PARENT AND CONSOLIDATED		
2008	**Software ($000)**	**Total ($000)**
Net Carrying amount at start of year	51,619	51,619
Additions (from internal development)	32,317	32,317
Disposals	(226)	(226)
Amortisation (recognised in depreciation and amortisation)	(11,802)	(11,802)
Net Carrying amount at end of year	**71,908**	**71,908**

PARENT AND CONSOLIDATED		
2007	**Software ($000)**	**Total ($000)**
Net Carrying amount at start of year	46,080	46,080
Additions (from internal development)	13,826	13,826
Amortisation (recognised in depreciation and amortisation)	(8,287)	(8,287)
Net Carrying amount at end of year	**51,619**	**51,619**

24. Restricted Assets

PARENT			CONSOLIDATED	
2008 ($000)	**2007 ($000)**		**2008 ($000)**	**2007 ($000)**
		Category		
9,967	2,240	Specific Purposes	9,967	2,240
9,967	**2,240**		**9,967**	**2,240**

The assets are only available for application in accordance with the terms and conditions of the donor restrictions.

25. Payables

PARENT			CONSOLIDATED	
2008 ($000)	**2007 ($000)**		**2008 ($000)**	**2007 ($000)**
		Current		
–	–	Accrued Salaries, Wages and On-Costs	9,178	5,797
–	–	Payroll Deductions	6,705	5,274
40,404	34,712	Creditors	40,404	34,712
		Other Creditors		
7,044	1,119	– Capital Works	7,044	1,119
4,044	1,565	– Intra Health Liability	4,044	1,565
9,163	9,302	– Other	9,163	9,302
15,883	11,071	Personnel Service Liability	–	–
76,538	**57,769**		**76,538**	**57,769**

Details regarding credit risk, liquidity risk and market risk including a maturity analysis of the above payables are disclosed in Note 37.

26. Borrowings

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
117	–	Bank Overdraft	117	–
2,220	3,420	Loans and Deposits – NSW Department of Health	2,220	3,420
2,337	**3,420**		**2,337**	**3,420**
		Non Current		
6,812	3,093	Loans and Deposits – NSW Department of Health	6,812	3,093
6,812	**3,093**		**6,812**	**3,093**

Details regarding credit risk, liquidity risk and market risk including a maturity analysis of the above borrowings are disclosed in Note 37.

27. Provisions

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current Employee benefits and related on-costs		
–	–	Annual Leave – Short Term Benefit	34,509	27,331
–	–	Annual Leave – Long Term Benefit	25,488	25,990
–	–	Long Service Leave – Short Term Benefit	7,936	6,887
–	–	Long Service Leave – Long Term Benefit	69,222	61,260
137,155	121,468	Provision for Personnel Services Liability	–	–
137,155	**121,468**	**Total Current Provisions**	**137,155**	**121,468**
		Non Current Employee benefits and related on-costs		
–	–	Employee Long Service Leave – Conditional	4,433	3,716
–	–	Sick Leave	50	46
4,483	3,762	Provision for Personnel Services Liability	–	–
4,483	**3,762**	**Total Non Current Provisions**	**4,483**	**3,762**
		Aggregate Employee Benefits and Related on-costs		
137,155	121,468	Provisions – current	137,155	121,468
4,483	3,762	Provisions – non-current	4,483	3,762
–	–	Accrued Salaries and Wages and on costs (Note 25)	15,883	11,071
15,883	11,071	Accrued Liability – Purchase of Personnel Services (Note 25)	–	–
157,521	**136,301**		**157,521**	**136,301**

As indicated in Note 2 a) (i) and (ii) leave is classified as current if the employee has an unconditional right to payment. Short Term/ Long Term Classification is dependent on whether or not payment is anticipated within the next twelve months.

28. Other Liabilities

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		Current		
1,007	2,424	Income in Advance	1,007	2,424
1,007	**2,424**		**1,007**	**2,424**

29. Parent and Consolidated

CHANGES IN EQUITY		ACCUMULATED FUNDS		ASSET REVALUATION RESERVE		TOTAL EQUITY	
	Notes	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)	2008 ($000)	2007 ($000)
Balance at the beginning of the Financial Year		208,947	132,058	41,296	41,296	250,243	173,354
Changes in equity – transactions with owners as owners							
Increase in Net Assets from Administrative Restructure	33	1,089	62,708	–	–	1,089	62,708
Total		**210,036**	**194,766**	**41,296**	**41,296**	**251,332**	**236,062**
Changes in equity – other than transactions with owners as owners							
Result for the year		(184)	14,181	–	–	(184)	14,181
Increment/(Decrement) on Revaluation of: Land and Buildings	22	–	–	6,954	–	6,954	–
Total		**(184)**	**14,181**	**6,954**	**–**	**6,770**	**14,181**
Balance at the end of the Financial Year		**209,852**	**208,947**	**48,250**	**41,296**	**258,102**	**250,243**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non current assets. This accords with the Department of Health's policy on the "Revaluation of Physical Non Current Assets" and "Investments", as discussed in Note 2(i).

30. Commitments for Expenditure

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		(a) Capital Commitments Aggregate capital expenditure for the acquisition of land and buildings, plant and equipment, infrastructure and intangible assets contracted for at balance date and not provided for :		
34,962	834	Not later than one year	34,962	834
34,265	–	Later than one year and not later than five years	34,265	–
69,227	**834**	**Total Capital Expenditure Commitments (including GST)**	**69,227**	**834**
		(b) Other Expenditure Commitments Aggregate other expenditure contracted for the acquisition of ambulance transports and information technology supplies at balance date but not provided for in the accounts:		
33,859	27,511	Not later than one year	33,859	27,511
84,039	71,760	Later than one year and not later than five years	84,039	71,760
19,259	33,810	Later than five years	19,259	33,810
137,157	**133,081**	**Total Other Expenditure Commitments (including GST)**	**137,157**	**133,081**

30. Commitments for Expenditure (continued)

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
		(c) Operating Lease Commitments		
		Commitments in relation to non-cancellable operating leases are payable as follows:		
28,974	24,947	Not later than one year	28,974	24,947
61,911	52,345	Later than one year and not later than five years	61,911	52,345
1,383	241	Later than five years	1,383	241
92,268	**77,533**	**Total Operating Lease Commitments (including GST)**	**92,268**	**77,533**

(d) Contingent Asset related to Commitments for Expenditure

The Total "Expenditure Commitments" above includes input tax credits of $25.895 million for 2007/08 in relation to both Parent and Consolidated entities that are expected to be recoverable from the Australian Taxation Office. The comparatives for 2006/07 are $19.223 million for both the Parent and Consolidated entities.

31. Contingent Liabilities

a) Claims on Managed Fund

Since 1 July 1989, the Ambulance Service of NSW (established as a division of HAC with effect from 17 March 2006) has been a member of the NSW Treasury Managed Fund. Other divisions of HAC are also covered from the time of their inception. The Fund will pay to or on behalf of HAC all sums which it shall become legally liable to pay by way of compensation or legal liability if sued except for employment related, discrimination and harassment claims that do not have statewide implications. The costs relating to such exceptions are to be absorbed by HAC. As such, since 1 July 1989, apart from the exceptions noted above no contingent liabilities exist in respect of liability claims against HAC. A Solvency Fund (now called Pre-Managed Fund Reserve) was established to deal with the insurance matters incurred before 1 July 1989 that were above the limit of insurance held or for matters that were incurred prior to 1 July 1989 that would have become verdicts against the State. That Solvency Fund will likewise respond to all claims against HAC.

b) Workers Compensation Hindsight Adjustment

Treasury Managed Fund normally calculates hindsight premiums each year. However, in regard to workers compensation the final hindsight adjustment for the 2001/02 fund year and an interim adjustment for the 2003/04 fund year were not calculated until 2007/08. As a result, the 2002/03 final and 2004/05 interim hindsight calculations applicable to the Ambulance Service of NSW will be paid in 2008/09.

32. Reconciliation Of Net Cost Of Services To Net Cash Flows from Operating Activities

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
74,263	70,522	Net Cash Flows from Operating Activities	74,263	70,522
(51,340)	(35,920)	Depreciation	(51,340)	(35,920)
(17,358)	(12,777)	Allowance for Impairment	(17,358)	(12,777)
–	–	Acceptance by the Crown Entity of Employee Superannuation Benefits	(11,006)	(10,486)
(16,408)	(26,299)	(Increase) in Provisions	(16,408)	(26,299)
1,692	(83)	Increase/ (Decrease) in Inventories	1,692	(83)
18,437	34,521	Increase/ (Decrease) in Receivables	18,437	34,521
8,669	(3,095)	Increase / (Decrease) in Prepayments and Other Assets	8,669	(3,095)
(15,293)	(16,560)	(Increase) /Decrease in Creditors	(15,293)	(16,560)
(359,667)	(315,896)	NSW Department of Health Recurrent Allocations	(359,667)	(315,896)
(64,435)	(55,084)	NSW Department of Health Capital Allocations	(64,435)	(55,084)
(2,846)	(3,357)	Net Gain/ (Loss) on Disposal of Non-Current Assets	(2,846)	(3,357)
(424,286)	**(364,028)**	**Net Cost of Services**	**(435,292)**	**(374,514)**

33. Non Cash Financing and Investing Activities

PARENT			CONSOLIDATED	
2008 ($000)	2007 ($000)		2008 ($000)	2007 ($000)
1,089	–	Assets Received by Administrative Transfer	1,089	–

34. Unclaimed Monies Consolidated

Unclaimed salaries and wages are paid to the credit of the Department of Industrial Relations and Employment in accordance with the provisions of the *Industrial Arbitration Act 1940*, as amended.

35. Budget Review - Parent and Consolidated

Net Cost of Services

The actual Net Cost of Services was $435.3 million which closely approximated the budget of $440.3 million after offsets between expenses and revenue.

Result for the Year

The result for the year was $0.2 million loss, ie a variation of $10.8 million from the budget due principally to a $15.8 millon reduction in capital allocation because of anticipated reductions in 2007/08 capital expenditure.

Assets and Liabilities

The variation from budget is $3.8 million. Principal movements occurring in 2007/08 were an increase of intra health receivables of $10.1 million, a decrease in Property, Plant & Equipment and Intangible asset acquisitions ($5.7 million) and an increase in creditors ($15.5 million).

Cash Flows

Cash decreased by only $0.661 million reflecting a combination of Net Cashflows from Operating Activities ($5.032 million), Net Cashflows from Financing Activities ($5.934 million) and Net Cashflows from Investing Activities $10.305 million.

36. Trust Funds - Parent and Consolidated

HAC holds trust fund monies of **$0.301 million** which relate to refundable deposits received for future course attendances. These monies are excluded from the financial statements as HAC cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account.

REFUNDABLE DEPOSITS		
	2008 ($000)	2007 ($000)
Cash Balance at the beginning of the financial reporting period	–	–
Receipts	301	–
Expenditure	–	–
Cash Balance at the end of the financial reporting period	**301**	**–**

37. Financial Instruments

HAC's principal financial instruments are outlined below. These financial instruments arise directly from HAC operations or are required to finance its operations. HAC does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

HAC's main risks arising from financial instruments are outlined below, together with HAC's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Director-General has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced to set risk limits and controls and monitor risks. Compliance with policies is reviewed by Audit Committees/ Internal auditors on a continuous basis.

(a) Financial Instrument Categories

PARENT		Total Carrying Amounts as per the Balance Sheet	
CLASS	CATEGORY	2008 ($000)	2007 ($000)
Financial Assets			
Cash and Cash Equivalents (Note 17)	N/A	50,222	29,457
Receivables at Amortised Cost (note 18)[1]	Loans & Receivables (amortised costs)	43,559	41,617
Other Financial Assets (Note 21)	Loans & Receivables (amortised costs)	9,335	7,936
Total Financial Assets		**103,116**	**79,010**
Financial Liabilities			
Borrowings (Note 26)	Financial liability measured at amortised cost	9,149	6,513
Payables (Note 25) [2]	Financial liability measured at amortised cost	75,339	56,239
Total Financial Liabilities		**84,548**	**62,752**

Notes: 1 Excludes statutory receivables and prepayments (ie not within scope of AASB 7).
2 Excludes unearned revenue (ie not within scope of AASB 7)

CONSOLIDATED		Total Carrying Amounts as per the Balance Sheet	
CLASS	CATEGORY	2008 ($000)	2007 ($000)
Financial Assets			
Cash and Cash Equivalents (note 17)	N/A	50,222	29,457
Receivables at Amortised Cost (note 18)[1]	Loans & Receivables (amortised cost)	43,559	41,617
Other Financial Assets (Note 21)	Loans & Receivables (amortised cost)	9,335	7,936
Total Financial Assets		**103,116**	**79,010**
Financial Liabilities			
Borrowings (Note 26)	Financial liability measured at amortised cost	9,149	6,513
Payables (Note 25)[2]	Financial liability measured at amortised cost	75,399	56,239
Total Financial Liabilities		**84,548**	**62,752**

Notes: 1 Excludes statutory receivables and prepayments (ie not within scope of AASB 7).
2 Excludes unearned revenue (ie not within scope of AASB 7)

(b) Credit Risk

Credit risk arises when there is the possibility of the Entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the Entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Entity i.e receivables. No collateral is held by HAC nor has it granted any financial guarantees.

Credit risk associated with HAC's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash
Cash comprises cash on hand and bank balance deposited in accordance with Public Authorities (Financial Arrangements) Act approvals. Interest is earned on daily bank balances at rates between 6.58 and 7.86% in 2007/08 compared to 5.87 to 6.05% in the previous year. The TCorp Hour Glass cash facility is discussed in para (d) below.

Receivables - trade debtors
All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Procedures as established in the NSW Department of Health Accounting Manual and Fee Procedures Manual are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect the amounts due. The evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. No interest is earned in trade debtors.

HAC is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2008:$17.830M; 2007: $11.787M) are not considered impaired and these represent 33.6% (24.9% for 2007) of the total trade debtors. In addition Compensables charges are frequently not settled within 6 months of the date of the service provision due to the length of time it takes to settle legal claims. Most of the debtors relate to Ambulance Transport of private individuals. Ambulance invoices are generally issued under 21 day payment terms.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the balance category of the balance sheet. Ambulance Transports represent the majority of financial assets that are past due or impaired.

2008	TOTAL PAST DUE BUT NOT IMPAIRED ($000)	CONSIDERED IMPAIRED ($000)
<3 months overdue	6,782	13,588
3 months - 6 months overdue	4,890	5,453
> 6 months overdue	2,806	1,639
2007	**TOTAL PAST DUE BUT NOT IMPAIRED ($000)**	**CONSIDERED IMPAIRED ($000)**
<3 months overdue	12,633	10,369
3 months - 6 months overdue	4,017	4,269
> 6 months overdue	3,339	991

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7.

Authority Deposits

HAC has placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits vary. The deposits at balance date were earning an average interest rate of 7.7% (2007- 6.3%), while over the year the weighted average interest rate was 7.3% (2007- 6.4%) on a weighted average balance during the year of $8.513 million (2007 - $3.348 million). None of these assets are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that HAC will be unable to meet its payment obligations when they fall due. HAC through its constituent units continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

HAC has negotiated no loan outside of arrangements with the NSW Department of Health or the Sustainable Energy Development Authority.

During the current and prior year, there were no defaults or breaches on any loans or payable. No assets have been pledged as collateral. HAC's exposure to liquidity risk is considered significant. However the risk is minimised as the NSW Department of Health has indicated its ongoing financial support to the Health Administration Corporation (Refer Note 2).

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Department of Health. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of HAC financial liabilities together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	INTEREST RATE EXPOSURE				MATURITY DATES		Weighted Average Effective Interest Rate
2008	Fixed Interest Rate (%)	Variable Interest Rate (%)	Fixed Interest Rate ($000)	Non-Interest Bearing ($000)	< 1 Yr ($000)	1-5 Yrs ($000)	
Payables:							
Accrued Salaries, Wages	–	–	–	9,178	9,178	–	–
Payroll Deductions	–	–	–	6,705	6,705	–	–
Creditors	–	–	–	60,655	60,655	–	–
Borrowings:							
Bank Overdraft[1]	–	–	–	117	117	–	–
Other Loans and Deposits	5.97	–	9,032	–	2,220	6,812	5.97
Total			9,032	76,655	78,875	6,812	

Notes:
1 The bank overdraft of $0.117M was only a cash book overdraft and not an overdraft in the bank account. No interest charge is therefore applicable.

Maturity Analysis and interest rate exposure of financial liabilities

2007	INTEREST RATE EXPOSURE				MATURITY DATES		Weighted Average Effective Int. Rate
	Fixed Interest Rate (%)	Variable Interest Rate (%)	Fixed Interest Rate ($000)	Non-Interest Bearing ($000)	< 1 Yr ($000)	1-5 Yrs ($000)	
Payables:							
Accrued Salaries, Wages	–	–	–	5,797	5,797	–	–
Payroll Deductions	–	–	–	5,274	5,274	–	–
Creditors	–	–	–	46,698	46,698	–	–
Borrowings:							
Other Loans and Deposits	5.97	–	6,513	–	3,420	3,093	5.97
Total			6,513	57,769	61,189	3,093	

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. HAC's exposures to market risk are primarily through interest rate risk on its borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. HAC has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which HAC operates and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2007. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises primarily through HAC's cash and cash equivalents.

HAC is not permitted to borrow external to the NSW Department of Health (Sustainable Energy Development Authority loans which are negotiated through Treasury excepted). Both SEDA and NSW Department of Health loans are set at fixed rates and therefore are generally not affected by fluctuations in market rates. For financial instruments a reasonably possible change of +/-1% is consistent with trends in interest. HAC's exposure to interest rate risk is set out below.

	CARRYING AMOUNT ($000)	-1%		+1%	
		RESULT	EQUITY	RESULT	EQUITY
2008					
Financial assets					
Cash and cash equivalents	50,222	(502)	(502)	502	502
Receivables	43,559	–	–	–	–
Other financial assets	9,335	(93)	(93)	93	93
Financial liabilities					
Payables	75,399	–	–	–	–
Borrowings	9,149	–	–	–	–
2007					
Financial assets					
Cash and cash equivalents	29,457	(295)	(295)	295	295
Receivables	41,617	–	–	–	–
Other financial assets	7,936	(79)	(79)	79	79
Financial liabilities					
Payables	56,239	–	–	–	–
Borrowings	6,513	–	–	–	–

Other price risk - TCorp Hour Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes.

HAC has no direct equity investments. HAC holds units in the following Hour-Glass investment trusts:

FACILITY	INVESTMENT SECTORS	INVESTMENT HORIZON	2008 ($000)	2007 ($000)
Cash facility	Cash, money market instruments	Up to 2 years	13,533	2,926

The unit price is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for the facility is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risk of the facility in accordance with a mandate agreed by the parties. However, TCorp, acts as manager for part of the Cash facility. A significant portion of the administration of the facility is outsourced to an external custodian.

Investment in the Hour Glass facilities limits HAC's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for the facility, using historically based volatility information. The TCorp Hour Glass Investments are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

A reasonable possible change is based on the percentage change in unit price multiplied by the redemption price as at 30 June each year. The amount advised by TCorp is 1% thereby impacting on profit/loss by $135,000 for 2007/08 and $29,000 for 2006/07.

Fair Value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour Glass facilities, which are measured at fair value. As discussed, the value of the Hour Glass Investments is based on HAC's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value because of the short term nature of many of the financial instruments.

38. Post Balance Date Events

No post balance date events have occurred which warrant inclusion in this report.

END OF AUDITED FINANCIAL STATEMENTS

Independent Audit report

HEALTH ADMINISTRATION CORPORATION SPECIAL PURPOSE SERVICE ENTITY FOR THE YEAR ENDED 30 JUNE 2008

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Health Administration Corporation Special Purpose Service Entity

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Health Administration Corporation Special Purpose Service Entity (the Entity), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Entity as at 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005

My opinion should be read in conjunction with the rest of this report.

Director-General's Responsibility for the Financial Report

The Director-General of the Department of Health is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director-General, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Entity,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

J Kheir BEc, FCPA
Director, Financial Audit Services

5 December 2008
SYDNEY

Certification of accounts

HEALTH ADMINISTRATION CORPORATION SPECIAL PURPOSE SERVICE ENTITY FOR THE YEAR ENDED 30 JUNE 2008

CERTIFICATE OF ACCOUNTS

Pursuant to Section 45(F) of the Public Finance and Audit Act 1983 (the Act), we state that:

(i) The attached financial statements of the Health Administration Corporation (HAC) Special Purpose Service Entity for the year ended 30 June 2008 have been prepared in accordance with the requirements of applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983, and its regulations and Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under Section 9(2)(n) of the Act and the requirements of the Health Administration Act 2000, and its regulations.

(ii) The financial statements present fairly the financial position and transactions of the HAC Special Purpose Service Entity.

(iii) There are no circumstances which would render any particulars in the accounts to be misleading or inaccurate.

Ken Barker
Chief Financial Officer

Debora Picone
Director-General

3 December 2008

Income statement

HEALTH ADMINISTRATION CORPORATION SPECIAL PURPOSE SERVICE ENTITY FOR THE YEAR ENDED 30 JUNE 2008

	2008 $000	2007 $000
INCOME		
Personnel Services	432,917	361,380
Acceptance by the Crown Entity of Employee Superannuation Benefits	11,006	10,486
Total Income	443,923	371,866
EXPENSES		
Salaries & Wages	342,277	288,393
Superannuation – Defined Benefit Plans	11,006	10,486
Superannuation – Defined Contributions	20,219	17,192
Long Service Leave	12,373	10,640
Annual Leave	35,717	32,819
Redundancy	21	10
Workers Compensation Insurance	21,928	12,171
Fringe Benefits Tax	382	155
Total Expenses	443,923	371,866
RESULT FOR THE YEAR	–	–

The accompanying notes form part of these Financial Statements.

Statement of recognised income and expense

HEALTH ADMINISTRATION CORPORATION SPECIAL PURPOSE SERVICE ENTITY FOR THE YEAR ENDED 30 JUNE 2008

	2008 ($000)	2007 ($000)
Total Income and Expense Recognised Directly in Equity	–	–
Result for the year	–	–
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	**–**	**–**

The accompanying notes form part of these Financial Statements.

Balance sheet

HEALTH ADMINISTRATION CORPORATION SPECIAL PURPOSE SERVICE ENTITY AS AT 30 JUNE 2008

ASSETS	Notes	2008 ($000)	2007 ($000)
Current Assets			
Receivables	2	153,038	132,539
Total Current Assets		**153,038**	**132,539**
Non-Current Assets			
Receivables	2	4,483	3,763
Total Non-Current Assets		**4,483**	**3,763**
Total Assets		**157,521**	**136,302**
LIABILITIES			
Current Liabilities			
Payables	3	15,883	11,071
Provisions	4	137,155	121,468
Total Current Liabilities		**153,038**	**132,539**
Non-Current Liabilities			
Provisions	4	4,483	3,763
Total Non-Current Liabilities		**4,483**	**3,763**
Total Liabilities		**157,521**	**136,302**
Net Assets		**–**	**–**
EQUITY			
Accumulated Funds		–	–
Total Equity		**–**	**–**

The accompanying notes form part of these Financial Statements.

Cash flow statement

HEALTH ADMINISTRATION CORPORATION SPECIAL PURPOSE SERVICE ENTITY FOR THE YEAR ENDED 30 JUNE 2008

	2008 ($000)	2007 ($000)
Net Cash Flows from operating activities	–	–
Net Cash Flows from investing activities	–	–
Net Cash Flows from financing activities	–	–
Net increase/(decrease) in cash	–	–
Operating Cash and Cash Equivalents	–	–
Closing Cash and Cash Equivalents	–	–

The Health Administration Corporation Special Purpose Service Entity does not hold any cash or cash equivalent assets and therefore there are nil cash flows.

The accompanying notes form part of these Financial Statements.

Notes to and forming part of the Financial Statements

HEALTH ADMINISTRATION CORPORATION SPECIAL PURPOSE SERVICE ENTITY FOR THE YEAR ENDED 30 JUNE 2008

1. Summary of Significant Accounting Policies

(a) Health Administration Corporation Special Purpose Service Entity

The Health Administration Corporation (HAC) Special Purpose Service Entity is a Division of the Government Service, established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2002* and amendment of the *Health Services Act 1997* in respect of the Ambulance Service of NSW, Health Support Services, the NSW Institute of Medical Education and Training and Health Infrastructure (The latter unit was established with effect from 1 July 2007 under the provisions of the *Health Services Act* as a Public Health System Support Division of HAC. Its function is to provide a broad range of asset services in connection with public health organisations, eg. the management and co-ordination of Government approved capital works projects). HAC is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts.

The Entity's objective is to provide personnel services to HAC.

The Entity commenced operations on 17 March 2006 when it assumed responsibility for the employees and employee-related liabilities of HAC.

The financial report was authorised for issue by the Chief Financial Officer and Director-General on 3 December 2008.

(b) Basis of Preparation

This is a general purpose financial report prepared in accordance with the requirements of Australian Accounting Standards, the requirements of the *Health Services Act 1997* and its regulations including observation of the Accounts and Audit Determination.

Generally, the historical cost basis of accounting has been adopted and the financial report does not take into account changing money values or current valuations. However, certain provisions are measured at fair value. See Note 1(j).

The accrual basis of accounting has been adopted in the preparation of the financial report, except for cash flow information.

Management's judgements, key assumptions and estimates are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(c) Comparative information

The financial statements and notes comply with Australian Accounting Standards which include AEIFRS. Comparative figures are, where appropriate, reclassified to give meaningful comparison with the current year.

(d) New Australian Accounting Standards Issued But Not Effective

No new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application. Set out below are changes to be effected, their date of application and the possible impact on the financial report of the Health Administration Corporation Special Purpose Entity.

The following standards were operative from 1 July 2008:

AASB1004, Contributions
The requirements on contributions from AASB27, 29 and 31 have been relocated, substantially unamended in AASB4.

AASB1049, Whole of Government and General Government Sector Financial Reporting
The standard aims to provide the harmonisation of Government Finance Statistics and Generally Accepted Accounting Principles (GAAP) reporting. The impact of changes will be considered in conjunction with the reporting requirements of the Financial Reporting Code for Budget Dependent General Government Sector Agencies.

AASB1050 regarding administered items
The requirements of AAS29 have been relocated, substantially unamended and are not expected to have material effect on Health entities.

AASB1051 regarding land under roads
The standard will require the disclosure of "accounting policy for land under roads". It is expected that all such assets will need to be recognised "at fair value". The standard will have negligible impact on Health entities.

AASB1052 regarding disaggregated disclosures
The standard requires disclosure of financial information about Corporation costs and achievements. Like other standards not yet effective the requirements have been relocated from AAS29 largely unamended.

AASB2007-9 regarding amendments arising from the review of AAS27, AAS29 and AAS31
The changes made are aimed at removing the uncertainties that previously existed over cross references to other Australian Accounting Standards and the override provisions in AAS29.

The following standards will be operative from 1 July 2009:

AAS2008-1, Share Based Payments
The standard will not have application to health entities under the control of the NSW Department of Health.

AASB2008-2 regarding puttable financial instruments
The standard introduces an exception to the definition of financial liability to classify as equity instruments certain puttable financial instruments and certain instruments that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation. Nil impact is anticipated.

AASB3, AASB127 & AASB2008-3, Business Combinations
The changes address business combinations and the Australian Accounting Standards Board has indicated that it is yet to consider its suitability for combinations among not-for-profit entities.

AASB8 & AASB2007-3, Operating Segments
The changes do not apply to not-for-profit entities and have no application within NSW Health.

AASB101 & AASB2007-8, Presentation of Financial Statements
Health agencies are currently required to present a statement of recognised income and expense and no variation is expected.

AASB123 & AASB2007-6, Borrowing Costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.

As Corporation borrowings are restricted to the Sustainable Energy Development Authority negligible impact is expected.

(e) Income

Income is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

(f) Receivables

A receivable is recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

Receivables are non-derivative financial assets with fixed or deteminable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the opening statement when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

If there is objective evidence at year end that a receivable may not be collectable, its carrying amount is reduced by means of an allowance for impairment and the resulting loss is recognised in the income statement. Receivables are monitored during the year and bad debts are written off against the allowance when they are determined to be irrecoverable. Any other loss or gain arising when a receivable is derecognised is also recognised in the income statement.

(g) Impairment of Financial Assets

As both receivables and payables are measured at fair value throught profit and loss, there is no need for annual reviews for impairment.

(h) De-recognition of Financial Assets and Financial Liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the agency transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Entity has not transferred substantially all the risks and rewards, if the Entity has not retained control.

Where the Entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Entity's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(i) Payables

Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short term payment with no stated interest rate is measured at the original invoice amount where goods and services received whether or not billed to the Entity.

(j) Employee Benefit Provisions and Expenses

i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

All Annual Leave employee benefits are reported as "Current" as there is an unconditional right to payment. Current liabilities are then classified as "Short Term" and "Long Term" based on past trends and known resignations and retirements. Anticipated payments to be made in the next 12 months are reported as "Short Term". On costs of 17% are applied to the value of leave payable at 30 June 2008, such on costs being consistent with actuarial assessment (Comparable costs for 30 June 2007 were 21.7% which, in addition to the 17% increase, also included the impact of awards immediately payable at 30 June 2007).

Unused non-vesting sick leave does not give rise to a liability, as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

ii) Long Service Leave and Superannuation

Long Service Leave employee leave entitlements are dissected as "Current" if there is an unconditional right to payment and "Non-Current" if the entitlements are conditional. Current entitlements are further dissected between "Short Term" and "Long Term" on the basis of anticipated payments for the next 12 months. This in turn is based on past trends and known resignations and retirements.

Long Service Leave provisions are measured on a short hand basis at an escalated rate of 8.1% above the salary rates immediately payable at 30 June 2008 (also 8.1% at 30 June 2007) for all employees with five or more years of service. Actuarial assessment has found that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The Entity's liability for the closed superannuation pool schemes (State Authorities Superannuation Scheme and State Superannuation Scheme) is assumed by the Crown Entity. The Entity accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Employee benefits". Any liability attached to Superannuation Guarantee Charge cover is reported in Note 3, "Payables".

The superannuation expense for the financial year is determined by using the formulae specified in the NSW Health Department Directions. The expense for certain superannuation schemes (ie Basic Benefit and Superannuation Guarantee Charge) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

2. Receivables

	2008 ($000)	2007 ($000)
Current		
Accrued Income - Personnel Services Provided	153,038	132,539
Non Current		
Accrued Income - Personnel Services Provided	4,483	3,763
Total Receivables	**157,521**	**136,302**

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 5'.

3. Payables

	2008 ($000)	2007 ($000)
Current		
Accrued Salaries and Wages and On costs	9,178	5,797
Payroll Deductions	6,705	5,274
Total Payables	**15,883**	**11,071**

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 5'.

4. Provisions

	2008 ($000)	2007 ($000)
Current Employee benefits and related on-costs		
Annual Leave - Short Term Benefit	34,509	27,331
Annual Leave - Long Term Benefit	25,488	25,990
Long Service Leave - Short Term Benefit	7,936	6,887
Long Service Leave - Long Term Benefit	69,222	61,260
Total Current Provisions	**137,155**	**121,468**
Non Current Employee benefits and related on-costs		
Long Service Leave - Conditional	4,433	3,717
Sick leave	50	46
Total Non Current Provisions	**4,483**	**3,763**
Aggregate Employee benefits and related on-costs		
Provisions - current	137,155	121,468
Provisions - non-current	4,483	3,763
Accrued Liability, Purchase of Personnel Services (Note 3)	15,883	11,071
Total Provisions	**157,521**	**136,302**

5. Financial instruments

The HAC Special Purpose Service Entity's (HACSPSE) financial instruments are outlined below. These financial instruments arise directly from the HACSPSE operations or are required to finance its operations. The HACSPSE does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

The Director-General has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. HACSPSE carries minimal risks within its operation as it carries only the value of employee provisions and accrued salaries and wages offset in full by accounts receivable from the Parent Entity. Risk management policies are established by the Parent Entity to identify and analyse the risk faced by the Entity, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit Committee/Internal auditors of the Parent Entity on a continuous basis.

(a) Financial Instruments Categories

		Total carrying amounts as per the Balance Sheet	
CLASS	CATEGORY	2008 ($000)	2007 ($000)
Financial Assets			
Receivables at Amortised Cost[1] (Note 2)	Loans & Receivables (amortised cost)	157,521	136,302
Total Financial Assets		**157,521**	**136,302**
Financial Liabilities			
Payables[2] (Note 3)	Financial Liability measured at amortised cost	15,883	11,071
Total Financial Liabilities		**15,883**	**11,071**

1 Excludes statutory receivables and prepayments (ie not within the scope of AASB7).

2 Excludes unearned revenue (ie not within the scope of AASB7).

(b) Credit Risk

Credit risk arises when there is the possibility of the Entity's debtors defaulting on their contractual obligations, resulting in a financial loss to the Entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Entity i.e receivables. No collateral is held by the HACSPSE nor has it granted any financial guarantees.

Receivables – trade debtors
Receivables are restricted to accrued income for personnel services provided and employee leave provisions and are recognised as amounts receivable at balance date. The parent entity of the HAC is the sole debtor of HACSPSE and it is assessed that there is no risk of default. No accounts receivables are classified as "Past Due but not Impaired" or "Considered Impaired".

(c) Liquidity Risk

Liquidity risk is the risk that the Entity will be unable to meet its payment obligations when they fall due. No such risk exists with the HACSPSE not having any cash flows. All movements that occur in Payables are fully offset by an increase in Receivables from the HAC parent entity.

6. Related Parties

HAC is deemed to control the HACSPSE in accordance with Australian Accounting Standards. The controlling entity is incorporated under the *Health Services Act 1997*.

Transactions and balances in this financial report relate only to the HACSPSE's function as provider of personnel services to the controlling entity. The HACSPSE's total income is sourced from the HAC. Cash receipts and payments are effected by HAC on the HACSPSE's behalf.

7. Post Balance Date Events

No post balance date events have occurred which warrant inclusion in this report.

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The HACSPSE exposures to market risk are considered to be minimal and the HACSPSE has no exposure to foreign currency risk and does not enter into commodity contracts.

Interest rate risk
Exposure to interest rate risk arises primarily through interest bearing liabilities.

However the HACSPSE has no such liabilities and the interest rate is assessed as nil. Similarly it is considered that the HACSPSE is not exposed to other price risks.

(e) Fair Value

Financial instruments are generally recognised at cost.

The amortised cost of financial instruments recognised in the balance sheet approximates fair value because of the short term nature of the financial instruments.

END OF AUDITED FINANCIAL STATEMENTS

Administration

APPENDIX 1

Our commitment to service

NSW Health is committed to providing the people of NSW with the best possible healthcare. Our commitment to service explains what you can expect from the NSW public health system as an Australian resident, no matter who you are or where you live in NSW.

Standards of service

NSW Health will:

- Respect an individual's dignity and needs.
- Provide care and skill, in keeping with recognised standards, practices and ethics.
- Offer access to a range of public hospital and community-based health services. Eligibility criteria apply to some services.
- Offer healthcare based on individual health needs, irrespective of financial situation or health insurance status.

Medical records

Generally, individuals can apply for access to personal health information or other personal information relating to them. Access should be requested from the clinical information department or manager of the health service the individual attended, or the head of the organisation that collected the personal information.

A Freedom of Information (FOI) application may also be lodged requesting access to records. Access to records may not be granted in special circumstances as determined by the Freedom of Information Act 1989.

Records are kept confidential and are only seen by staff involved in the care and treatment of the individual, except where disclosure to third parties is required or allowed by law.

Treatment services

NSW Health will:

- Allow for and explain public and private patient treatment choices in a public hospital.
- Clearly explain proposed treatments such as significant risks and alternatives in understandable terms.
- Provide and arrange free interpreter services.
- Obtain consent before treatment, except in emergencies or where the law intervenes regarding treatment.
- Assist in obtaining second opinions.

Additional information

NSW Health will:

- Allow individuals to decide whether or not to take part in medical research and health student education (although in some circumstances, information may be used or disclosed without consent for public interest research projects. Strict conditions apply including privacy legislation).
- Respect an individual's right to receive visitors with full acknowledgement of culture, religious beliefs, conscientious convictions, sexual orientation, disability issues and right to privacy.
- Inform an individual of their rights under the NSW Mental Health Act 2007 if admitted to a mental health facility.

Applications for financial assistance towards travel and accommodation costs incurred by patients who are disadvantaged by distance and who have to travel more than 100 km (one way) to access specialist medical treatment not available locally, can be made to the Transport for Health program in the Area Health Service where the patient resides. Contact details for the Transport for Health offices can be accessed via the NSW Health website.

Commitment to women's health

The NSW Women's Health Strategy is guided by the National Women's Health Policy and funded through the Public Health Outcomes Framework Agreement (PHOFA). The Strategy is underpinned by the principles of equity, access, rights and participation. NSW Health recognises how the diverse roles and backgrounds of women impact on their health outcomes. The Department funds, implements and monitors a range of initiatives to improve the health and wellbeing of women.

Key achievements

Reducing Violence Against Women

NSW Government is implementing a coordinated whole-of-Government approach to policy development and service provision for domestic family violence. As a partner agency, NSW Health is hosting two of the five key projects; Cross Agency Risk Assessment Tool for Domestic and Family Violence, and Interagency Training for Domestic Violence.

The Maternal and Perinatal Health Priority Taskforce

The Taskforce and NSW Health support the continued development of a range of models of care including stand-alone primary maternity services. The Taskforce has established a sub-group called the Primary Maternity Services Network to provide leadership, support and information sharing for Area Health Services that are developing continuity of midwifery care models.

Having a Baby publication

Having a Baby, a comprehensive guide providing evidence-based, best practice information about pregnancy, childbirth and the post-natal period, was translated into five languages and published on the Department's multicultural website.

NSW Aboriginal Maternal and Infant Health Strategy

The Aboriginal Maternal and Infant Health Strategy aims to improve health outcomes for Aboriginal women during pregnancy and birth, and decrease maternal and perinatal morbidity and mortality. In 2007, a Memorandum of Understanding was entered into with the Department of Community Services to expand the Service to over 30 services and provide a voluntary referral pathway to Department of Community Services' early intervention program, Brighter Futures.

Fetal welfare, Obstetric emergency and Neonatal resuscitation Training (FONT) Project

The FONT Project aims to improve fetal welfare assessment, neonatal resuscitation and maternity emergency management in NSW birthing facilities. The following stages were completed in 2007/08:

- **Stage 1** - K2 Medical System Computerised Training Program for Fetal Welfare Assessment and interpretation of intrapartum Fetal Heart Rate was rolled out to all hospitals in NSW responsible for providing maternity care.
- **Stage 2** - Development and provision of a train the trainer education program for Fetal Heart Rate Interpretation and Fetal Welfare Assessment, both antenatal and intrapartum.

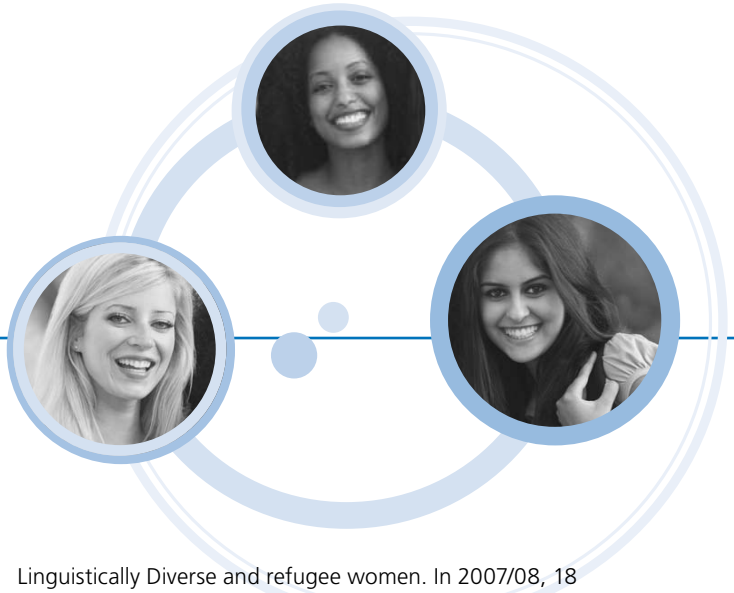
Stage 3 of the FONT Project will commence September 2008.

Improving Early Pregnancy Care

New Early Pregnancy Units, co-located within most emergency departments, will provide rapid assessment and advice to women with early pregnancy problems who present to emergency departments but do not need urgent medical attention. Funding has been provided so all public maternity services provide antenatal care. NSW Health is working with General Practice NSW to implement these expanded services.

Other highlights

A variety of projects across Area Health Services achieved significant progress in 2007/08. A number of these were supported by the Public Health Outcomes Funding Agreement, a co-funded special project program between the Commonwealth Government and the NSW Government. Below are highlights



from programs and projects implemented by Area Health Services.

- Justice Health employed a Transitional Nurse Practitioner and established a colposcopy clinic at Silverwater Women's Correctional Centre. This led to a significant increase in cervical screening rates, with 472 pap smears attended, almost double the rate of previous years. The colposcopy clinic provided timely and appropriate access to services.

- Greater Western Area Health Service worked with local partners to develop and implement a Joint Agency Protocol to address crisis management of domestic violence incidents. An integrated crisis management service was established that provides a clear understanding of partner agencies' roles and responsibilities and immediate access for women and children to secure emergency accommodation, legal, welfare, information and medical services.

- LOVEBiTES is a school-based early intervention and prevention program in the North Coast Area Health Service focusing on raising awareness of what constitutes sexual assault and domestic violence, modelling respectful relationships, challenging gender stereotypes and increasing awareness of local support services. A program review indicated over 90% of respondents reported the program improved their knowledge of sexual assault and domestic violence, and 75% said they would speak up if a friend was in an unhealthy relationship.

- A Women's Health and Maternity Network (WHAM) has been established in Hunter New England Area Health Service promoting partnership working between key stakeholders. WHAM's first task was the development of a Women's Health and Maternity Clinical Services Plan, setting the direction for women's health, gynaecology and maternity service development and delivery.

- A DVD to promote early antenatal attendance for Somali, Arabic and Dinka communities living in Sydney West Area Health Service was launched in March 2008. Early evaluation has been positive and a third reprint is underway. The impact on perinatal outcomes will be closely monitored in the coming years.

- The Bilingual Community Education Program in Sydney South West Area Health Service trains bilingual health educators to provide health education to newly arrived Cultural and Linguistically Diverse and refugee women. In 2007/08, 18 bilingual educators were trained in the following languages; Sudanese, Somali, Burundi, Arabic, Afghan, and Bangladeshi. Over 200 women from different language backgrounds attended health education sessions in topics such as healthy women, changing countries and living choices.

- A literature review identifying the barriers and facilitators to women accessing optimal cardiac care has been completed in South Eastern Sydney Illawarra Area Health Service. The literature review concludes the first phase of a gender sensitive health care project. The next stage of the project entails engaging key clinical practitioners to introduce gender sensitive models of care in the context of Cardiac Care Clinical Stream.

- A broad-based approach to tackling violence against women is in place in South Eastern Sydney Illawarra Area Health Service. Routine screening for domestic violence saw a 4% increase in screening rates in 2007/08. Training sessions on routine screening were provided to 181 health staff. Clinical Guidelines and Procedures about the risk of breaching Apprehended Violence Orders (AVO) within clinical settings were produced and a Domestic Violence Policy and changed work practices around violence and abuse implemented at St Vincent's Hospital.

- The Invisible Sentence partnership in the Greater Southern Area Health Service between hospital social workers, the women's health nurse, the Department of Corrective Services and the local Court House continued to distribute the Invisible Sentence information packs to women supporting relatives in prison. The Pack includes information about health issues and services, counselling services, emergency accommodation and a CD for people with low literacy skills.

Future initiatives

- A 'roaming' midwifery service across Correctional Centres with female patients is being introduced by Justice Health. It will encourage consistency of service provision, provide education sessions for patients and staff, and allow follow-up in the postnatal phase.

- The NSW Women's Health Action Plan is being finalised. It will set priorities to reduce health inequities, improve health outcomes and encourage the health system to be more responsive to the diverse needs of women.

Consumer participation

NSW Health is committed to engaging clinicians, consumers and the community in decisions about health policy, planning and service delivery.

NSW Health Care Advisory Council

The NSW Health Care Advisory Council (HCAC) is the peak community and clinical advisory body providing advice to the Minister for Health and the Director-General. It was co-chaired by Rt Hon Ian Sinclair AC and Professor Judith Whitworth AC.

The Council met five times in 2007/08, and provided advice on the following priority issues during the year:

- Prevention and Early Intervention – Maternal Health
- NSW Trauma Service Plan (Position Paper)
- Early Pregnancy Services
- NSW Health Response to Aboriginal Child Sexual Assault
- Primary Health and Continuing Care – Ageing population and chronic diseases
- Health Reform Priorities and negotiation of the next Australian Health Care Agreements
- Red Tape Review
- NSW Chronic Disease Management Program
- Pathways for greater participation and social inclusion for people with mental illness.

In August 2007, a review began to assess the effectiveness and operation of the Health Care Advisory Council and the Health Priority Taskforces (HPT). A principal focus of the Review was to align the Council's work plan with the State Plan and the State Health Plan.

The Review was undertaken in consultation with HCAC members, HPT Co-Chairs and Secretariats, and Area Health Advisory Council Chairs. The Review recommendations are being considered in conjunction with recommendations from the Red Tape Review and the Review of Clinician Engagement in Clinical Management Structures.

The inaugural edition of the HCAC Newsletter was published in March 2008. The newsletter provides a means for HPTs to communicate key achievements and resources to audiences across the health system.

Health Priority Taskforces

Health Priority Taskforces provide advice to the Director-General on policy directions and service improvements in each of the high priority areas of the NSW health system.

The Health Priority Taskforces include:

- Aboriginal health
- Chronic, aged and community health
- Children and young people's health
- Critical care
- Greater Metropolitan Clinical Taskforce
- Information management and technology
- Maternal and perinatal health
- Mental health
- Population health
- Rural health
- Sustainable access

Area Health Advisory Councils

There are eight Area Health Advisory Councils, one for each Area Health Service, and a Children's Hospital Advisory Council for the Children's Hospital at Westmead. Area Health Advisory Councils advise Area Health Service Chief Executives on policy, planning and delivering health services.

The membership of each Council includes individuals who have experience in the provision of health services, representing the interests of consumers, health services and the local community. At least one member must also have knowledge, expertise or experience of Aboriginal health.

In 2007/08 Area Health Advisory Councils and the Children's Hospital Advisory Council revised their two-year work plans to align activities and performance indicators with the State Plan and State Health Plan.

Each Council submits an Annual Report to the Minister for tabling in Parliament. Council Chairs and Area Chief Executives also participated in two Area Health Advisory Council Forums to discuss common issues and challenges including consumer and clinician engagement.

Compliments or complaints

- All complaints are treated confidentially.
- Compliments or complaints regarding health care or services can be made to any member of staff.
- If individuals are not satisfied with the manner in which a complaint has been handled, they can write to the Chief Executive of the relevant Area Health Service.
- Individuals can also contact the Health Care Complaints Commission which is independent of the public health system. A complaint may be investigated by the Commission, referred to another body or person for investigation, referred to conciliation with the complainant's permission or referred to the Director-General of NSW Health.

Assistance is available from the Health Care Complaints Commission Complaints Resolution Service to help resolve the concern locally.

The Health Care Complaints Commission can be contacted at:

Locked Bag 18,
Strawberry Hills NSW 2012

Telephone	(02) 9219 7444
Tollfree	1800 043 159
TTY	(02) 9219 7555
Website	www.hccc.nsw.gov.au

If individuals have a concern about treatment they or someone they know has received at a NSW health facility, the following list of contacts will help them decide how to proceed:

- Contact the relevant health facility regarding treatment in a public hospital, community health centre or another NSW Health service.
- Contact the relevant private hospital regarding treatment in a private hospital.
- Contact the Aged Care Complaints Resolution Scheme regarding healthcare in a Commonwealth-funded aged care service.
- Contact the NSW Medical Board regarding treatment by a general practitioner in private practice.
- Contact the relevant registration board regarding treatment by other practitioners, such as podiatrists, psychologists, etc.
- Contact the Health Care Complaints Commission for further assistance.

Disability action plan

Many Australians experience some type of disability – physical, learning, intellectual or cognitive to name a few. People with a disability are as much a part of NSW Health as of the wider community.

NSW Health aims to create an inclusive workplace and harness the contribution and potential of all people. Strategies listed in our Disability Action Plan are available within the Staff Handbook and on the corporate intranet site.

The recruitment process plays a key role in ensuring NSW Health recruits from a broad talent pool and barriers to the recruitment of talented and skilled people with a disability are removed.

The current Disability Action Plan is being reviewed and will focus on enhanced strategies to identify positions into which people with a disability may be recruited, and to use a merit-based selection process to do so.

The Department's current learning and development programs, including induction and orientation, staff selection techniques, and management and leadership, have played a lead role in raising disability awareness by relaying information on anti-discrimination concepts and guidelines, and fostering an inclusive workplace culture.

Additionally, the Department is exploring disability awareness training to raise awareness of the issues faced by people with a disability.

The coaching and performance system helps staff identify learning and development needs and opportunities by access to professional development programs. This is a crucial developmental requirement for all staff with a disability.

Learning and development programs planned for the next financial year will integrate information on:

- Diversity in the workplace and employment of people with disability
- Communicating and consulting with people with a disability
- Flexible and accessible services for people with a disability
- Developing information in alternative formats.

People with disabilities and their carers are able to utilise flexible work arrangements through the Department's agreement on flexible work hours. The Department also promotes a workplace adjustment process for employees requiring modifications to their workstation or surrounding environment. Our orientation program actively promotes workplace assessments as a tool for ensuring reasonable adjustment provisions are provided for all staff.

NSW Health has been commended by the Department of Premier and Cabinet for employing people with a disability across higher salary levels.

Equal employment opportunity

NSW Health maintains a firm commitment to equal employment opportunity and recruits and employs staff on the basis of merit and values. This ensures a diverse workforce, and a workplace culture where people are treated equally and fairly.

Significant Equal Employment Opportunity (EEO) outcomes for 2007/08 include:

- A favourable statistical representation of women in the Department. Currently 63% of NSW Health's staff are women. This includes a high representation of women on the Department's Management Board.
- Continuation of a successful Spokeswomen Program to improve equality in the workplace for women. The Department celebrated a successful International Women's Day Morning Tea.
- Journey of Healing activities organised by a Department-wide team, including a traditional smoking ceremony accompanied by songs from the didgeridoo.

Equal Employment Opportunity Management Plan 2008/09

The Department provides an EEO Management Plan to the NSW Department of Premier and Cabinet each year in accordance with Part 9A of the Anti-Discrimination Act 1977. This plan seeks to eliminate and ensure the absence of discrimination in employment and to promote equal employment opportunity in target groups.

The following activities are proposed as part of the EEO Management Plan for 2008/09:

- Review and consolidation of existing policies across the Department to ensure they effectively improve employment access and participation by EEO groups.
- Gathering effective EEO data to ensure appropriate benchmarking and performance improvement activities.
- Utilising the Department's Human Resource Information System as a sophisticated tool for organisational EEO reporting.
- Focus recruitment activity on the employment of senior Aboriginal staff.

A. TRENDS IN THE REPRESENTATION OF EEO GROUPS

EEO GROUP	BENCHMARK OR TARGET	PERCENTAGE OF TOTAL STAFF							
		2001	2002	2003	2004	2005	2006	2007	2008
Women	50%	59%	59%	59%	60%	63%	62%	61%	63%
Aboriginal people and Torres Strait Islanders	2%	2.1%	1.5%	2%	2%	2.8%	1.6%	1.1%	1.08%
People whose first language was not English	20%	18%	19%	20%	20%	19%	20%	19.8%	18.17%
People with a disability	12%	4%	3%	4%	4%	4%	3%	3.4%	2.96%

B. TRENDS IN THE DISTRIBUTION OF EEO GROUPS

EEO GROUP	BENCHMARK OR TARGET	PERCENTAGE OF TOTAL STAFF							
		2001	2002	2003	2004	2005	2006	2007	2008
Women	100%	91%	90%	90%	95%	95%	96%	93%	93%
Aboriginal people and Torres Strait Islanders	100%	95%	94%	n/a	n/a	n/a	n/a	n/a	96%
People whose first language was not English	100%	93%	89%	92%	91%	90%	90%	93%	93%
People with a disability	100%	105%	102%	100%	101%	98%	97%	105%	119%
People with a disability requiring work-related adjustment	100%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

NOTE: Staff numbers are as at 30 June, and excludes casual staff.

A Distribution Index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by the Office of the

Ethnic affairs priority statement

ACHIEVEMENTS 2007/2008

GOAL	HEALTH SERVICE	PROJECT/INITIATIVE	ACHIEVEMENTS 2007/08
Keep people healthy	Greater Western Area Health Service	Transcultural Mental Health	GWAHS is one of four sites in NSW to appoint a Transcultural Mental Health Field Liaison Officer as part of the Transcultural Rural and Remote Outreach Project. This program, conducted by the Transcultural Mental Health Centre of NSW and the Centre for Rural and Remote Mental Health, aims to strengthen mental health services for people from culturally and linguistically diverse communities in Dubbo and Lightning Ridge.
		Recovery Stories Project	GWAHS hosted a Recovery Stories Project Workshop in Dubbo. The workshop aimed to increase human services provider's awareness of the issues faced by people from culturally and linguistically diverse communities, and increase mental health knowledge and awareness in Dubbo.
	Hunter New England Area Health Service	MOMS program (Mothers Obstetrics and Multicultural Services)	Culturally and linguistically appropriate support is provided for mothers from culturally and linguistically diverse communities during pregnancy and up to three months after delivery. Women who are isolated are linked with appropriate contacts/organisations. The program has been extended to Maitland Hospital.
		On Arrival Refugee Health Clinics	The original program which provided on-arrival health checks has been extended to cover all immunisations. Diagnosed problems are treated through home visits, assessment and immunisation clinics.
	Northern Sydney Central Coast Area Health Service	Diabetes Prevention	In partnership with TAFE, diabetes prevention programs, targeting people from culturally and linguistically diverse communities with low English literacy, were implemented for the Chinese, Armenian and Iranian communities.
	Sydney West Area Health Service	Mental health promotion initiative delivered via SBS Radio on "Health and Wellbeing in Older People"	A partnership between the Diversity Health Institute Clearinghouse, the Transcultural Mental Health Centre and SBS Radio produced new audio and print versions of *Health and Wellbeing of Older People* in English and 10 other community languages.

ACHIEVEMENTS 2007/2008

GOAL	HEALTH SERVICE	PROJECT/INITIATIVE	ACHIEVEMENTS 2007/08
Deliver high quality services	Hunter New England Area Health Service	Cultural Awareness Training	This training is part of the ongoing mandatory training for staff at Maitland Hospital and in the Upper and Lower Hunter sectors. All Community Health and Mental Health sector staff have been trained in the identification of patients from culturally and linguistically diverse communities, and in the electronic documentation of the use of interpreters.
	Northern Sydney Central Coast Area Health Service	Cultural Diversity Training	Two staff training modules were developed and evaluated: Conducting Culturally Appropriate Health Care Assessments; and The Health Care Needs of Older People from culturally and linguistically diverse communities.
	South Eastern Sydney Illawarra Area Health Service	Cultural Diversity Enhancement Grants Program	This program supports quality improvement processes and encourages front line staff to undertake projects that benefit people from culturally and linguistically diverse communities. Funded projects are often undertaken in partnership with non-profit organisations, to enhance understanding across sectors and bring together the expertise of the different sectors.
		Medication Management Issues	This project explored medicine management issues, including the use of complementary medicine for older people who were admitted to Prince of Wales Hospital, with a particular focus on people from culturally and linguistically diverse communities.
		Australian Council on Healthcare Standards (ACHS) Accreditation	The high quality and effectiveness of the Karitane Volunteer Program was reflected in its accreditation results in 2007, when ACHS awarded a rating of 'Outstanding Achievement' for Consumer Focus - Culturally and linguistically diverse backgrounds and special needs.
	Sydney West Area Health Service	24-Hour counselling service	24-Hour Crisis Line is operational within short notice of a traumatic event. The line has been used immediately following September 11, the Bali terrorist attacks, the Boxing Day tsunami in South East Asia, Middle East crises in 2005/06 and 2006/07, and during this year's natural disasters in Myanmar and China. The Transcultural Mental Health Centre offers free, counselling and emotional support for individuals, available in 61 languages on a 7-days-a-week basis, for families affected by natural or man-made disasters.
Manage health services better	Sydney West Area Health Service	Diversity in Health Conference 2008: Strengths and Sustainable Solutions	The 4th Diversity in Health Conference, held in March 2008, featured national and international speakers and over 210 papers on a range of issues affecting the health and well being of culturally and linguistically diverse communities. Over 1000 people registered for the conference.
	Hunter New England Area Health Service	Alert stickers on inpatient files	Stickers are added to the medical notes of patients needing a health care interpreter. Since use began, staff have never omitted to call an interpreter as required.
	Northern Sydney Central Coast Area Health Service	Northern Sydney Central Coast Health Culturally and Linguistically Diverse (CALD) Advisory Group	The CALD Advisory Group was established to provide advice and feedback on the health and health service needs of people from culturally and linguistically diverse communities. Members include representatives from a range of culturally and linguistically diverse communities.
	Sydney South West Area Health Service	Cultural Competence Training Program	An accredited cultural competency course is being developed through the Centre for Education and Workforce Development. A Multicultural Health component is already part of the compulsory corporate orientation program of SSWAHS.
	Sydney West Area Health Service	Patient Privacy Information Brochure	A revised privacy information brochure has been translated into the top 10 non-English languages spoken in the Area.

PLANNED INITIATIVES 2008-2009

GOAL	HEALTH SERVICE	PROJECT/INITIATIVE	INITIATIVE PLANNED FOR 2008/09
Keep people healthy	Hunter New England Area Health Service	A Place of Memory	This project involves working with staff at Penola Women's Refuge and a clinical consultant to record and publish the individual stories of refugee women who wish to share their stories as part of their healing.
	Northern Sydney Central Coast Area Health Service	Mental Health Promotion in the Iranian Community	Strategies to promote the mental health and well-being of Iranian youth and adults will be implemented in partnership with community members.
	South Eastern Sydney Illawarra Area Health Service	Men's Health Project for Men of Middle-Eastern Countries	The initiative aims to provide a safe and culturally appropriate shed-like environment for long term unemployed men from Middle-Eastern countries to assist them to develop new skills and enhance their knowledge of men's health issues. The project will be undertaken in partnership with Healthy Cities Illawarra, Port Kembla Men's Shed, Coniston Men's Health Project and Shellharbour Men's Shed.
		CALD Youth 'Chillin' Out with CHAIN (Southern Youth & Family Services and CHAIN: Community Health for Adolescents in Need).	Development of a program to provide health education to youth from culturally and linguistically diverse communities on positive health behaviours for improved physical and mental health, provide education and support to better equip newly arrived young people in developing life-skills for positive participation in the broader local community, and to provide access to health and other community organisations for ongoing support.
		Australian Better Health Initiatives-National Multicultural Social Marketing Campaign	Strategies to reduce obesity among people from culturally and linguistically diverse communities will be developed and implemented to support the NSW component of the national campaign.
	Sydney South West Area Health Service	Health Promotion to CALD Communities	An audit of drug and alcohol resources available in other languages will be undertaken, followed by the development, in consultation with relevant networks, of Drug and Alcohol promotional material, translated to the major languages spoken by people from culturally and linguistically diverse populations in the Area.
To provide the healthcare people need	Hunter New England Area Health Service	Early Childhood Emergency Program	This program will provide an aid for early childhood centres to teach children the number to call for an ambulance. The program will be presented in Early Childhood Centres with a multicultural population.
	North Coast Area Health Service	Refugee Mental Health Project	In conjunction with Penola House, the project will provide ongoing and specific counselling and supervision for women and young girl refugees.
	Northern Sydney Central Coast Area Health Service	Exploring the Health and Well-Being of newly arrived Tibetan Humanitarian Entrants	Consultations will be completed with newly arrived Tibetan Humanitarian Entrants and key service providers to identify health and well-being issues and priorities for action.
	Sydney West Area Health Service	"Having a Baby in Australia, We Speak your Language"	The audio CD "Having a Baby in Australia, We Speak your Language" will be translated into a further 21 community languages. This CD is a valuable resource to assist health providers in mitigating risk factors for obstetric complication among women from culturally and linguistically diverse communities.
		Expansion of Regional and Rural Outreach Strategy	Building on the success of current regional and rural outreach strategies, further outreach services will be planned for Wagga Wagga, Wollongong and other locations where women/families from female genital mutilation practising communities now reside.
		Multicultural Problem Gambling Service Poster	In partnership with the Australian Hotels Association, a poster will be produced to promote the Multicultural Problem Gambling Service to hotel patrons from culturally and linguistically diverse communities.

PLANNED INITIATIVES 2008-2009

GOAL	HEALTH SERVICE	PROJECT/INITIATIVE	ACHIEVEMENTS 2007/08
To deliver high quality services	Greater Western Area Health Service	Review of Greater Western Area Health Service (GWAHS) Strategic Plan	The GWAHS Strengthening the Health of our Culturally and Linguistically Diverse Population Draft Strategic Plan 2004-2007 will be reviewed in line with DOH Strengthening the Health of the Culturally and Linguistically Diverse Community in NSW Strategic Plan 2007-2011
	Northern Sydney Central Coast Area Health Service	Multicultural Mental Health Liaison Officers (MLOs)	Training will be provided for MLOs to enhance their knowledge and understanding of the needs of people from culturally and linguistically diverse communities accessing mental health services, including barriers to accessing services and cultural assessment issues.
	South Eastern Sydney Illawarra Area Health Service	Local Diversity Health Websites	Development of locally owned diversity health websites, which will contain resources, reports and key information relevant to the area of diversity health with a specific focus on locality and facility.
		Alcohol and Drug Workshops	In partnership with culturally and linguistically diverse community agencies, develop and implement alcohol and other drug forums in 15 languages aimed at reducing drug and alcohol use and providing support for significant others.
	Sydney West Area Health Service	Assyrian Cultural Awareness Training Package	The development and implementation of an Assyrian Cultural Awareness Training Package.
		Multicultural Child, Adolescent and Family Clinical Program	The provision of additional transcultural mental health child and adolescent clinical supervision groups in metropolitan Sydney and rural NSW. Outreach clinics will be established and additional bilingual clinicians recruited with child and adolescent specific skills.
To manage health services better	Greater Western Area Health Service	Health Council Recruitment	A review of the Application Process for members of Health Councils is planned, with a view to increasing the number of people from culturally and linguistically diverse communities.
	Hunter New England Area Health Service	Multicultural Liaison Service for the Upper Hunter	To improve multicultural health care coverage, a new position will be established in Muswellbrook to provide multicultural health education and support for people from culturally and linguistically diverse communities and health professionals.
	Northern Sydney Central Coast Area Health Service	Oral Health Assessments for Humanitarian Entrants	New protocols and procedures will be developed to ensure newly arrived humanitarian entrants are provided with the assistance they need to access oral health services.
	South Eastern Sydney Illawarra Area Health Service	Multicultural Health e-Learning Tool	An interactive learning tool will be developed to enhance the cultural competence of clinical staff. The tool will comprise a case study of a patient from a culturally and linguistically diverse community, showing how to respond to language and cultural needs at different points in the patient's journey. It will be available in CD ROM format and through the intranet.
	Sydney South West Area Health Service	Identify emerging priority CALD community needs in the areas of HIV and hepatitis C	The monitoring and reporting on surveillance of rates of infection, trends in HIV and hepatitis C rates and service usage among people from culturally and linguistically diverse communities will be undertaken to determine future program priorities.

Human resources

The Corporate Personnel Services unit (CPS) is responsible for developing, implementing and evaluating a broad range of human resource initiatives. NSW Health requires a workforce that is highly qualified, flexible, innovative and effective. The Corporate Personnel Services unit aims to position the Department as an employer of choice, successful in attracting, developing and retaining the quality staff it needs.

The unit provides a comprehensive human resource management function for the organisation, including expert advice on organisational design, staffing needs and conditions of employment, and staffing issues such as equity, professional development, performance management, grievance resolution and industrial relations issues.

Services it provides include recruitment, learning and development, salaries, occupational health and safety, workers compensation and rehabilitation, job evaluation and establishment.

The introduction of e-Recruitment initiatives commenced which will result in efficiencies and shorter timeframes.

Extensive organisational development support was provided throughout the Department including:

- Managing restructuring consultations and negotiations with employee representative organisations
- Advising management on structures and transitional processes
- Developing and evaluating new position descriptions
- Providing training, coaching and counselling services to management and staff
- Managing redeployment and recruitment processes.

There were seven Joint Consultative Committee (JCC) meetings held throughout the year. These meetings were a productive forum for consultation between management, staff and unions on a wide range of matters affecting staff of the Department.

Achievements

- Development of a number of strategic workforce initiatives for the Department to address emerging contemporary human resource issues including the increasing skills shortage.
- Research and development of a proposed healthy workforce strategy.
- In consultation with key stakeholders, fine-tuned and remodelled quarterly sick and annual leave reports for individual Directors.
- Corporate Personnel Services staff presented at a number of change management conferences.
- Provided comprehensive advice to Department of Premier and Cabinet Office on the proposed changes being made to the Public Sector Employment and Management Act 2002.
- Conducted several well attended briefings on changes to the PSEMA 2002.

Learning and Development

A comprehensive range of learning and development services were provided to assist staff in developing their careers and achieving organisational goals and priorities.

- Approximately 28 course programs were available to employees each quarter.
- A Speed Reading course was introduced following strong interest from staff.
- A Management Development Program entitled 20:20 Vision for Managers for mid-level managers and/or those aspiring to a management role was added to the course schedule.
- A Getting to the Point workshop conducted by the Plain English Foundation, to improve the clarity and presentation of participants' written work, an essential skill for all public sector employees, was added to the course schedule.

- In partnership with the Department's Library, knowledge and information management courses in Google and CIAP searches were produced.

- Over 100 staff were briefed in recruitment legislative and regulatory reforms following assent of the Public Sector Employment & Management Amendment Bill 2008.

Staff Awards for Excellence

NSW Health has two staff awards to recognise outstanding individual and team performance. The 2007/2008 winners were:

Individual awards

- Sachida Ghimire, Shared Service Centre

- Charlotte Milner, Health Service Performance Improvement

- Cathryn Cox, Statewide Services Development.

Team awards

- Statewide Services Development Team / Asset & Contract Services Branch (Cathryn Cox and Richard Pye)

- Strategic Information Management, Investment and Procurement Unit (Richard Goldman, Denis Comarmond, Evelyn Fath, Brandon Cheng & Fred D'Cruz)

Scholarships

NSW Health introduced the Margaret Samuel Memorial Scholarship for Women in 1997 and the Peter Clark Memorial Scholarship for Men in 2002. The scholarships assist employees pursue tertiary studies in an area relevant to the Department's functions.

The 2008 scholarship recipients are:

Margaret Samuel Memorial Scholarship for Women

Sonya Nicholl, Centre for Health Protection to continue a Masters of Public Health at the University of Sydney.

Peter Clark Memorial Scholarship

Roger Cronin, Risk Management Branch to undertake a Master of Arts in Public Sector Leadership at Open Learning Australia and Griffith University.

Code of Conduct

NSW Health has published a Code of Conduct to assist staff by providing a framework for day to day decisions and actions while working in health services.

Specifically the Code of Conduct:

- States the standards expected of staff within health services in relation to conduct in their employment.
- Assists in the prevention of corruption, maladministration and serious and substantial waste by alerting staff to behaviours that could potentially be corrupt or involve maladministration or waste.
- Provides a resources list to assist staff to gain further information or more detailed guidance.

The Code of Conduct was published in 2005. There were no amendments or additions to the Code in the reporting period.

Further information on the NSW Health Code of Conduct is available from the Corporate Personnel Services branch of the Department. The complete NSW Health Code of Conduct is available on the NSW Health web site.

NSW Health workforce

NSW Health's Workplace Relations and Management branch (formerly the Employee Relations branch) is responsible for public health system industrial relations and human resources policy. It aims to facilitate a fair, safe, healthy and harmonious working environment for the NSW Health workforce.

Significant Employee Relations Matters

The major focus in the 2007/08 reporting period was on the development of bargaining agendas and negotiations for Memoranda of Understanding to operate post 1 July 2008, consistent with the Government's Public Sector Wages Policy in September 2007. Negotiations were conducted with the main health unions. As at 30 June, agreement was reached with the Nurses' Association and the Health Services Union, and Memoranda of Understanding were entered into with them to give effect to the agreements reached, including wages outcomes.

On 30 November 2007 the NSW Health Service Health Professionals (State) Award was made by the Industrial Relations Commission of NSW. The Award provides for a new, eight level, integrated structure for a number of allied health professional classifications, including social workers and therapists. The Award also provides for a superior career path for the affected classifications.

An arbitration for Visiting Medical Officers was conducted, with an agreed position reached with the Australian Medical Association and ratification of that agreement by the Arbitrator. Emergency Physicians electing to undertake Special Service, an initiative that seeks to provide public health organisations greater scope to enhance service delivery and clinical care by rostering Emergency Physicians at times and locations of greatest clinical need, are now eligible to receive a Special Service Allowance.

New arrangements and altered remuneration were settled following completion of the review of the Clinical Nurse/Midwifery Specialist, Nurse/Midwifery Educator, and Clinical Nurse/Midwifery Educator classifications, permitted under the 2005 to 2008 Memorandum of Understanding.

In the reporting period, the Special and Work Value claims for Ambulance Officers were progressed before the Industrial Relations Commission. In addition, a Death and Disability Award was concluded for Ambulance Officers, while agreement was reached on altered structures and salary rates for oral health classifications, to facilitate greater attraction and retention of staff.

Statewide Human Resource Policies released in 2007/08

Occupational Exposure to Blood Borne Diseases: NSW Health Notification Requirements to WorkCover NSW (PD2008_021)

Provides information to ensure NSW Health and Area Health Services meet legislative notification requirements to WorkCover NSW, regarding occupational exposures to bodily fluids that present a risk of transmission of blood-borne diseases.

Leading Well: Role of Leadership in Improving the Prevention and Management of Psychological Injury (PD2008_041)

Based on information from the Department of Premier and Cabinet, it aims to reduce the incidence of psychological injury through improved leadership in the public sector. It identifies actions to improve leadership practices and organisational performance.

Healthy Workforce: Policy on Improving the Health and Well-being of Public Sector Employees (PD2008_042)

Provides information from the Department of Premier and Cabinet to assist NSW public sector agencies develop and implement comprehensive and effective healthy workforce programs. It builds on other NSW Health policies that promote a healthy and safe working environment.

Preventing and Managing Workplace Fatigue: Guidelines for the NSW Public Health System (GL2007_023)

Provides guidelines to assist employers identify the potential for work related fatigue becoming an OHS issue, and prevent and manage work related fatigue similar to other OHS risks. It includes a risk identification and assessment tool and a range of options for controlling such risks.

Occupational health & safety

NSW Health is committed to ensuring the health, welfare and safety of staff and visitors to the workplace.

NSW Health acts in accordance with the Occupational Health & Safety Act (NSW) 2000 and the Occupational Health & Safety Regulation (NSW) 2001.

Highlights

- OH&S Committee met on a bimonthly basis to discuss strategies for managing and improving workplace health and safety. Committee campaigns included promotion of Safety Week, Pedestrian Awareness and the Influenza Vaccination Program.
- New members of the OH&S Committee obtained certification in OH&S Consultation in accordance with the Occupational Health and Safety Regulation 2001.
- OH&S Coordinator and Chair of the OH&S Committee addressed monthly induction programs to inform staff of workplace health and safety and risk management initiatives and to advocate the Department's OHS Mission Statement, promoting health and safety as "Everybody's Responsibility".
- During 2007/08, 10 tests and activities were conducted by recovery teams as part of the Department's Business Continuity Plan.
- Evacuation procedures were tested on a six-monthly basis, and fire wardens received ongoing training on procedures.

Strategies to improve Occupational Health and Safety include:

- Ongoing commitment to achieving the objectives of NSW Health's OH&S Mission Statement.
- Implementation of a Healthy Lifestyle Program for employees.
- Ongoing consultation and promotion of health and safety practices in the workplace.
- Ongoing commitment to promoting risk management and injury prevention strategies.
- Promotion of NSW Health's Employee Assistance Program and resources available to employees.

Workers' Compensation

In accordance with Workers' Compensation Act 1987 and Workplace Injury Management and Workers' Compensation Act 1998, the Department provides access to compensation, medical assistance and rehabilitation for an employee who has sustained a work-related injury.

The number of workers' compensations claims lodged with the Department's insurer is a positive indicator of Occupational Health and Safety performance and continued commitment to reducing workplace injuries. The Department remains dedicated to improving the management of worker compensation costs and delivering effective return to work programs.

The Department continues to participate in the *Working Together – The Public Sector OH&S and Injury Management Strategy for 2005 – 2008*. This included a review and audit of workplace safety and injury management systems, and planning for subsequent audits of the workplace.

Nine new claims were managed during 2007/2008. This number was lower than previous years and continued a trend of a decreasing number of claims since 2000/2001. Out of the nine, one was declined by the insurer.

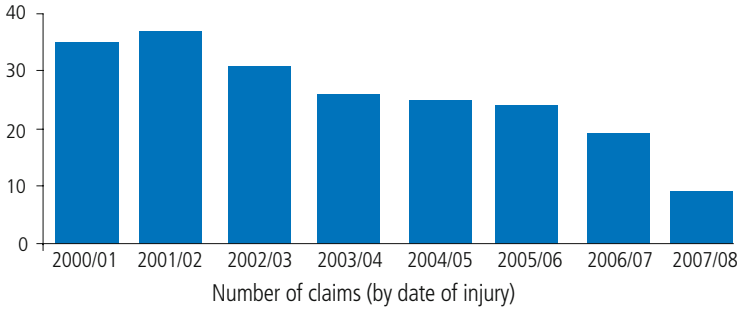
The greatest number of workers' compensation claims were for body stress injuries which accounted for three of the nine (six of 19 in 2006/2007) and psychological injury which also accounted for three of the nine claims (one of 19 in 2006/2007). A reduction was noted in the amount of slips, trips and falls which represented only one of the nine claims (eight of the 19 in 2006/2007).

Strategies to improve workers' compensation and return to work performance include:

- Ongoing commitment to provide meaningful duties to employees who sustain a workplace injury and provision of effective return to work programs.
- A focus on injury management strategies to aid in timely return to work, maintaining regular contact with stakeholders throughout the duration of the claim.
- Regular claims review meetings with the insurer to monitor claim activity and costs.
- Ongoing commitment to the *Working Together – The Public Sector OH&S and Injury Management Strategy for 2005 – 2008* and future *Working Together* strategies.

NSW Department of Health data

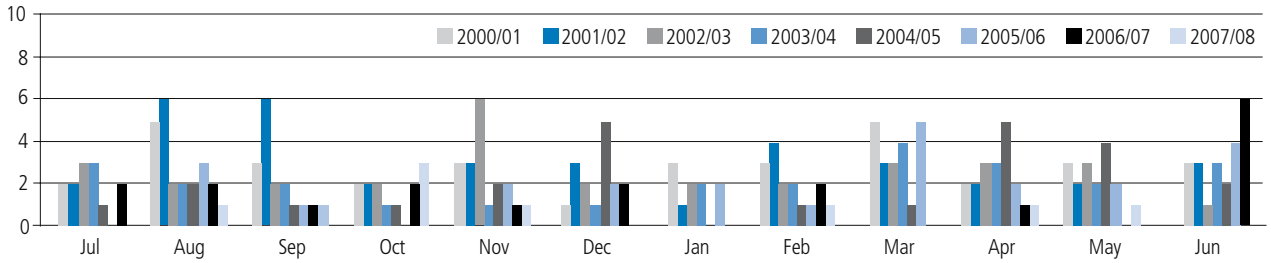
Number of new claims each year from 2000/01 to 2007/08 financial years



Year	Claims
2000/2001	32
2001/2002	33
2002/2003	31
2003/2004	26
2004/2005	25
2005/2006	23
2006/2007	19
2007/2008	9

(Claims data based on accepted claims as at 2006/07 financial year)

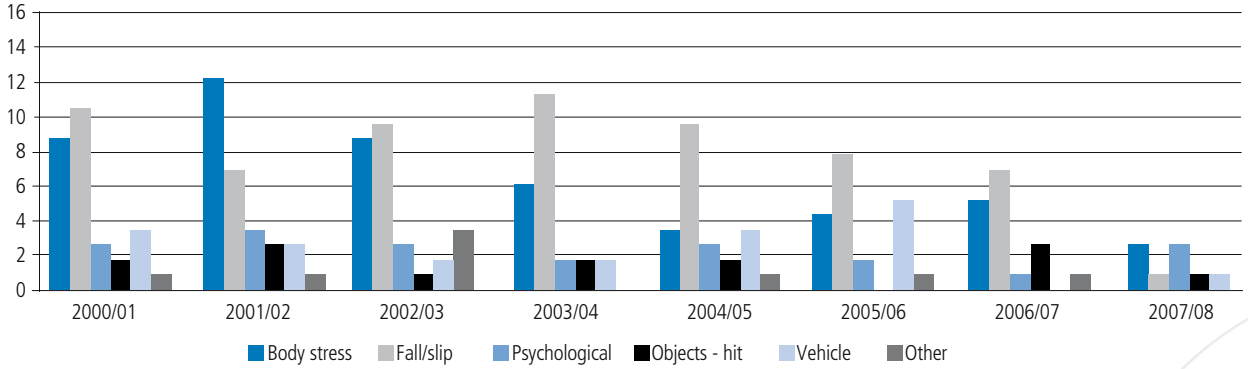
Claims each month from 2000/01 to 2007/08 financial years



Categories of workers' compensation claims each month 2007/08 financial year

Injury/illness	Jul 07	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	TOTAL
Body stress				1	1			1					3
Fall/slip/trip			1										1
Psychological		1		1						1			3
Objects - hit											1		1
Vehicle				1									1
Other													0
Total	0	1	1	3	1	0	0	1	0	1	1	0	9

Categories of workers' compensation claims from 2000/01 to 2007/08 financial years



Categories of workers' compensation claims from 2000/01 to 2007/08

YEAR	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Body stress	10	14	10	7	4	5	6	3
Fall/slip/trip	12	8	11	13	11	9	8	1
Psychological	3	4	3	2	3	2	1	3
Objects - hit	2	3	1	2	2	0	3	1
Vehicle	4	3	2	2	4	6	0	1
Other	1	1	4	0	1	1	1	0
Total	**32**	**33**	**31**	**26**	**25**	**23**	**19**	**9**

Overseas visits

BY DEPARTMENT OF HEALTH STAFF 2007/08

The schedule of overseas visits is for NSW Department of Health staff. The reported instances of travel are those sourced from general operating funds or from sponsorship arrangements both of which require Departmental approval.

Blackwell, Jennifer – Strategic Development
Human Genetics Society Annual Meeting
Auckland, New Zealand.
General Funds

Capon, Adam – Population Health
Toxicology Excellence for Risk Assessment
Ohio, USA.
General Funds

Eyeson-Annan, Margo – Population Health
Fifth International Conference for Behavioural Risk Factor Surveillance
Europe / United Kingdom.
General Funds

57th Annual Epidemic Intelligence Service Conference and meetings with Behavioural Risk Factor Surveillance
Atlanta Georgia and Ottawa, Canada.
Sponsorship

Jackson, Kate – Strategic Development
Australian & New Zealand School of Government (ANZSOG) Executive Master of Public Administration Course
Wellington, New Zealand.
General Funds

Jenkins, Graham – HealthSupport
Study tour of Shared Services Environments in Hong Kong and UK
Hong Kong and United Kingdom.
General Funds

Lown, Sharon – Strategic Development
11th Annual Conference of the Society of Trauma Nurses
New Orleans, USA
General Funds

Matthews, Richard – Strategic Development
Millbank Memorial Fund Mental Health Transformation Meeting
Washington DC and New York, USA
Sponsorship

McCaughan, Brian – Practising Senior Clinician
World Executive Forum
Quebec, Canada
General Funds

O'Callaghan, Emer – Manager, Medical Recruitment, Hunter & New England AHS
Australia Needs Skills Expo (organised by Dept of Immigration & Citizenship)
London, United Kingdom
General Funds

Sanders, John – Population Health
Oceania Tobacco Control Conference: Vision to Reality
Auckland, New Zealand
General Funds

Privacy management plan

The Department provides ongoing privacy information and support to the NSW public health system through the NSW Health Privacy Contact Officers Network Group. This group met twice in 2007/08 and discussed recent developments in the privacy area, provided feedback on proposed guidelines and policy directives, and advised on current issues and activities.

The Department's Privacy Contact Officer made presentations to two health services and internally to Department staff.

Internal review

One application for internal review under the Health Records and Information Privacy (HRIP) Act 2002 was received by the Department in June 2008.

The complaint related to a lack of information provided to the applicant with regards to the electronic health record pilot program 'Healthelink'. The findings of the internal review are due in August 2008.

Statutory Review of the Health Records and Information Privacy Act 2002

The five-year statutory review of the Health Records and Information Privacy (HRIP) Act 2002 commenced in January 2008. The Department is due to table its report in the NSW Parliament in September 2008.

Senior executive service

Number of CES/SES positions at each level within the Department of Health

SES Level	As at 30 June 2008	As at 30 June 2007
8	1	1
7	4	4
6	2	-
5	2	4
4	8	7
3	15	13
2	8	9
1	4	3 + 1*
Total positions	44	42 + 1*

Note: *Limited term project position (Bio-preparedness) in 06/07. Has been converted to a permanent position in 07/08

Number of female CES/SES officers within the Department of Health

As at 30 June 2008	As at 30 June 2007
18	18

Senior executive performance statements

Professor Debora Picone AM

Position Title: Director-General
SES Level: 8
Remuneration: $375,676
Period in position: 1 year

Professor Picone was appointed Director-General in July 2007.

The Minister for Health and the Director-General, Department of Premier and Cabinet have expressed satisfaction with Professor Picone's performance during 2007/08.

Significant achievements in 2007/08

- Led five NSW State Plan priorities meeting the majority of performance targets. Emergency Department triage results are at or above benchmark with the exception of category where significant effort is being made to improve. Elective surgery waiting lists have been further reduced with the number of patients waiting longer than 12 months is at its lowest rate ever.
- Open and proactive participation in the range of reviews in which NSW Health was engaged, and active implementation of recommendations including the Inquiry into Royal North Shore Hospital; the Bathurst and Orange Hospital infrastructure projects; the Special Commission of Inquiry into Acute Care Services in NSW Public Hospitals; reviews of the Ambulance Services; and the Special Commission of Inquiry into Child Protection Services.
- Provided leadership through financial management of the $12.5 billion health budget. Professor Picone is managing significant budget issues, working with NSW Treasury and the Department of Premier and Cabinet to improve health efficiency; introduce episode funding and working with health services to effectively manage their resources in light of continued increases in demand for services.
- Reaffirmed the critical and strategic importance of clinician engagement, including a review of priorities and strategies to strengthen formal clinical networks, consultation processes and communication mechanisms.
- Representing NSW Health and providing strategic direction and input into a range of high level cross-jurisdictional and interagency forums including the Council of Australian Governments (COAG) and the Australian Health Ministers' Advisory Council, which the Director-General currently chairs.
- Ensuring the Department of Health and NSW Health continue to build strong and collaborative relationships with other NSW Government agencies, resulting in improved policy development and service options for public health services in NSW. NSW Health is a partner agency for 11 NSW State Plan priorities through which Professor Picone is a strong advocate for health issues and strategic results.

Dr Richard Matthews

Position Title: Deputy Director-General, Strategic Development
SES level: 7
Remuneration: $357,300
Period in position: 4.5 years

The Director-General has expressed satisfaction with Dr Matthews' performance throughout 2007/08 in the position of Deputy Director-General, Strategic Development. Dr Matthews achieved the performance criteria contained in his performance agreements.

Significant achievements in 2007/08

- Led health reform through the Council of Australian Government's health reform process.
- Successfully implemented the 2003–2008 Australian Health Care Agreement and led the renegotiation of the next Australian Health Care Agreement (2008/09-2012/13) for NSW.
- Continued support to the Health Care Advisory Council, Health Priority Taskforces, Area Health Advisory Councils and other key advisory bodies, including the General Practice Council, Ministerial Council on Hearing (MSC-H) and NGO Advisory Committee.
- Provided strategic direction to the implementation of the Integrated Primary Health and Community Care Policy, including the establishment of After Hours GP Clinics and the HealthOne NSW Program.
- Led development of the NSW Trauma Services Plan, Radiation Oncology Strategic Plan and Second NSW Rural Health Plan.

- Continued to drive the implementation of National Mental Health Policy and the NSW Mental Health Policy (Interagency Action Plan on Better Mental Health, New Directions in Mental Health).
- Continued leadership and management of the NSW Institute of Rural Clinical services and Teaching.

Dr Denise Robinson

Position Title: Deputy Director-General, Population Health and Chief Health Officer
SES Level: 7
Remuneration: $357,300
Period in position: 3 years and 2 months. Period relevant to this report is from 14 February 2005 – 2 May 2008

The Director-General has expressed satisfaction with Dr Robinson's performance throughout 2007/08 in the position of Deputy Director-General, Public Health and Chief Health Officer. Dr Robinson achieved the performance criteria contained in her performance agreement. Dr Robinson retired on 2 May 2008.

From 3 May 2008, Dr Kerry Chant acted in the position of Deputy Director-General, Population Health and Chief Health Officer.

Significant achievements in 2007/08

- Participated in strategic initiatives and policy development within the Australian Health Ministers Advisory Council sub-committees - the Australian Health Protection Committee and the Australian Population Health Development Principal Committee.
- Represented NSW on the National Health and Medical Research Council.
- Implemented the revised Aboriginal Health Partnership Agreement.
- Developed a system of single ethical and scientific review of multicentre research.
- Completed the Child Health Dental Survey of 8,000 5-12 yr old NSW children.
- Increased percentage of NSW population with access to water fluoridation.
- Coordinated the public consultation process for the Protecting Children from Tobacco - A NSW Government Discussion Paper.
- Participated in strategic initiatives and policy development within the Australian Health Ministers Advisory Council sub-committees - the Australian Health Protection Committee and the Australian Population Health Development Principal Committee.
- Represented NSW on the National Health and Medical Research Council.
- Implemented the revised Aboriginal Health Partnership Agreement.
- Developed a system of single ethical and scientific review of multicentre research.
- Completed the Child Health Dental Survey of 8,000 5-12 yr old NSW children.
- Increased percentage of NSW population with access to water fluoridation.
- Coordinated the public consultation process for the Protecting Children from Tobacco - A NSW Government Discussion Paper.
- Led the development of the NSW Government plan for preventing overweight and obesity in children, young people and their families 2008 – 2011.
- Implemented Live Life Well@ School and developed Munch and Move.
- Implemented the findings of an expert think tank to preserve stability in NSW in notifications of HIV.
- Progressed planning for pandemic influenza and other infectious disease emergencies across NSW.

Professor Katherine McGrath

Position Title: Deputy Director-General, Health System Performance
SES Level: 7
Remuneration: $357,300
Period in position: 4.3 years

Professor McGrath achieved the performance criteria contained in her performance agreement.

Significant achievements in 2007/08

- Continued to drive focus on performance and sustained improvement in access, a major factor in driving improvement in access and quality of service.
- Provided strong leadership in Clinical Service Redesign Program (CSRP).
- Sustained improvement in Elective Surgery.
- AIHW Report: NSW best performing of all states (lowest percentage of patients waiting over 365 days).
- Total number of patients overdue in the three urgency categories now the lowest level ever.
- Ahead of trajectory in Category 2 overdue reduction (in collaboration with Commonwealth).

- Continued and consistent improvement in emergency department performance in the face of ongoing increased demand. The AIHW reports NSW as having fastest access to emergency treatment of all states.
- New Medical Assessment Units opened in 16 hospitals.
- eHR and EMR roll-outs continue.
- Open Disclosure rolled out across NSW.
- Centre for Health Care Redesign had 26 students graduate.
- Published the first bi-annual Report on Incident Management in the NSW Public Health System Jan - Jun/2006.
- Clinical Governance processes are embedded in Area Health Services.
- Established systems for analysis of Root Cause Analysis reports to identify statewide system issues.
- Maintained focus of the improvement in data analysis and reporting. For example, there were significant outputs of demand analysis, benchmarking, and performance.
- Continued implementation of the Business Information Program and delivery of support to management decisions in real time.

Karen Crawshaw

Position Title: Deputy Director-General, Health System Support
SES Level: 7
Remuneration: $335,595
Period in Position: 9 months

Ms Crawshaw has achieved the performance criteria contained in her performance agreement, which focus on strategic leadership in the areas of workforce, corporate and business services, assets and procurement, corporate governance, risk management, legal services and the Health Legislative Program.

The Director-General has expressed satisfaction with Ms Crawshaw's performance throughout this period.

Significant achievements in 2007/08

- Health Infrastructure and Health Infrastructure Board established to manage delivery of major capital works.
- Development of NSW Health Environmental Sustainability Strategy and targets.
- Progressive implementation of new pathology cluster arrangements to improve the effectiveness and sustainability of NSW Health pathology services.
- Strengthening of policies and processes for medical practitioner recruitment and regulation within the NSW public health system.
- Development and passage of legislation requiring medical practitioners to report instances of serious professional misconduct.
- Oversight of timely responses by NSW Health and its entities to summonses and requests issued by the Special Commission of Inquiry into Acute Care in NSW public hospitals.
- Development of Accreditation System and Standards for Medical Locum Agencies.
- Improved approaches to recruitment within NSW Health including establishment of a careers website, appointment of an international recruitment agency and targeted medical specialist recruitment in the UK.
- Negotiation of new wages MOU with NSW Nurses Association.
- Development of safe working hours guidelines for the public health system.
- Strengthening of governance and overseeing of NSW Health Shared Services Program.

Ken Barker

Position Title: Chief Financial Officer, Health System Support
SES Level: 6
Remuneration: $284,950
Period in Position: 14 years
(21 years in this or similar position)

The Deputy Director-General, Health System Support has expressed satisfaction with Mr Barker's performance throughout 2007/08. Mr Barker achieved the performance criteria contained in his performance agreement.

Significant achievements in 2007/08

- Initiated improvements to the financial management and budget control of the Health Capital Program. .
- Initiated improvements to the financial management and budget control of the Health Capital Program.
- Finalisation and issue of a Capital Asset Charging Policy for NSW Health.
- Proactive compliance monitoring of standardised Business Rules for distributing actual expenditure/revenues to the Standard Chart of Accounts to ensure consistent financial information under the NSW Health Shared Services platform.

•Co-ordination of system wide financial information required by Treasury for annual Budget cycle and Government wages negotiations with health unions.

•Timely allocation of annual budgets to health services with strengthening of budget control and financial reporting requirements upon health services developed for 08/09 financial year and following..

•Establishment of effective business platform for new pathology cluster structure.

•Leadership and management of Treasury Managed Fund arrangements within NSW Health to maintain Health's superior financial and risk management performance.

David Gates

Position Title: Chief Procurement Officer
SES Level: 6
Remuneration: $275,515
Period in position: 12 years

Significant achievements in 2007/08

- Managed the Capital Investment of $760 million with full achievement against the 2007/08 Budget Paper targets.
- Established the cross Divisional Capital Steering Committee to manage Capital Program review and prioritisation issues.
- Submitted the 2007 Total Asset Management Plan and obtained endorsement to the Capital Investment Strategic Plan.
- Managed the update of all Area Health Service Asset Strategic Plans according to a standard template.
- Transitioned the former Major Projects Office to become the business unit established by the Director-General (Health Infrastructure) to procure major projects over $10 million.
- Developed the new Procurement Framework with clarified accountabilities between Department, Health Support Services, Areas and Department of Commerce.
- Directed the 2007/08 Procurement Savings Program targeted at achieving savings for reallocation to health care services.
- Managed the initiation of the new Business Development Unit with the mission to stimulate and grow Area and Clinician new business models enhanced by capacity sharing with other areas and the private sector.
- Completed the NSW Health Sustainability Strategy to guide NSW Health's contribution to green house targets.

Michael Rillstone

Position title: Chief Information Officer
SES level: 5
Remuneration: $253,500
Period in position: 2 years 6 months

Mr Rillstone achieved the performance criteria contained in his performance agreement. During 2007/08, Mr Rillstone provided leadership in the areas of information and technology with a focus on strategy, management, governance and advice on information and technology programs.

Significant achievements in 2007/08

- Leadership in the roll-out of the information management and technology program, which has been a major focus of activity across the state, providing new and improved information and technology capability across the health system.
- Supported the development of the National e-Health agenda with programs underway in support of National e-Health Transition Authority, National Health CIO Forum and National Health Information Regulatory Framework.
- Implemented effective governance and leadership forums with Area Health Service Chief Information Officers, clinicians and Directors of Corporate Services.
- Implemented an information management technology transformation program to improve performance and capability through updated processes and staff training.
- Improved monitoring of Finances realisation of benefits and management reporting from investment in information technology.
- Established a highly skilled information and management technology team that has significantly contributed to improved advice and management of information technology programs.
- Negotiated statewide contracts for information and management technology capability, resulting in significant savings in ongoing maintenance and software costs.
- Completed business cases in support of the ICT Strategy.
- Completed feasibility studies of proposed state initiatives.
- Led development and deployment of ICT policy.

Significant publications

Books/booklets

- Aboriginal maternal and infant health strategy
- Getting it right in NSW - orderly slip booklet
- Having a baby
- 2007 Personal Health Record - Blue Book
- HealthOne NSW Newsletter

Brochures/flyers

- Aboriginal workforce survey
- Aboriginal maternal and infant health strategy
- Applying for Junior Medical Positions in NSW
- Applying for JMO and Vocational Trainee positions
- AusHealth Company Profile
- CareSafe: Learnings 2007
- ComPacks - Information for patients and families
- Getting it right in NSW - Correct patient, correct procedure, correct site safety toolkit
- Not So Fun Park
- Smoke-free NSW leaflets
- Tests to Protect Your Baby

Manuals/information kits

- Care and Support Pack for Families and Friends Bereaved by Suicide
- Hearing Loss and Your Baby: The Next Step
- LiveOutsideTheBox
- Management of a Complaint or Concern about a Clinician (MCCC) workshop
- Information about working in NSW, Australia for interstate and international nurses & midwives
- Pre-Procedure Preparation Toolkit
- Smokecheck - Brief Intervention for Smoking Cessation

Fact sheets

- Hospitalist Information sheets

Policies and guidelines

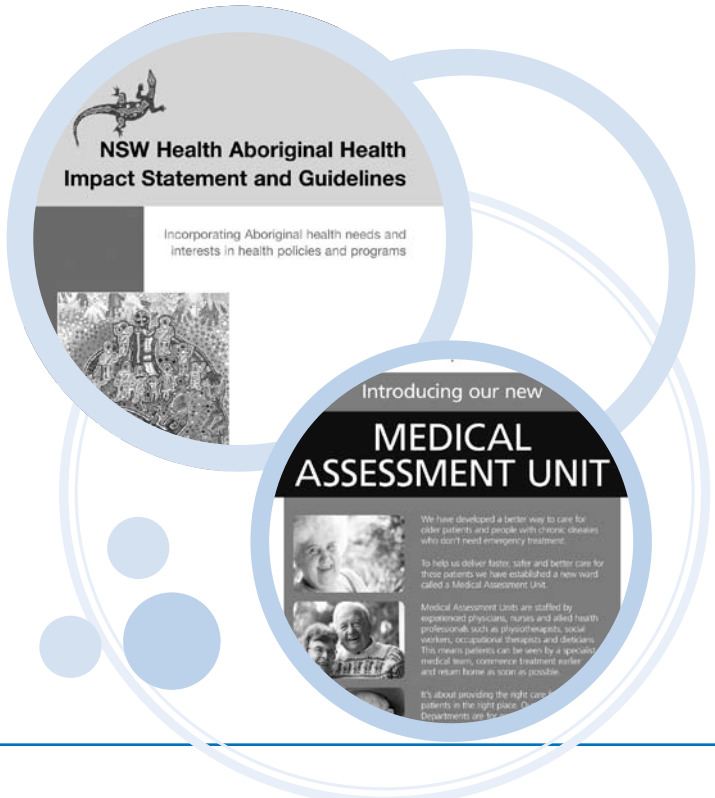
- Infection control policy
- Incident management
- NSW Aboriginal Mental Health and Wellbeing Policy
- NSW Drug and Alcohol Withdrawal Clinical Practice Guidelines
- NSW Health Aboriginal Health Impact Statement and Guidelines 2007
- Health Aboriginal Health Impact Statement Declaration and Checklist
- NSW Health Client Registration Guideline
- NSW Rural Emergency Clinical Guidelines for Adults (2007) v.2.1

Posters/postcards

- DrinkWise
- Getting it right in NSW
- Medical assessment unit (MAU)
- Open Disclosure Poster
- Special Inquiry DWD Forum poster
- Official Visitors Program

Reports

- A literature review of sharps injuries and preventative strategies
- Breastfeeding in New South Wales, Population Health Survey 2003-2004
- Comorbidity framework for action - NSW Health Mental Health/Drug and Alcohol
- Discussion Paper - towards a Public Health Training & monitoring framework for the NSW Public Health Officer Training program
- Environmental Scan of Sharps Safety in the NSW Public Health System
- Evaluation of the process and impact of the evidence-based practice train-the trainer course and workforce training opportunities in the Area Health Services of New South Wales
- Exercise Paton Evaluation Report
- HASI - an innovative partnership program supporting mental health consumers living in the community
- HIV/AIDS supported accommodation plan 2007-2010
- Housing and Accommodation Support Initiative (HASI). Stage 1 - Evaluation Report
- Incident Management in the NSW public health system 2007, No. 1 January to June
- Integrated Primary and Community Health Policy 2007-2012 Implementation Plan
- Monitoring post secondary education and training in Australia – practice and policy developments relevant to the NSW Public health Officer Training Program
- My health record pilot project evaluation report summary and distribution protocol
- NSW: A new direction for Mental Health
- NSW Aboriginal Nursing and Midwifery Strategy 2007-2010
- NSW Aboriginal Nursing and Midwifery Responding to Family Violence in Aboriginal Communities Strategy (FVACS)
- NSW Carers Action Plan 2007-2012. NSW Carers Action Plan Summary in different languages: Vietnamese, Arabic, Chinese, Greek, English, Macedonian, Korean, Italian
- NSW Community Mental Health Strategy 2007-2012 - from prevention and early intervention to recovery
- NSW Dementia Action Plan 2007 - 2009
- NSW Hepatitis C Strategy 2007-2009
- NSW Immunisation Strategy 2008-2011
- NSW Strategic development interventions professional practice
- Report on the evaluation of the Nurse/Midwife Practitioner & Clinical Nurse/Midwife Consultant Roles
- Review of the NSW forensic mental health legislation
- Routine Screening for Violence Program: Snapshot Report 3 November 2005 Snapshot
- The Impact of HIV/AIDS in NSW
- Wellbeing - Aboriginal mental health workers' forum report: Winhingagigi-la-dah 'caring for self and others' Partnerships.



Funding and Expenditure

APPENDIX 2

Accounts age analysis

In 2007/08, the significant receivable balance in over 90 days is represented by $1.13 million for AusHealth as interest payable to the Department. The balance also includes $1.3 million receivable from Health Infrastructure and Fringe Benefits Tax of $1.0 million receivable from Area Health Services.

In 2006/07, the significant receivable balance in over 90 days is represented by $629,000 for DVA revenue payable to the Department. The amount further includes $936,000 for AusHealth as interest payable to the Department and other sundry debtors at $411,000.

Accounts receivable ageing as at 30 June 2008

Category	2008/07		2006/07	
	$000	%	$000	%
< 30 Days	62,336	90	23,620	90
30/60 Days	856	1	105	0
60/90 Days	505	1	24	
>90 Days	5,926	8	2,604	
Total	**69,623**		**26,353**	

Accounts payable ageing as at 30 June 2008

Quarter	Current (ie within due date) $000	Less than 30 days overdue $000	Between 30 and 60 days overdue $000	Between 60 and 90 days overdue $000	More than 90 days overdue $000
September	75,107	0	0	0	0
December	64,778	0	0	0	0
March	68,538	0	0	0	0
June	122,964	3	5	1	2

Quarter	Total accounts paid on time		Total amount paid
	%	$000	$000
September 2007	99.3	3,107,384	3,129,289
December 2007	99.1	2,834,291	2,860,031
March 2008	99.5	2,774,847	2,788,791
June 2008	98.7	2,702,700	2,738,298

Capital works and asset management

Strategic Asset Management achievements:

- Full year capital expenditure was achieved against the approved 2007/08 BP4 program of $757 million.
- Approximately $25.07 million worth of construction contracts for projects with value less than $10 million were awarded.
- The forward 10 year Capital Investment Strategic Plan was endorsed with an excess of $2.9 billion (2007/08 to 2010/11) in Committed Funding over the next four years.
- Twelve major properties were disposed of during 2007/08 with gross sales proceeds totalling at $14.19 million.
- All properties were sold in accordance with government policy. Properties with a value of more than $5 million were disposed of by means of public auction or tender.
- The Australasian Health Facility Guidelines were further developed with the other Australasian jurisdictions.

Major priorities for 2008/09

- Full expenditure of the 2008/09 asset acquisition program of $839 million.
- Contractually commit to approximately $31.9 million worth of new capital projects less than $10 million.
- Development of planning phases for seven new projects value of less than $10 million with a total value of $38.2 million.
- Finalise implementation for enterprise project management and project portfolio reporting purposes.
- Further development in the review of asset strategic plans for all Area Health Services.
- Review the NSW Health process of facility planning.

NSW Health Heritage Management

The Movable Heritage policy is to be incorporated as part of the Heritage Asset Management Strategy and as an update of the Heritage Guidelines.

To achieve this, a consultant will be engaged in 2008 to undertake the review of the Movable Heritage policy.

The following table outlining capital works completed during 2007/08 represents NSW Health's asset acquisitions for the year. NSW Health's major assets are listed under the profiles of each Area Health Service.

Capital works completed during 2007/08

Project	Total cost $M	Completion date
Greater Southern Area Health Service		
Junee Hospital Redevelopment	12.4	Apr-08
Griffith Hospital Emergency Department	6.4	Feb-08
Batlow Health Service Redevelopment	11.8	Jun-08
Berrigan Health Service Redevelopment	6.9	Mar-08
Bombala Health Service Redevelopment	10.6	Apr-08
Greater Western Area Health Service		
Nyngan Hospital Redevelopment	10.4	Apr-08
Bloomfield Clinical Services	0.3	Jun-08
Rylstone Integrated Primary Health Care	0.4	Jun-08
Hunter New England Area Health Service		
John Hunter Hospital Staff/Patient Amenity Upgrade	10.0	Mar-08
Walcha Rural Hospital & Health Service	10.0	Aug-07
Hunter New England AHS Equipment	0.5	Jun-08
John Hunter Hospital Second Access Road	7.5	Nov-07
North Coast Area Health Service		
Grafton Hospital Emergency Department Stage 2	0.5	May-08
Byron Shire Hospital Project Feasibility Plan	0.4	Dec-07
North Coast AHS Replace Ventilators	0.5	Jun-08
Northern Sydney Central Coast Area Health Service		
Electronic Medical Records	1.1	Jun-08
Mona Vale Lift Repairs	1.5	Mar-08
Woy Woy Transitional Care Unit	3.4	May-08
Gosford Interventionary Angiography	1.4	Jun-08
Royal North Shore Hospital Linear Accelerator	3.6	Jun-08
Royal North Shore Hospital Breast Screening Refurbishment	0.8	Jun-08
Hornsby Hospital Adult Acute Unit	0.8	Jun-08
Hornsby Hospital Child and Adolescent Unit	0.9	Jun-08
Hornsby Ku-ring-gai Linkway	0.6	Oct-07
Gosford Hospital Stage 2 Redevelopment - Infrastructure	2.5	Jun-08
Wyong Hospital Stage 2 Emergency/ Pathways/Med.Imaging/Psych Emerg Care	21.0	Jun-08

Capital works completed during 2007/08

Project	Total cost $M	Completion date
South Eastern Sydney Illawarra Area Health Service		
St George Computer Operating Theatre	1.4	Jun-08
Sutherland Hospital Renal Unit	1.7	Feb-08
Illawarra Older Persons Unit	5.5	Jun-08
St George Hospital CCC CT Scanner	1.1	Jun-08
St George Linear Accelerator	3.6	Jun-08
Sydney Children's Hospital Equipment Upgrade	0.4	Jun-08
Illawarra Brain Injury Service	0.8	Jun-08
Minto House Cancer Outpatients Unit	0.9	Jun-08
Electronic Medical Records	0.5	Jun-08
SESIAHS PACC Roll-out	0.6	Jun-08
SESIAHS RIS Roll-out	0.7	Jun-08
POW Steriotatactic Surgery Equipment	0.5	Jun-08
Sydney South West Area Health Service		
Campbelltown Hospital Psychiatric Emergency Care	1.7	Mar-08
Liverpool Linear Accelerator	3.4	Jun-08
Liverpool Opioid Service	0.9	Jun-08
Liverpool/RPAH ICU Ventilators	0.5	Jun-08
Rozelle Mental Health Facility Relocation	58.2	Apr-08
Sydney West Area Health Service		
Blacktown Hospital Psychiatric Emergency Care	1.5	Oct-07
Nepean Hospital Psychiatric Emergency Care	2.4	Nov-07
Cerner PAS Implementation	1.6	May-08
Electronic Emergency Records	1.3	Jun-08
Mt Druitt Multi-Purpose Service & Intergrated Primary Health Care	0.5	May-08
Nepean Hospital Dental Clinic Upgrade	0.4	Jun-08
Nepean Hospital Inebriates Trial	0.4	Jun-08
SWAHS GEEIP	0.5	Jun-08
Westmead Hospital Cancer Services	17.6	Nov-07
Westmead Hospital Engineering Infrastructure	15.1	Mar-08
Westmead Hospital Renal Unit	6.5	Mar-08
Westmead Hospital Women's Health	31.7	Nov-07
Total estimated cost works completed	**287.9**	

Note: includes projects only with an estimated total cost over $0.5 million

Credit card certifications

In the 2007/08 financial year, credit card use within the Department was in accordance with Premier's Memoranda and Treasurer's Directions.

Credit card use

Credit card use within the Department of Health is largely limited to:

- the reimbursement of travel and subsistence expense
- the purchase of books and publications
- seminar and conference deposits
- official business use whilst engaged in overseas travel.

Documenting credit card use

The following measures are used to monitor the use of credit cards within the Department:

- The Department's credit card policy is documented
- Reports on the appropriateness of credit card usage are periodically lodged for management consideration
- Six-monthly reports are submitted to Treasury, certifying that the Department's credit card use is within the guidelines issued.

Procurement cards

The Department has encouraged the use of procurement cards across all areas of NSW Health. This is consistent with the targets established under the Health Supply Chain Reform Strategy and in keeping with the Smarter Buying for Government initiatives of the NSW Government Procurement Council.

The use of the cards benefits all Health Services through the reduction of purchase orders generated, the number of invoices received, the number of cheques processed as well as reducing delays in goods delivery.

The controls applied to credit cards are also applicable and applied to the use of procurement cards.

Non-government organisations funded

Program: 36.1 Ambulatory, Primary and (General) Community Based Services
36.1.2 Aboriginal Health Services

Aboriginal Health		
Aboriginal Health and Medical Research Council of NSW	$1,125,700	Peak body advising State and Federal Governments on Aboriginal health matters and provide advocacy and support for Aboriginal community controlled health services
Aboriginal Medical Service Co-op Ltd	$235,600	Preventative health care and drug and alcohol services and family health (maternal health) services for Aboriginal community in the Sydney inner city area
Aboriginal Medical Service Western Sydney Co-op Ltd	$179,800	Preventative health care and drug and alcohol services for Aboriginal community in the Sydney Western Metropolitan area and a deceased person van service
Awabakal Newcastle Aboriginal Co-op Ltd	$276,400	Preventative health care, drug and alcohol, Otitis Media program and family health services for Aboriginal community in the Newcastle area
Biripi Aboriginal Corporation Medical Centre	$157,950	Preventative health care, drug and alcohol, family health services and vascular health program for Aboriginal community in the Taree area
Bourke Aboriginal Health Service Ltd	$135,900	Preventative and primary health care, health screening and education programs, drug and alcohol services for the Aboriginal community in Bourke and surrounding areas
Bulgarr Ngaru Medical Aboriginal Corporation	$8,905	Aboriginal Health Promotion - Lets Get Fitical project to support children in understanding the importance of a positive approach to nutrition and physical activity
Centacare Wilcannia-Forbes	$132,500	Family health services grant for the prevention of violence and supporting positive family relationships in Narromine and Bourke
Cummeragunja Housing & Development Aboriginal Corporation	$99,595	Preventative health services for Aboriginal community in the Cummeragunja, Moama and surrounding areas
Durri Aboriginal Corporation Medical Service	$202,340	Preventative health, drug and alcohol services and vascular health program(Durri/Galambila) for the Aboriginal communities in the area
Forster Local Aboriginal Lands Council	$36,150	Family health services for the prevention and management of violence within Aboriginal families
Gallambilla Aboriginal Corporation C/- Durri ACMS	$24,860	Two year Aboriginal Health Promotion funding for Spring into Shape project
Goorie Galbans Aboriginal Corporation	$111,900	Family health services to reduce family violence, sexual assault and child abuse
Grace Cottage Inc	$81,600	Family Health Services involving individual and group support, educational workshops and training to reduce family violence, sexual assault and child abuse in Dubbo
Griffith Aboriginal Medical Service	$23,250	Aboriginal Health Promotion funding to develop awareness and knowledge regarding good nutritional and physical activity practices in a supportive and culturally safe environment
Illaroo Cooperative Aboriginal Corporation	$74,276	Personal Care Worker for the Rose Mumbler Retirement Village
Illawarra Aboriginal Medical Service	$223,800	Preventative health care, drug and alcohol services, youth health and welfare services and a childhood nurse for Aboriginal community in the Illawarra area
Katungul Aboriginal Corporation Community & Medical Services	$65,800	Otitis Media coordinator for Aboriginal communities of the Far South Coast region
Maari Ma Health Aboriginal Corporation	$180,000	Well persons health checks for the Aboriginal community

Aboriginal Health (continued)		
MDEA & Nureen Aboriginal Women's Cooperative	$47,100	Counselling and support service for Koori women and children in stress from domestic violence
Ngadrri Ngalli (My Mother's Way) Inc	$18,075	Family health services providing emotional and practical support to families with dependent children who are experiencing difficulty in their lives
Ngaimpe Aboriginal Corporation	$146,600	Residential drug and alcohol treatment centre for men in the Central Coast area and NSW
The Oolong Aboriginal Corporation	$160,900	A residential drug and alcohol treatment and referral service for Aboriginal people
Orana Haven Aboriginal Corporation (Drug & Alcohol Rehabilitation Centre)	$122,600	Residential drug and alcohol rehabilitation service for Aboriginal and non Aboriginal people
Peak Hill Aboriginal Medical Service	$12,441	Two-year funding for Walan Mali Migay (young women) project
Regional Social Development Group Inc	$80,200	A family health best practice model to increase access by the Aboriginal community to services specifically dealing with family violence, child protection and sexual assault services and preventative health projects
Riverina Medical & Dental Aboriginal Corporation	$403,400	Preventative health care, drug and alcohol, Otitis Media program and coordinator and family health services to develop and implement family health education programs for Aboriginal community in the Riverina region
South Coast Medical Service Aboriginal Corporation	$160,900	Preventative health care and drug and alcohol services for the Aboriginal community in the Nowra area
Tharawal Aboriginal Corporation	$135,900	Preventative health care and drug and alcohol services for the Aboriginal community in the Campbelltown area
Dubbo Aboriginal Medical Cooperative	$25,000	Anti smoking project -Butt Out - for the Aboriginal community in the Dubbo area
Walgett Aboriginal Medical Service Co-op Ltd	$256,900	Preventative health care and drug and alcohol services and family health services for the Aboriginal community in Walgett and surrounding areas
WAMINDA (South Coast Women's Health & Welfare Aboriginal Corp)	$74,700	Family health services grant to develop an education and training program for Aboriginal Community Workers covering family violence, sexual assault and child abuse issues
Weigelli Centre Aboriginal Corporation	$66,400	Residential drug and alcohol counselling, retraining and education programs for Aboriginal people in the Cowra area
Wellington Aboriginal Corporation Health Service	$183,000	Drug and alcohol services, youth and family health services for the Aboriginal community in Wellington
Yerin Aboriginal Health Services Inc	$314,600	Health and medical services both at the Centre and on an outreach basis, administration support, Otitis Media program and family health services for Aboriginal people in the Wyong area
Yoorana Gunya Aboriginal Family Violence Healing Centre Aboriginal Corporation	$142,600	Family health services for the Aboriginal community in Forbes and surrounding areas
TOTAL	**$5,727,642**	

Program: 36.1 Ambulatory, Primary and (General) Community Based Services
36.1.1 Primary and Community Based Services

AIDS		
AIDS Council of NSW Inc	$7,710,761	ACON is the peak statewide community based organisation providing HIV/AIDS prevention, education, and support services to people at risk of and living with HIV /AIDS. Services and programs include: HIV prevention, education and community development programs for gay and other homosexually active men; treatments information, health promotion and support programs for people with HIV/AIDS; education and outreach programs for commercial sex workers through the Sex Workers Outreach Project (SWOP); individual and group counselling; enhanced primary care and GP liaison; and HIV/AIDS information provision
ANEX	$27,800	One off grant to fund 20 places for health workers at Illegal Drugs and Mental Health Conference September 2007
Australasian Society for HIV Medicine Inc	$776,842	Provision of training for accreditation of general practitioners prescribing HIV or hepatitis C treatments under s100 of the National Health Act and training, education and support for general practitioners involved in the management of HIV and H CV infections. Provision of HIV and hepatitis C training targeting other health care providers including nurses and Aboriginal health workers
Australian Council on Healthcare Standards (ACHS)	$51,250	Coordination of collection, analysis and reporting of healthcare associated infections data and occupational exposure data in all eligible NSW public facilities
Australian Injecting and Illicit Drug Users League Inc (AIVL)	$37,045	The project will identify best practice in cleaning of used injecting equipment for further use including literature review and web based research of findings in other countries
Awabakal Newcastle Aboriginal Co-op Ltd	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Biripi Aboriginal Corporation Medical Centre	$42,525	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Bourke Aboriginal Health Service Ltd	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Bulgarr Ngaru Medical Aboriginal Corporation	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Coomealla Health Aboriginal Corporation	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Diabetes Australia - NSW	$1,564,000	Provision of free needles and syringes to registrants of the National Diabetic Services Scheme resident in NSW
Durri Aboriginal Corporation Medical Service	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Hepatitis C Council of NSW	$1,348,993	Provision of information, support, referral, education, prevention and advocacy services for all people in NSW affected by hepatitis C. The Council works actively in partnership with other organisations and the affected communities to bring about improvement in the quality of life, information, support and treatment for the affected communities, and to prevent hepatitis C transmission
Illawarra Aboriginal Medical Service	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Katungul Aboriginal Corporation Community & Medical Services	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
National Centre in HIV Epidemiology and Clinical Research	$383,282	Monitoring of prevalence, incidence and risk factors for sexually transmissable infections among gay men in Sydney. Demographic and socio-economic and behavioural risk factors for AIDS in the HAART era
National Centre in HIV Social Research	$848,731	Provision of surveillance data, monitoring of prevalence, incidence and risk factors for sexually transmissible infections among gay men in Sydney. Demographic and socio-economic and behavioural risk factors for AIDS in the HAART era
NSW Users & AIDS Association Inc	$1,229,200	Community based HIV/AIDS and hepatitis C education, prevention, harm reduction information, referral and support services for illicit drug users
Pharmacy Guild of Australia (NSW Branch)	$1,085,100	Coordination of needle and syringe exchange scheme in retail pharmacies throughout NSW
Pius X Aboriginal Corporation	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities

AIDS (CONTINUED)		
Positive Life NSW	$695,552	Statewide community based education, information and referral support services for people living with HIV/AIDS
School of Public Health and Community Medicine, University of NSW	$21,730	One off project funding to School of Public Health & Community Medicine University of NSW for sexual health and attitudes of Australian prisoners project
South Coast Medical Service Aboriginal Corporation	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Tharawal Aboriginal Corporation	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
University of NSW (Social Policy Research Centre)	$72,453	Project for prevention of transition to injecting among young people
Walgett Aboriginal Medical Service Co-op Ltd	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
Wellington Aboriginal Corporation Health Service	$56,700	Provision of HIV/AIDS, hepatitis C and sexually transmissible infections and prevention programs for local Aboriginal communities
TOTAL	**$17,148,919**	

ALTERNATIVE BIRTHING		
Durri Aboriginal Corporation Medical Service	$166,600	Provision of outreach ante/postnatal services to Aboriginal women in the Kempsey area
Walgett Aboriginal Medical Service Co-op Ltd	$166,600	Provision of outreach ante/postnatal services to Aboriginal women in the Walgett area
TOTAL	**$333,200**	

CARERS		
Association of Genetic Support of Australasia (AGSA)	$103,300	'Filling the Void' providing practical and emotional support to carers of people with rare genetic disorders where no support is available
Australian Huntington's Disease Association (NSW) Inc	$56,800	Caring for carers program supporting family and carers of people with Huntington's disease
Autism Spectrum Australia	$206,600	Behaviour intervention service, parent carer training programs and support service. Early support and education for parents and carers of newly diagnosed children with autism spectrum disorder
Carers NSW Inc	$597,700	Grant for peak body; role including health professional training, biennial conference and carer training
Disability and Aged Information Service Inc	$103,300	Working Carers Support Gateway providing internet based information and support service for low income employed carers
Down Syndrome Association of NSW Inc	$100,800	'All the Way' program supporting carers of people with Down Syndrome via information and peer support
Multiple Sclerosis Society Ltd	$31,000	MS Family Matters; information, education and support program providing tailored information and education workshops and resources to carers and family of people with MS
Muscular Dystrophy Association of NSW (MDANSW)	$80,400	Care for carers program providing information and support to carers of people with muscular dystrophy and other neuromuscular disorders
The Cancer Council NSW	$52,300	Support skills for cancer carers providing a statewide education program using facilitator-led online delivery and telegroup support
The Spastic Centre	$103,300	Carers link program supporting parents and carers of people with cerebral palsy, and other significant physical disability via mutual support and education initiatives
TOTAL	**$1,435,500**	

COMMUNITY SERVICES		
Association for the Wellbeing of Children in Healthcare Ltd	$143,700	Information and advice on the non-medical needs of children and adolescents in the health care system for families, parents and health professionals
AFL (NSW/ACT)Commission Ltd	$70,000	Two Australian football and sporting programs for at risk 12-14 year old Aboriginal young people in Sydney
Council of Social Service NSW	$191,400	Grant to support the development of the Management Support Unit with the aim of developing management capacity of Health funded NGOs, and to employ a Health Policy Officer to address effective policy development, communication, coordination and advocacy work

COMMUNITY SERVICES (CONTINUED)		
Humpty Dumpty Foundation Inc	$100,000	The Humpty Dumpty Foundation raises money to purchase life saving medical equipment for children's wards in hospitals across NSW
NSW Association for Adolescent Health Inc	$102,300	Peak body committed to working with and advocating for the youth health sector in NSW to promote the health and well being of young people aged 15 to 25 years
Parkinson's NSW Inc	$50,000	One off grant to provide improved information for people with Parkinson's Disease and their families and carers
QMS (Quality Management Services) Inc	$294,400	Coordination and implementation of NGO Quality Improvement Program for health NGOs funded under the NGO Grant Program
United Hospital Auxiliaries of NSW Inc	$159,100	Coordination and central administration of the United Hospital Auxiliaries located in NSW Department of Health
Women's Health NSW	$160,800	Peak body for the coordination of policy, planning, service delivery, staff development, training, education and consultation between non government women's health services, the Department and other government and non-government services
TOTAL	**$1,271,700**	

DRUG AND ALCOHOL		
Aboriginal Health and Medical Research Council of NSW	$135,000	Grant to continue the policy/project officer position and aboriginal drug and alcohol network projects
Aboriginal Medical Service Co-op Ltd	$235,400	Multi purpose Drug and Alcohol Centre
AIDS Council of NSW Inc	$61,000	ACON is the peak statewide community based organisation providing HIV/AIDS prevention, education, and support services to people at risk of and living with HIV /AIDS. Services and programs include: HIV prevention, education and community development programs for gay and other homosexually active men; treatments information, health promotion and support programs for people with HIV/AIDS; education and outreach programs for commercial sex workers through the Sex Workers Outreach Project (SWOP); individual and group counselling; enhanced primary care and GP liaison; and HIV/AIDS information provision
Australian Red Cross (NSW Division)	$187,500	Four year project funding to deliver the alcohol and other drug overdose prevention education program for families and carers of users in NSW
DAMEC (Drug and Alcohol Multicultural Education Centre)	$533,500	Statewide program targeting health and related professionals to assist them to appropriately service CALD customers
Life Education NSW Ltd	$1,634,000	A registered training organisation providing health oriented educational program for primary school children
Macquarie University Department of Psychology	$56,300	Project funding for a drug and alcohol education curriculum content in the Master of Social Health course
Metro Screen	$140,000	One off grant for the Play Now Act Now project
Network of Alcohol & Other Drugs Agencies Inc	$1,007,609	Peak body for non government organisations providing alcohol and other drug services
Pharmacy Guild of Australia (NSW Branch)	$1,289,184	NSW Pharmacy Incentive Scheme that involves the payment of incentives to pharmacists to encourage them to participate in the state's methadone/buprenorphine program
QMS (Quality Management Services) Inc	$74,862	One off grant for transition phase of the review and accreditation of drug and alcohol NGOS providing residential rehabilitation services in NSW
The Construction Industry Drug and Alcohol Foundation - Foundation House	$200,000	Foundation House is the construction industry Drug and Alcohol Foundation treatment centre providing both inpatient and outpatient support for building and construction industry personnel, members of their families and members of the general public
The Lyndon Community	$944,251	Provision of drug and alcohol treatment and rehabilitation services
The Oolong Aboriginal Corporation	$254,455	A residential drug and alcohol treatment and referral service for Aboriginal people
Uniting Care NSW.ACT	$2,770,000	Medically supervised injecting centre trial
University of Sydney	$150,000	Committee on Alcohol and Drug Education in Medical Schools project
TOTAL	**$9,673,061**	

DRUG AND ALCOHOL HEALTH PROMOTION		
National Heart Foundation of Australia (NSW Division)	$373,500	The Heart Foundation Prevention in Practice program aims to increase awareness of the benefits of addressing lifestyle risk factors and support effective intervention within general practice
TOTAL	**$373,500**	

EXTERNAL HEALTH		
Aboriginal Health and Medical Research Council of NSW	$78,000	Peak body advising the State Government and Federal Government on Aboriginal health matters, and to provide advocacy and support for Aboriginal community controlled health services. Provision of funding to support operation of Human Research Ethics Committee
TOTAL	**$78,000**	

Program: 36.1 Ambulatory, Primary and (General) Community Based Services
36.3.1 Mental Health Services

MENTAL HEALTH		
Aboriginal Health and Medical Research Council of NSW	$447,770	Peak body advising the State Government and Federal Government on Aboriginal health matters and provide advocacy and support for Aboriginal community controlled health services
Aboriginal Medical Service Co-op Ltd	$240,100	Mental health workers project and mental health youth project for Aboriginal community in the Sydney inner city area
ARAFMI NSW Inc	$615,000	Five year Family and Carer Mental Health Projects
Awabakal Newcastle Aboriginal Co-op Ltd	$82,200	Mental health worker project for Aboriginal community in the Newcastle area
Black Dog Institute	$1,496,500	Programs to advance the understanding, diagnosis and management of mood disorders through research, education, training and population health approaches
Bulgarr Ngaru Medical Aboriginal Corporation	$83,900	Mental health worker project for Aboriginal community
Camp Kookaburra C/- Southern Community Welfare	$12,000	$12,000 one off grant to Camp Kookaburra (auspiced by Southern Community Welfare) for three projects in 2008, providing activities for children who live with families affected by mental illness
Carers NSW Inc	$1,845,000	Three five-year Family and Carer Mental Health Projects
Frederic House	$164,500	Project grant for mental health services at aged care facility
Coomealla Health Aboriginal Corporation	$82,200	Mental health worker project for Aboriginal community
Cummeragunja Housing & Development Aboriginal Corporation	$82,200	Mental health worker project for Aboriginal community
Hunter Medical Research Institute	$2,400,000	Project funding to establish a Neurobehavioural Genetics Network
Katungul Aboriginal Corporation Community & Medical Services	$29,350	Mental health worker project for Aboriginal community
Mental Health Coordinating Council NSW	$3,408,029	Peak organisation funded to support NGO sector efforts to provide efficient and effective delivery of mental health services; three-year project funding for the NGO Development Officers Strategy project; a one off grant for NGO infrastructure
Mental Illness Education - Aus (NSW) Inc	$39,800	Mental health awareness program, insight in secondary schools
Mission Australia	$524,000	A specialist outreach support program for people with mental health issues
Neami Ltd	$500,000	Neami Resource and Recovery is a community based outreach service offering a structured, strength based assessment, and support process whereby consumers' aspirations and goals shape the context for the interventions offered
Network of Alcohol & Other Drugs Agencies Inc	$1,460,000	Peak body for NGOs providing alcohol and other drug services
New Horizons Enterprises Ltd	444,000	The Recovery and Resource Services Program provides individualised rehabilitation and recovery services for people with a mental illness. This program utilises community, social, leisure and vocational services

MENTAL HEALTH (CONTINUED)		
NSW Consumer Advisory Group - Mental Health Inc (NSW CAG)	$446,700	Contribution to consumer and carer input into mental health policy making process and one off for MH Copes project
Parramatta Mission	$615,000	Five year Family and Carer mental health projects
Peer Support Foundation Ltd	$214,100	Social skills development program, providing education and training for youth, parents and teachers, undertaken in schools across NSW
PRA	$736,000	Provide support and access to quality community social, leisure and recreation opportunities and vocational and educational services for people with mental illness
Schizophrenia Fellowship of NSW Inc	$1,993,000	Three five-year Family and Carer mental health projects
Schizophrenia Research Institute	$490,000	Provide support for the prevention and cure of schizophrenia by establishing a Chair of Schizophrenia Epidemiology and Population Health and a Schizophrenia Evidence Library
South Coast Medical Service Aboriginal Corporation	$83,900	Mental health worker for local Aboriginal community
St Luke's Anglicare Ltd	$148,000	Recovery and Resource Services are to support people with mental illness to access quality mainstream community social, leisure and recreation opportunities and vocational and educational services
Wellington Aboriginal Corporation Health Service	$80,100	Project grant for the employment of a clinical team leader (psychologist) Aboriginal mental health focus
TOTAL	**$18,763,349**	

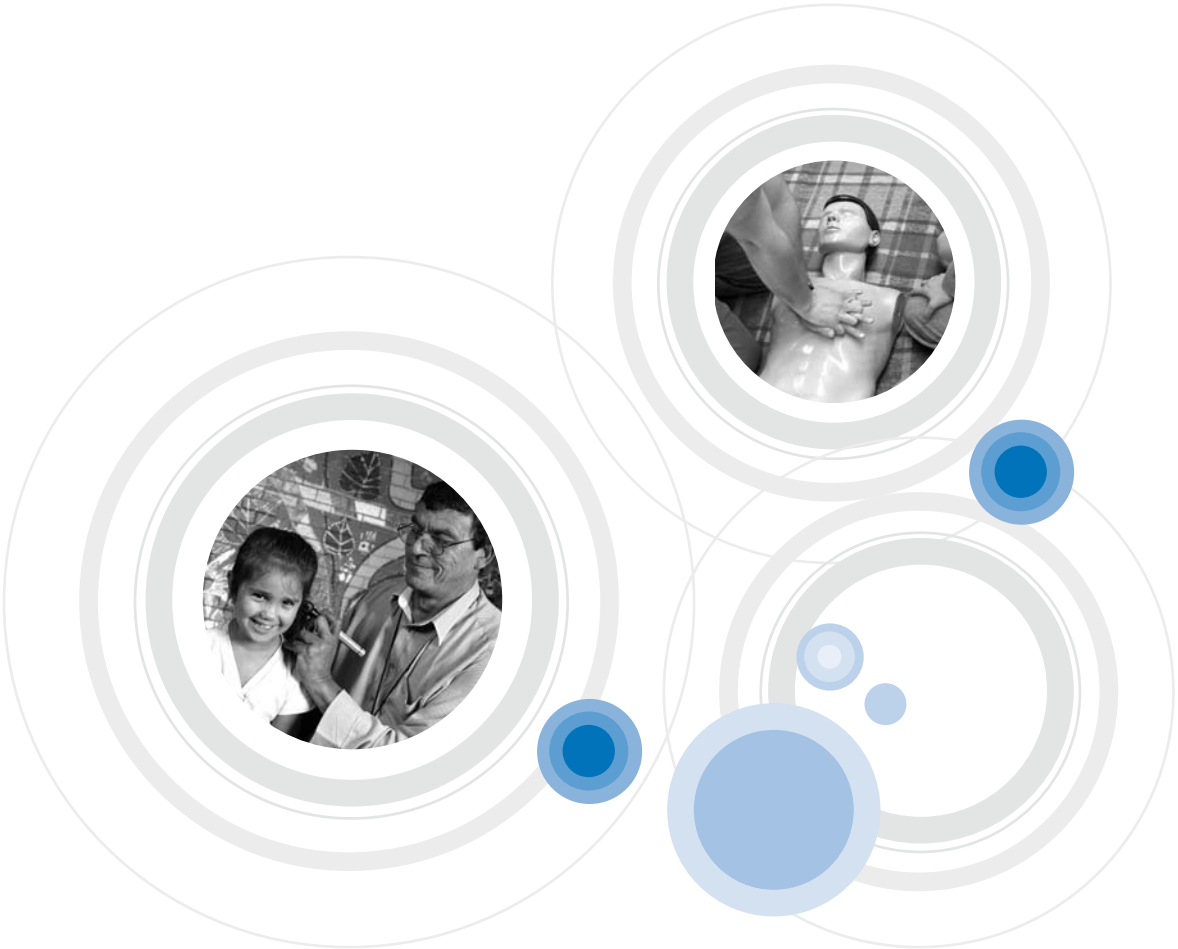
Program: 36.1 Ambulatory, Primary and (General) Community Based Services
36.1.1 Primary and Community Based Services

ORAL HEALTH		
Aboriginal Medical Service Co-op Ltd	$100,000	Aboriginal oral health services
Aboriginal Medical Service Western Sydney Co-op Ltd	$366,300	Aboriginal oral health services
Armidale Aboriginal Health Services Inc	$188,100	Dental services and education for Aboriginal communities in the New England and north west NSW areas
Awabakal Newcastle Aboriginal Co-op Ltd	$145,800	Aboriginal oral health services
Biripi Aboriginal Corporation Medical Centre	$145,800	Aboriginal oral health services
Bulgarr Ngaru Medical Aboriginal Corporation	$352,700	Aboriginal oral health services
Dharah Gibinj Aboriginal Medical Service Aboriginal Corporation	$202,900	Aboriginal oral health services
Durri Aboriginal Corporation Medical Service	$352,700	Aboriginal oral health services
Hunter New England Area Health Service	$200,500	Part year auspice of Armidale grant
Illawarra Aboriginal Medical Service	$254,500	Dental services for Aboriginal community in the Illawarra area
Katungul Aboriginal Corporation Community & Medical Services	$263,100	Aboriginal oral health services
Maari Ma Aboriginal Corporation	$160,000	Aboriginal oral health services
Pius X Aboriginal Corporation	$145,300	Aboriginal oral health services
Riverina Medical & Dental Aboriginal Corporation	$384,100	Aboriginal oral health services
South Coast Medical Service Aboriginal Corporation	$219,100	Aboriginal oral health services
Tharawal Aboriginal Corporation	$254,500	Aboriginal oral health services

ORAL HEALTH (CONTINUED)		
Walgett Aboriginal Medical Service Co-op Ltd	$100,000	Aboriginal oral health services
TOTAL	**$3,835,400**	

RURAL DOCTOR SERVICE		
NSW Rural Doctors Network Ltd	$1,192,200	The Rural Doctors' Network core funding is applied to a variety of programs aimed at ensuring sufficient numbers of suitably trained and experienced general practitioners are available to meet the health care needs of rural NSW communities. Funding is also provided for the NSW Rural Medical Undergraduates Initiatives program focussed on providing financial and other support to medical students undertaking rural NSW placements; and the Rural Resident Medical Officer Cadetship program supporting selected medical students in their final two years of study, who commit to completing two of their first three postgraduate years in a NSW rural allocation centre
TOTAL	**$1,192,200**	

VASCULAR HEALTH		
Aboriginal Medical Service Co-op Ltd	$71,300	Preventative vascular health program for the Aboriginal community in the Sydney inner city area
Biripi Aboriginal Corporation Medical Centre	$49,350	Preventative vascular health program for the Aboriginal community in the Taree area
Durri Aboriginal Corporation Medical Service	$131,700	Preventative vascular health program for the Aboriginal community in the Kempsey area
TOTAL	**$252,350**	



Operating consultants

Table 1: Consultancies equal to or more than $30,000

Consultant	Cost $	Title / Nature
Information Technology		
Elcom Technology P/L	61,565	Review and report on the NSW Department of Health internet site
Sub Total	61,565	
Management Services		
Artd Consultants P/L	47,997	Evaluation of the Aboriginal Otitis Media Screening program
Charles Sturt University	29,982	Review of Community Based Rehabilitation in Rural and Remote Communities of NSW
Communio Consultancy	24,750	Review of Community Based Rehabilitation in Rural and Remote Communities of NSW
DLA Phillips Fox	42,337	Review of NSW Institute of Trauma and Injury Management
Dr Moira McKinnon	44,187	Review of NSW Area Health Services pandemic influenza plans
Fujitsu Australia P/L	32,458	Alternative Reporting Tool Options project
Hardwick Consulting	33,408	Review of Hep C Treatment and Care Services in NSW
Jacq Hackett Consulting	49,002	Evaluation of Cannabis Clinics funded by NSW Health
Jill Catherine Molan	52,800	Review of Drugs in Pregnancy Services and Linkages in NSW
Kidsafe NSW Inc	94,500	Advise, research and evaluate Playground project
KPMG Consulting Australia	36,364	Evaluation of Involuntary Drug and Alcohol Treatment Trial
University of Wollongong	83,278	Review of Community Services in NSW
Sub Total	571,063	
Operating Environment		
Department of Commerce	201,500	Aboriginal Community and Sewerage Infrastructure Assessment Project
Sub Total	201,500	
Organisational Review		
DLA Phillips Fox	34,922	Review of Pregnancy and Newborn Services Network
Price Waterhouse Coopers	110,695	Workforce Efficiency Gains for NSW Health Services
Sub Total	145,618	
Consultancies equal to or more than $30,000	979,746	

Table 2: Consultancies less than $30,000

During the year 74 other consultants were engaged to the following areas:	
Management Services	399,513
Operating Environment	21,237
Organisational Review	282,683
Training	22,609
Consultancies less than $30,000	726,042
Total Consultancies	1,705,788

Other funding grants

Grant Recipient	Amount $	Purpose
Aboriginal Health and Medical Research Council NSW	307,325	Funding for Collaborative Centre for Aboriginal Health Promotion
Aboriginal Health and Medical Research Council NSW	55,123	NSW Health Aboriginal Men's Health Implementation Plan
ACT Health	64,223	Secretariat Support for Health Policy Priorities Principle Committee
Adele Dundas Inc.	108,700	Residential habitation and non-residential outreach services
Aged & Community Services	102,056	Mental health promotion project in residential aged care facilities
Aged & Community Services Assoc. NSW & ACT	6,000	Funding for National Community Care Conference 2008
Alliance of NSW Divisions	109,091	Funding for Behavioural Health Care GP Training Module
Amputee Association of NSW Incorporated	17,000	To assist with costs associated with administration, telecommunications and travel in providing support for amputees in NSW
Association of Childrens Welfare Agencies	50,000	Court Drug Diversion Training project
Association of Neonatal Nurses of NSW	1,000	Support Association of Neonatal Nurses of NSW Seminar June 2008
Asthma Foundation NSW	9,091	Sponsorship for Australian Asthma Conference, October 2008
Australasian College of Physical Scientists & Engineers in Medicine	31,172	Education of Radiation Oncology Medical Physicists Trainees
Australian Biosecurity	10,000	Contribution towards business cases for emerging infectious diseases in human and animal health.
Australian Breastfeeding Association (NSW Branch)	85,343	To assist in implementation of the NSW Health Breast Feeding Policy
Australian Cardiovascular Health & Rehabilitation Association Inc.	6,000	Funding for developing a project that will instigate certification of cardiac rehabilitation services in Australia
Australian College of Health Service Executives	25,719	Funding for Health Planning and Management Library
Australian College of Health Service Executives	132,895	Management Development Program
Australian Drug Foundation	10,000	Sponsorship of 2008 National Drug and Alcohol Awards
Australian Institute of Environmental Health	5,000	Part contribution to 10th World Congress on Environmental Health
Australian Red Cross Blood Service	4,846,185	Funding for National Transplantation Services
Australian Rotary Health Research Fund	12,500	Australian Rotary Health Research Fund, Indigenous Health Scholarships
Bellingen Shire Council	97,575	Fluoridation funding for Bellingen and Dorrigo plants
Beyond Blue Limited	4,143,220	Funding for the undertaking of mental health initiatives in depression, anxiety and related disorders
Black Dog Institute	1,500,000	Mental Health Program Grant for Research Activities
Bogong Regional Training Nettwork Ltd	25,000	GP Procedural Training Program
Breathalyser Sales & Service	165	North Coast Region Community Drug Action Team Alcolizer Servicing and Equipment Expenses
Cancer Council New South Wales	22,500	Funding for food marketing research
Cancer Institute NSW	139,509,481	Core Funding
Canterbury City Council	2,500	Grant for Youth Responsible Drinking DVD
Centre for Developmental Disablity Studies	80,000	Improving health care of people with intellectual disabilities
Children's Hospital Westmead	2,400	Supporting Youth Health Forum "Getting Back On Track - Community Focus on Aboriginal Health"
Childrens Hospital, Westmead	5,500	Influenza Virus Culture and Transport System
Coast City Country Training Ltd.	40,000	GP Procedural Training Program
Conference Action	182	Provision for rural prize
Conference Logistics	10,000	Grant for sponsorship of the 4th Biennial NSW Primary Health Care Research and Evaluation Conference
Cooperative Research Centre for Asthma and Airways	83,334	Funding for the Cooperative Research Centres Program
Cynthia Street Neighbourhood Centre	4,160	Funding for Drink Drive Project
Department of Community Service	200,000	Funding for Policy Partnerships on Preventing Alcohol - Abuse Alcohol Education and Rehabilitation Foundation
Department of Education and Training	176,237	Funding for professional development component of the Live Life well @ School initiative.
Department of Education and Training	70,000	Funding for Project Officer to assist in the Smoking Don't be a Sucker, NSW High School Program
Department of Education and Training	40,800	Delivery of TAFE courses as part of the Youth Drug and Alcohol Court Program
Department of Education and Training	111,458	Funding for the Youth Drug and Alcohol Court Assessment Worker

Grant Recipient	Amount $	Purpose
Department of Education and Training	90,179	NSW Healthy School Fresh Taste Canteen Strategy Project
Department of Education and Training	89,000	Funding for School and Aboriginal Community Alcohol Project
Department of Health and Ageing	49,436	Contribution to costs of the national evaluation of the Transitional Aged Care Program
Department of Health and Ageing	804,414	National Cordination Blood Collection Network
Department of Health and Ageing	16,685	International Initiative for Mental Health Leadership
Department of Health and Ageing	32,324	National evaluation of Transitional Aged Care Program
Department of Health and Ageing	301,273	NSW State contribution to the Australian's Donate Funding Agreement
Department of Health and Human Services	115,188	Funding for National Health Performance Committee
Department of Health, South Australia	1,133,200	NSW Contribution to the National Registration and Accreditation Scheme
Department of Health, South Australia	33,320	Maternity Services Collaboration Project
Department of Health, South Australia	1,130,167	NSW cost share contribution towards AHMAC funding 2007/2008
Department of Human Services, Victoria	60,873	Contribution to Web-based Professional Education Project for the Australian Mental Health Workforce 2007/08
Department of Premier and Cabinet	80,000	Contributions to Croc Festival at Kempsey and Dubbo
Dubbo City Council	5,800	Fluoride Minor Capital Works subsidy
Elton Consulting	57,780	Interagency response to obesity
Fight Against Cancer Macarthur	5,000	To assist with care, comfort and education of local people dealing with cancer
Fitness Australia Inc.	77,550	Develop 1-800 information service on accredited exercise programs available to older people
Flinders University	100,000	Assist in building comprehensive mental health prevention, promotion and early intervention framework for NSW
General Practice Training	39,861	GP Procedural Training Program
George Institute	20,000	Preparation of strategy paper to reduce salt consumption
George Institute	50,000	Scholarship Trauma Care and Prevention
Gosford City Council	481,733	Grant for Gosford water fluoridation plants
Gosford City Council	332,591	Design and construction of the Gosford water fluoridation plants at Woy Woy and Somersby
GP Logic	47,500	GP Procedural Training Program
Guthrie House Co-operative Limited	31,395	Residental rehabilitation services for clients of the Adult Drug Court Program
Harold Park Paceway	4,545	Sponsorship of 5th Bi-annual NSW Palliative Care Volunteers Conference, September 2008
Health Services & Policy Research Conference	15,436	Sponsorship for 5th Health Services and Policy Research Conference, Auckland, December 2007
Health Technology	29,957	Health Information Exchange
Hornsby Shire Council	3,000	Funding for Message in a Bottle Project - services for the over 55 year olds
Hornsby Shire Council	500	Adminstrative support for Community Drug Action Team, Hornsby
Hunter and New England Area Health Service	47,655	Research grant for the reduction in fall injuries, especially hip fractures, within Aged Care facilities in the Hunter area
Inverell Shire Council	15,000	Upgrade Fluoridation system
Ipsos Australia Pty Ltd.	1,375,335	NSW Health Patient Survey 2007-09
Ipsos Australia Pty Ltd.	152,558	Oncology Survey Project
Jarrah House	16,705	Residental rehabilitation services for clients on the Adult Drug Court Program
Kidsafe New South Wales Inc.	94,500	Support Kidsafe NSW's Playground Advisory Unit
Kidsafe NSW Inc.	128,400	Research Funding Agreement
Kyogle Council	17,022	Upgrade of fluoridation system at Kyogle
Mental Health Association NSW Inc.	60,000	Contribution towards coordination of Mental Health Week 2007
Mental Health Association NSW Inc.	4,000	Grant to Anxiety Disorders Alliance Symposium
Mental Health Association NSW Inc.	200,000	Funding for Street Front Services
Mental Health Association NSW Inc.	133,000	Grant to the NSW Consumer Advisory Group and Association of the Relatives and Friends of the Mentally Ill
Mental Health Co-ordinating Council	30,000	Third NSW NGO Mental Health Conference
Mental Health Council of Australia	21,012	Funding for National Mental Health Consumer Forum 2007
Ministry of Transport	40,000	Intergrated Community Transport Data Set Project
Ministry of Transport	100,000	To provide advice on a draft Cabinet Minute Community Transport Stage 3: Industry Improvement Plan
National Health Call Centre Network Ltd	931,417	Funding to National Call Network. Nurse-based telephone triage and provision of health advice.
National Heart Foundation of Australia	139,000	Funding for Premier's Council for Active Living Secretariat.
National Housing Conference 2008	4,545	Contribution to assist with the sponsorship of NGOs to attend National Housing conference 2008
New England Area Health Service	35,000	Funding for GP training support
New South Wales Therapeutic Advisory Group	248,488	Quality use of medicines
North Coast NSW GP Training Ltd	63,500	Program funding to establish General Practioner procedural training positions in rural NSW
NSW Police Force	432,964	Funding for establishment of Mental Health Intervention Team

Grant Recipient	Amount $	Purpose
NSW Attorney General's Department	288,413	Infrastructure Support/National Illicit Drug Diversion Initiative
NSW Attorney General's Department	39,554	Program evaluation / National Illicit Drug Diversion Initiative
NSW Commission and Young People	50,000	Contribution to Injury Prevention Initiative
NSW Department of Aboriginal Affairs	10,000	Funding for 10th Anniversary Sorry Day activities in NSW
NSW Department of Ageing, Disability & Home Care	250,000	Funding for The Young Carers project
NSW Department of Community Services	178,333	Funding for Diversion program : Youth Drug and Alcohol court : Assessment Worker
NSW Department of Juvenile Justice	2,061,977	Funding for Young Offenders - Rural and Regional Counselling Services
NSW Department of Juvenile Justice	225,892	Funding for Youth Drug and Alcohol Court program
NSW Institute of Psychiatry	57,881	Postgraduate Master of Mental Health General Practitioners Education Program in NSW
NSW Institute of Psychiatry	1,171,490	Funding programs: GP, Mental Health Act 2007 & NSW School Link
NSW Institute of Psychiatry	2,134,349	Annual operating expenses
NSW Office of Liquor, Gaming & Racing	300,000	RSA training review & optimising liquor accords
NSW Office of Liquor, Gaming & Racing	110,000	Funding for Policy Partnerships on Preventing Alcohol Abuse Alcohol Education and Rehabilitation Foundation
NSW Police Force	154,149	Funding Police Diversion Training
NSW Police Force	823,439	Funding for Policy Partnerships on Preventing Alcohol Abuse Alcohol Education and Rehabilitation Foundation
NSW School Canteen Association Inc	300,000	Promote the prevention and control of diet related illnesses to children in NSW schools
Odyssey House McGrath Foundation	5,265	Residential rehabilitation services for clients of the Adult Drug Court Program
Office of Community Housing	150,000	Funding for Senior Liaison Project Officer, Housing and Accomodation Support Initiative
Palliative Care Association of NSW	24,511	Funding for Program of Experience in the Palliative Approach
Parkinson's New South Wales Inc.	50,000	Funding towards improving information on Parkinson's Disease and their families
Peach Advertising	2,890	Funding for Clinical service redesign : Tag lines - Health care for older people
Perinatal Society of Australia and New Zealand	1,364	Sponsorship for the perinatal pain seminar
Phill Bates Sports Promotions	40,000	Sponsorship fee towards the major rights of the Cronulla International Grand Prix
Port Macquarie-Hastings Council	196,610	Grant towards Fluoride Minor Capital Works Project
Prince of Wales Medical Research Institute	61,869	Management policy to reduce Fall among Older People
Princess Charlotte Alopecia Foundation	50,000	Assist children suffering from alopecia
Royal Rehabilitation Centre Sydeny	38,646	Rehabilitation Care Plan
Royal Rehabilitation Centre, Sydney	25,579	Project funding for the development of stroke exercise for online physiotherapy exercise website
Sax Institute	30,000	Sponsorship of Coalition for Research to Improve Aboriginal Health Aboriginal Health Research Conference, Sydney, April 2008
Sax Institute	50,000	Support for NSW Health Promotion Research and Evaluation Network
Sax Institute	24,294	Consumer and Clinician Engagement Policy Project
Sax Institute	1,800,000	Building and supporting policy-relevant population health and health services reseach
Sax Institute	100,000	Grant to establish and administer Costing for Health and Economic Evaluation Program
Schizophrenia Research Institute	324,567	Infrastructure grant for the Mood Disorders Research Unit
Schizophrenia Research Institute	990,796	Neuroscience Institute of Schizophrenia and Allied Disorders Partnership Project
Schizophrenia Research Institute	500,000	Funding for Chair of Schizophrenia Research
Services for Australian Rural and Remote Allied Health Inc	50,000	Indigenous Diabetic Foot Program (IDEP) resource for rural communities in NSW
Shellharbour City Community Drug Action Team Inc	500	Administrative support for Community Drug Action Team, Shellharbour
South Eastern Sydney & Illawarra Area Health Service	22,000	Border Training
South Eastern Sydney & Illawarra Area Health Service	3,300	Translation Services
South Eastern Sydney & Illawarra Area Health Service	10,253	Hepatitis C Cluster Investigation
South Eastern Sydney and Illawarra Area Health Service	1,000	Grant to assist with "Train the Brain Forum"
State Library of NSW	185,000	Drug Info At Your Library
Sydney South West Area Health Service	89,805	Contribution to National Poisons Register
Sydney West Area Health Service	508,829	Funding allocated to support the development of the HealthOne NSW service project at Mt Druitt
TAFE NSW - Northern Sydney Institute	119,901	Funding for Policy Partnerships on Preventing Alcohol Abuse Alcohol Education and Rehabilitation Foundation
TAFE NSW Community Services,Health,Tourism and Recreation Curriculum Centre	124,160	Non-clinical training for existing workers and new recruits
Tai Chi Productions	3,398	Develop 1-800 information service on accredited exercise programs available to older people
The Cancer Council NSW	60,909	To conduct research on food marketing and childhood obesity
The Hammond Care Group	251,091	Funding for Special Care Unit and Program for the care of older people with severe behavioural and psychiatric symptoms in Sydney South West Area Health Service
The NSW School Canteen Association Inc	85,000	Implement the Fresh Tastes School Booster Program
The Royal Australia and New Zealand College of Psychiatrists	130,760	Rural Psychiatry Project

Grant Recipient	Amount $	Purpose
The Salvation Army	1,950	Residential Rehabilitation Services for Clients of the Adult Drug Court Program
Ulladulla & Districts Community Resources centre	2,500	Drink Spiking/Risky Drinking: Educational Campaign on safe drinking practices for 18-25 year olds
University of Wollongong	2,283	Wollongong Sport Feasibility Study
University of New South Wales	9,090	Sponsorship for the National Dementia Research Forum 2007
University of New South Wales	20,000	Australian Research Council (ARC) Linkage Project Grant
University of New South Wales	15,133	Research HIV and other sexually transmissible infections
University of New South Wales	62,958	Fellowship to evaluate and monitor the NSW falls policy
University of New South Wales	6,000	Development and evaluation of national campaign to reduce drowning
University of New South Wales	330,000	Funding of NSW Injury Risk Management Research Centre
University of New South Wales	400,000	Infrastructure grant for the Mood Disorders Research Unit
University of New South Wales	45,000	Grant for additional funding to continue measuring outcomes for Miller Early Childhood Sustained Home Visiting
University of New South Wales	99,710	Drug and Alcohol Research Grant
University of Newcastle	5,000	Sponsorship of 5th Australian Family and Community Strengths Conference
University of Newcastle	533,433	Delivery of Mental Health Emergency Care, On-line Learning and Development Program across NSW
University of Newcastle	241,818	Adult outreach service for Type 1 Diabetes Mellitus in rural NSW
University of Newcastle	1,459,302	Drought Mental Health Assistance Package, 2008
University of Newcastle	1,355,000	Funding for the centre for Rural and Remote Mental Health
University of Sydney	32,041	Research program to identify characteristics of newly-appointed non-specialist doctors working in the NSW health system who have come via different routes
University of Sydney	400	Grant for prize money
University of Sydney	150,000	Funding for Centre for Public Health and Nutrition
University of Sydney	247,500	Grant for adminstration and evaluation of the SmokeCheck Project
University of Sydney	45,000	Improving patient access to integrated primary health care
University of Sydney	28,182	Preventing Fractures Study
University of Sydney	25,291	Funding for the NSW Institute of Rural Clinical Services and Teaching for Rural Allied Health Workforce Study project
University of Sydney	109,091	Funding for Chair in Medical Physics
University of Sydney	150,000	Funding for establishment of Chair of Geriatric Medicine and Aged Care at Westmead Hospital
University of Sydney	500,000	Funding for NSW Centre for Overweight and Obesity.
University of Sydney	200,000	Chronic diseases prevention and health advancement
University of Sydney	150,000	Advancing public health nutrition by providing information, strategy development support and contributing to workforce development
University of Sydney	25,000	Sponsorship of the 3rd International Clinical Trials Symposium
University of Sydney	90,909	Funding for delivery, revision and management of Pharmacotherapies Accreditation Course.
University of Sydney	65,500	Grant for Comparative Proteomics and Morphometric Analysis
University of Technology, Sydney	162,277	Establishment of Chair of Nursing in Clinical Practice Development and Policy Research
University of Western Sydney	221,326	Funding to Men's Health and Information Resources Centre
University of Western Sydney	409,091	Grant for establishment costs of Research Centre for Population Mental Health Development and Disasters
University of Western Sydney	244,094	Funding for implementation of a Disaster Mental Health Education and Training Strategy for staff in NSW Mental Health Services.
University of Wollongong	1,500	Child Obesity Research
University of Wollongong	13,636	Conduct review on Falls Hospitalisation
University of Wollongong	4,545	Falls Hospitalisation
Unomedical P/L	2,727	Air Emissions Modelling
Various	595,345	Funding Grants for Community Drug Action Teams
Various	1,171,889	Transitional Aged care grants to Area Health Services
Various	2,474,000	Motor Accident Authority 3rd Party payments to Health Services
Waldron Smith Management RANZCP	4,545	Support interdisciplinary conference on sexual abuse in religious contexts
Wayback Committee Limited	287,885	Residential rehabilitation Services for Clients of the Adult Drug Court Program
We Help Ourselves	22,295	Residental rehabilitation services for clients of the Adult Drug Court Program
Wellington Aboriginal Corporation Health Service	445,000	Aboriginal Minor Capital Works Program - Wellington
Wodonga Regional Health Service	160,684	Funding for NSW GP Procedural Training Program
Yerin Aboriginal Health Services Inc	13,986	Funding to Eleanor Duncan Aboriginal Health Centre to participate in the Psychologist In Training Program
YRD (Australia) P/L	5,000	Sponsorship for the National Health Care Reform Conference, March 2008
TOTAL	188,563,431	

Public health outcome funding agreement

Health Services	[1] HIV/AIDS		[2] Women's Health		[3] Alternative Birthing		[4] Female Genital Mutilation		[5] Family Planning		[6] Cervical Cancer		[7] Breast Cancer		[8] National Drug Strategy		[9] National Immunisation Program		Grand Total	
	2007 /08	2006 /07	2007 /08	2006 /07	2007 /08	2006 /07	2007 /08	2006 /07	2007 /08	2006 /07	2007 /08	2006 /07	2007 /08	2006 /07	2007 /08	2006 /07	2007 /08	2006 /07	2007 /08	2006 /07
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Sydney South West	3,111	2,949	1,329	1,245	0		0		5,442	5,337	0		0		753	753	0		10,635	10,284
South Eastern Sydney Illawarra	6,422	6,386	382	353	160	160	0		0		0		0		709	709	0		7,673	7,608
Sydney West	1,322	1,299	540	660	0		222	205	0		0		0		362	362	0		2,446	2,526
Northern Sydney Central Coast	756	820	145	135	0		0		0		0		0		551	551	0		1,452	1,506
Hunter New England	832	816	264	245	0		0		0		0		0		76	76	0		1,172	1,137
North Coast	653	618	230	211	160	160	0		0		0		0		156	157	0		1,199	1,146
Greater Southern	276	260	112	104	320	320	0		0		0		0		10	10	0		718	694
Greater Western	314	287	179	165	0		0		0		0		0		276	265	0		769	717
Justice Health	297	263	38	36	0		0		0		0		0		706	706	0		1,041	1,005
Children's Hospital	0		0		0		0		0		0		0		5				5	0
Department of Health	0		0		114	128	7	20	0		0		0		6,595	6,401	183,216	87,598	189,932	94,147
Total Commonwealth Contribution	13,985	13,698	3,219	3,154	784	768	229	225	5,442	5,337	2,469	2,243	16,507	16,168	10,199	9,990	183,216	87,598	236,050	139,181
State Contribution	13,985	13,698	2,388	2,312	0	0	0	0	0	0	0	0	17,457	16,900	6,824	6,636	0		40,654	39,546
Grand Total	27,970	27,396	5,607	5,466	784	768	229	225	5,442	5,337	2,469	2,243	33,964	33,068	17,023	16,626	183,216	87,598	276,704	178,727

Note:
1. Figures above do not include the use of rollovers.
3. NGO payments are not shown separately and form part of the State contribution values.
4. Women's Health figures exclude contributions made by the Health Services.

Comments
[1] HIV/AIDS - The amounts reported under Public Funding Health Outcome Agreement (PHOFA) represent only the extent of previous cost sharing arrangements with the Commonwealth. AIDs allocations for 2007/08 approximated $97M
[2] Women's Health - The Women's Health allocation does not include contributions made by the Health Services to this program
[3] Alternative Birthing - Program fully funded by Commonwealth
[4] Female Genital Mutilation - Program fully funded by Commonwealth. Statewide service administered through Sydney West AHS
[5] Family Planning - Statewide service administered through Sydney South West AHS
[6] & [7] Cervical Cancer and Breast Cancer - Funding is provided to the Cancer Institute which administers the Breast & Cervical Screening Programs
[8] National Drugs Strategy - Funds were utilised to administer Drug, Alcohol and Tobacco Programs
[9] National Immunisation Program - Commonwealth funding is for purchase of vaccines on the National Health and Medical Research Council Immunisation Schedule (NHMRC). Funding increase in 2007/08 is for implementation of the Commonwealth Human Papillomavirus Vaccine Program.

Capacity Building Infrastructure Grants program

The Capacity Building Infrastructure Grants program is a competitive funding program administered by NSW Health. Its purpose is to build capacity and strengthen research in the key areas of public health, primary health care and the provision of health services.

The program aims to build these strengths in priority areas that are of importance to the health of the NSW population in the next five to ten years and beyond.

The program provides grants of up to $1.5 million over a three-year period to successful applicants. The first round ran from 2003/04 to 2005/06. The second round of funding is for the period 2006/07 to 2008/09.

At the end of the second funding round, NSW Health expects that the program will have achieved the following objectives:

- There will be a robust and vibrant research community within NSW conducting high quality and internationally recognised research in the key areas of public health, primary healthcare and the provision of health services.
- This capacity will be directed towards generating research findings which address the areas of highest priority for improving and maintaining the health of the people of NSW.
- Those research findings will be adopted in the policies and practices of health providers and health services, resulting in improvements in the provision of services to the community.

Grants paid under this program for 2007/08 are as follows:

Grant Recipient	Amount $	Purpose
Hunter Medical Research Institute	499,966	Newcastle Institute of Public Health
Sydney West Area Health Service	500,000	Centre for Infectious Diseases & Microbiology - Public Health
University of New South Wales	450,035	Centre for Health Informatics
University of New South Wales	360,329	Consortium for Social and Policy Research on HIV, Hepatitis C and Related Diseases
University of New South Wales	489,838	Centre for Primary Health Care and Equity
University of Sydney	500,000	Australian Rural Health Research Collaboration
University of Wollongong	100,000	Centre for Health Services Development
TOTAL	2,900,168	

Risk management and insurance activities

The major insurable risks within NSW Health are public liability (including medical indemnity for employees), workers' compensation and medical indemnity provided through the Visiting Medical Officer and Honorary Medical Officer - Public Patient Indemnity Scheme.

Table 1 details the Frequency and Total Claims Cost dissected into Occupation Groups and Mechanism of Injury Group for the three financial years 2005/06 to 2007/08. Tables 2 and 3 provide an analysis of the data from Table 1.

Table 1: Workers' compensation – Frequency and total claims cost

	2007/08				2006/07				2005/06			
	Frequency		Claims Cost		Frequency		Claims Cost		Frequency		Claims Cost	
Occupation Group	No.	%	$M	%	No.	%	$M	%	No.	%	$M	%
Nurses	2,426	37	17.4	41	2,432	36	16.0	38	2,651	37	19.8	46
Hotel Services	1,341	20	8.9	21	1,326	20	7.9	19	1,362	19	7.3	17
Medical/Medical Support	743	11	5.1	11	818	12	5.7	14	860	12	5.2	12
General Administration	480	7	3.1	7	468	7	2.7	6	502	7	2.6	6
Ambulance	487	8	3.4	8	570	9	3.5	8	573	8	3.0	7
Maintenance	175	3	1.4	3	174	3	2.3	6	215	3	1.7	4
Linen Services	75	1	0.3	1	120	2	0.7	2	143	2	0.4	1
Not grouped	865	13	3.3	8	761	11	2.8	7	860	12	3.0	7
Total	6,592	100	42.9	100	6,669	100	41.6	100	7,166	100	43.1	100

	2007/08				2006/07				2005/06			
	Frequency		Claims Cost		Frequency		Claims Cost		Frequency		Claims Cost	
Mechanism of Injury Group	No.	%	$M	%	No.	%	$M	%	No.	%	$M	%
Body Stress	2,744	42	18.8	44	2,694	41	20.8	50	2,866	40	19.8	46
Slips and Falls	1,094	16	8.5	20	1,169	18	7.3	17	1,075	15	7.3	7
Mental Stress	383	6	5.9	14	355	5	5.5	13	430	6	5.6	13
Hit by Objects	1,001	15	4.3	10	1,019	15	3.9	10	1,075	15	3.9	9
Motor Vehicle	510	8	2.6	6	500	7	1.7	4	502	7	2.6	6
Other causes	860	13	2.8	6	932	14	2.4	6	1,218	17	3.9	9
Total	6,592	100	42.9	100	6,669	100	41.6	100	7,166	100	43.1	100

Table 2: Analysis

	2007/08	2006/07	2005/06
Number of Employees FTE	99,815	97,824	92,110
Salaries and Wages $M	7,912	7,359	6,862
Number of Claims per 100 FTE	6.60	6.82	7.78
Average Claims Cost	$6,508.21	$6,242.41	$6,014.51
Cost of Claims per FTE	$429.82	$425.57	$467.92
Cost of Claims as % S and W	0.54	0.57	0.63

Table 3: Average Cost of:

	2007/08	2006/07	2005/06
Nurses	$7,183.03	$6,581.73	$7,478.69
Hotel Services	$6,606.81	$5,948.41	$5,379.59
Medical/Medical Support	$6,862.81	$6,940.40	$6,013.95
Body Stress	$6,838.60	$7,288.12	$6,916.69
Slips and Falls	$7,757.79	$6,222.15	$6,816.45
Mental Stress	$15,321.83	$15,365.08	$13,031.44

Legal liability

This covers actions of employees, health services and incidents involving members of the public. Claims may extend over years and data covering a 19-year period from 1 July 1989 as at 30 June 2008 is presented below. The data is in two parts as data collected after 1 January 2002 was required in a different format as per the Health Care Liability Act 2001.

As at 30 June 2008, legal liability costs are dissected as follows (figures in brackets denote June 2007 figures):

- 1 July 1989 to 31 December 2001 (as at 30 June 2008) - Treatment Non-Surgical 33% (34%), Treatment Surgical 26% (26%) Hepatitis C 3% (3%), Slipping and Falling 6% (6%), and Other 32% (31%).

- 1 January 2002 to 30 June 2008 - Anaesthetic 2% (2%), Antenatal Neonatal 7% (8%), Consent 1% (1%), Diagnosis 18% (18%), Infection Control 1% (2%), Misplaced/Lost 15% (13%), Non-Procedural Surgical 10% (9%), Procedural Surgical 13% (14%), Slips/Trips 7% (7%), Treatment Failure 13% (14%), and Other 13% (12%).

Visiting Medical Officer and Honorary Medical Officer – public patient indemnity cover

Since 1 January 2002, Visiting Medical Officers and Honorary Medical Officers treating public patients in public hospitals are covered through the NSW Treasury Managed Fund, if they sign a service agreement with their public health organisation and a contract of liability coverage. In accepting this coverage they agree to a number of risk management principles that assist in reducing incidents in public hospitals. That indemnity has since been extended to cover private patients in the rural sector and all private paediatric patients.

For the period ending 30 June 2008, some 2995 (2441 as at 30 June 2007) incidents had been notified allowing early management as applicable. Of these incidents 336 (244 as at 30 June 2007) had converted to claims.

Retrospective cover for Visiting Medical Officers and Honorary Medical Officers for incidents prior to 1 January 2002

The NSW Government provides coverage for all unreported claims from Visiting Medical Officers and Honorary Medical Officers treating public patients in public hospitals for incidents up to and including 31 December 2001. This lessens financial demands for the medical defence organisations in the setting of premiums. As at 30 June 2008, the Department had granted indemnity in respect of 342 (329 as at 30 June 2007) cases.

Specialist Sessional Visiting Medical Officers

Obstetricians and Gynaecologists

The indemnity scheme introduced by the Department in February 1999 for Specialist Sessional Visiting Medical Officers - Obstetricians and Gynaecologists seeing public patients in public hospitals, has been incorporated with the Visiting Medical Officers and Honorary Medical Officers Public Patient Indemnity Cover.

Property

Whilst property is not a significant risk, statistics as at 30 June 2008 on Property Claims since 1 July 1989 identify 8,712 (8,340) claims at a cost of $80.2 million ($74.6 million). Claims costs are Storm and Water 30% (30%), Fire/Arson 23% (24%), Theft/ Burglary 10% (10%), Accidental Damage 6% (8%), Fusion/ Electrical 11% (11%), Earthquake 12% (13%) and Other 8% (4%). (Figures in brackets were statistics as at 30 June 2007).

Claims excesses

Claims excesses apply to liability and property claims and equate to 50 per cent of the cost of the claim capped at $10,000 and $6,000 respectively. These financial excesses are to encourage local risk management practices.

NSW Treasury Managed Fund

Insurable risks are covered by the NSW Treasury Managed Fund (which is a self insurance arrangement of the NSW Government) to which the Department is a member. We are provided with funding via a benchmark process and pay deposit premiums for workers compensation, motor vehicle, liability, property and miscellaneous lines of business. Workers compensation and motor vehicle deposit premiums are adjusted through a hindsight calculation process after five years and 18 months respectively.

Hindsights declared and adjusted during 2007/08:

- Motor Vehicle – 2005/06 – deficit $0.4 million

- Workers Compensation – 2001/02 Final five years and 2003/04 interim three years were declared and adjusted in 2007/08 with the Department receiving surpluses of $24.0 million and $48.5 million respectively. In all, NSW Health received a total surplus of $72.5 million hindsight adjustments.

Financial responsibility for workers compensation and motor vehicle was devolved to Health Services from 1 July 1989 while liability, property and miscellaneous are held centrally as master managed funds.

The cost of insurance in 2007/08 for NSW Health is identified under Premium. Benchmarks are the budget allocation.

	Premium $M	Benchmark $M	Variation $M
Workers Compensation	133.9	166.6	32.7
Motor Vehicle	8.3	7.0	(1.3)
Property	8.3	7.9	(0.4)
Liability	145.7	144.2	(1.5)
Miscellaneous	0.2	0.2	0.0
Total TMF	**296.4**	**325.9**	**29.5**
VMO	51.3	–	n/a
Total	**347.7**	**–**	**n/a**

Benchmarks (other than Visiting Medical Officers) are funded by Treasury. Workers' compensation and motor vehicle are actuarially determined, and premiums include an experience factor. Premiums for property, liability and miscellaneous are determined and benchmarks (standard is 95%) are calculated by relativity of large and small claims. VMO cover is fully funded by NSW Health.

Motor vehicle and property premiums are both greater than benchmark and improvement is expected. The level of property funding reflects the need for more effective risk management to reduce the smaller claims.

Risk management initiatives

- Ongoing commitment to and participation in the whole-of-Government Occupational Health and Safety (OHS) and injury management improvement strategy.
- Ongoing participation in the NSW WorkCover occupational stress management steering group, to develop prevention and intervention strategies for occupational stress.
- Ongoing development and support of the NSW Health OHS audit tool, the OHS Profile.
- NSW Health in conjunction with Independent Commission Against Corruption has developed a new training resource, 'Managing the risk of corruption- A training kit for the NSW public health sector'.
- Continued promotion of the 'Clinicians toolkit for improving patient care' for visiting medical officers and other clinicians.
- Ongoing development of the Visiting Medical Officers Incident Reporting System (an early incident reporting system that allows Visiting Medical Officers to report any incident that may trigger a medical liability claim).
- NSW Health has funded a 12 month NSW Risk Management Project, which at conclusion will produce a Risk Management Policy and Framework for all health services.
- Ongoing support and refinement of an extensive information collection and management process, recording all incidents on an electronic system (Incident Information Management System). The process encompasses clinical and corporate incidents and is guided by a reissued incident management policy that ensures a consistent, systematic and coordinated approach to the management of incidents.
- Revised policy specifying steps to be taken to ensure that the indicated surgery/procedure is performed on the correct patient at the correct site (PD2007_079).
- Infection control policy for the prevention and management of multi-resistant organisms (PD2007_084).
- Guidelines on preventing and managing work related fatigue (GL2007_023).
- Revised policy on the effective response to corporate and clinical incidents (PD2007_061).
- Revised policy on fraud prevention and control within NSW Health (PD2007_070).
- Revised policy on reporting requirements related to occupational exposures to blood borne pathogens (PD2008_021).

Suncorp Risk Services - NSW Health engagement

Suncorp Risk Services has provided strategic level risk management services, on behalf of the NSW Self-Insurance Corporation, for the NSW Treasury Managed Fund members since July 2005. The services are directed at improving risk management performance of Treasury Managed Fund agencies and where appropriate, the approach across NSW Government, to ultimately improve risk management performance and reduce loss.

Suncorp Risk Services has been working in a strategic partnership with the NSW Health Corporate Governance and Risk Management Branch. The partnership is aimed at improving the consistency and transparency of risk management across NSW Health.

During 2007/08, Suncorp Risk Services continued to undertake a facilitated self-assessment of risk management practices across the public health organisations of NSW Health. In doing so, they will provide improvement recommendations for each public health organisation, and the NSW Health Corporate Governance and Risk Management Branch.

The process will utilise the Suncorp Risk Management framework and self-assessment tool to ensure consistency of approach and results. It will draw on the expertise of the Suncorp Risk Services Team across NSW Health, as well as expertise in the application of resources such as Australian Standard AS4360: 2004 and Treasury Managed Fund guide to risk management — The RCCC approach. A draft consolidated report has been provided to the Department.

Three year comparison
OF KEY ITEMS OF EXPENDITURE

Employee Related Expenses	2008		2007		2006		Increase/decrease (%) compared to previous year	
	$000	% Total Expense	$000	% Total Expense	$000	% Total Expense	2008	2007
Salaries and Wages	6,362,731	48.51	5,889,279	48.91	5,482,770	48.65	8.04	7.41
Long Service Leave	213,600	1.63	194,184	1.61	198,598	1.76	10.00	-2.22
Annual Leave	603,635	4.60	584,464	4.85	565,521	5.02	3.28	3.35
Workers Comp. Insurance	124,741	0.95	126,048	1.05	156,932	1.39	-1.04	-19.68
Superannuation	654,717	4.99	600,353	4.99	557,194	4.94	9.06	7.75
Sub Total	**7,959,424**	**60.68**	**7,394,328**	**61.41**	**6,961,015**	**61.76**	**7.64**	**6.22**
Other Operating Expenses								
Food Supplies	88,564	0.68	81,562	0.68	80,999	0.72	8.58	0.70
Drug Supplies	622,876	4.75	516,901	4.29	393,738	3.49	20.50	31.28
Medical & Surgical Supplies	541,965	4.13	522,867	4.34	524,128	4.65	3.65	-0.24
Special Service Departments	256,868	1.96	216,157	1.80	189,999	1.69	18.83	13.77
Fuel, Light and Power	81,207	0.62	78,264	0.65	72,482	0.64	3.76	7.98
Domestic Charges	83,652	0.64	82,472	0.68	101,777	0.90	1.43	-18.97
Other Sundry/General Operating Expenses *	1,158,706	8.83	1,068,291	8.87	1,037,641	9.21	8.46	2.95
Visiting Medical Officers	520,309	3.97	467,943	3.89	441,393	3.92	11.19	6.02
Maintenance	320,618	2.44	330,858	2.75	282,038	2.50	-3.09	17.31
Depreciation	448,619	3.42	418,171	3.47	411,447	3.65	7.28	1.63
Grants and Subsidies								
Payments to Third Schedule and other Contracted Hospitals	603,849	4.60	502,219	4.17	500,607	4.44	20.24	0.32
Other Grant Payments	423,096	3.23	353,279	2.93	268,118	2.38	19.76	31.76
Finance Costs	7,629	0.06	6,870	0.06	4,890	0.04	11.05	40.49
TOTAL EXPENSES	**13,117,382**		**12,040,182**		**11,270,272**		**8.95**	**6.83**

Service Delivery

APPENDIX 3

Commitment to energy management

NSW Health is committed to achieving targets as established in the Government Energy Management Policy. The health sector is the largest NSW Government consumer of building-based energy (50%) and water, with expenditure of over $78.3 million p.a. on utilities. NSW Health's usage compares favourably when benchmarked against the Department of Human Services in Victoria which has a similar population and business/service delivery profile.

Planning

A Sustainability Strategy has been prepared which translates the State Strategy for the health system. A statewide Compliance and Reporting Manager is accountable for liaison with Area Health Service Energy Managers on implementation of the strategy and related energy and water management issues.

Implementation

NSW is participating in an Australasian Health Ecologically Sustainable Development database, which aims to establish benchmarking across health services in all jurisdictions. Currently, energy suppliers collect only minimal information based on aggregated meter readings. Emission figures are calculated based on meter readings and reflect average energy consumption measured at large sites only. They are based on electricity consumption, and exclude gas.

Future directions

The NSW Health Sustainability Strategy was prepared in consultation with the Department of Environment and Climate Change. Further development of performance targets is being carried out to align with the Government's policy objectives.

Initiatives include: -

- Area Health Services within the Sydney Water supply area maintained their commitment to the Every Drop Counts program and successfully obtained grant funding to undertake projects that contribute to much needed water savings.
- The new electrical contract for large health sites will include electronic meter reading capabilities which will improve monitoring and contract strategies.

There is continuing need to reduce energy consumption as costs are escalating above the inflation rate. The reductions in demand will mitigate these increases and potentially allow some savings to be redirected to the provision of direct patient services.

NSW Health will also participate in the Sustainability Advantage Program in conjunction with the Department of Environment and Climate Change.

The implications for NSW Health in achieving NSW Government Carbon Neutral by 2020 will be more accurately determined in early 2009. Current targets in the Health strategy are:

- Return to year 2000 Greenhouse emissions by 2019/20
- Reduce potable water consumption by 15% by 2010/11 over 2005/06 levels
- Complete an Accelerated Program of projects to improve energy and water efficiency at 57 identified health facilities by 30 June 2011.

Information management & electronic service delivery

The Strategic Information Management (SIM) branch is responsible for designing and delivering IT systems to enhance patient safety and improve quality of care.

Through its Information and Communications Technology (ICT) Strategy, SIM is procuring, building and implementing statewide ICT solutions that underpin the management of healthcare delivery, streamline clinical decision making and provide insight to system performance.

In delivering the Strategy, engagement with corporate and clinical stakeholders is maximised so appropriate design decisions are made, good governance is in place and value for money achieved. This approach has been reinforced by the SIM transformation project which increases capability in these areas across NSW Health.

The five year ICT strategy has advanced, particularly corporate, clinical and business information programs. These will provide solid foundations for programs of change currently underway, such as Clinical Services Redesign, Shared Services and Corporate systems.

Key achievements

Clinical Strategy

Electronic Medical Record

Electronic Medical Record (eMR) captures patient information and clinical details from patient arrival to discharge. The system will allow clinicians to electronically order tests and services, access pathology and radiology results, manage emergency departments and operating theatres, and send discharge referrals to GPs.

The eMR is being implemented statewide following a trial of the design of the Emergency Department System at Sydney West Area Health Service. Emergency departments in South Eastern Sydney Illawarra and North Coast Area Health Services will go live following system testing and staff training. Planning is underway in other areas for a statewide roll-out.

Statewide design standards have been used so staff can move between facilities and be familiar with the system.

Electronic Health Record

The Electronic Health Record (EHR) is an online integrated electronic record of all care provided in public and private health settings. It aims to improve patient safety and quality and efficiency of healthcare by providing the right information to the right people at the right time.

Key benefits include improved coordination of care between health professionals and reduction in the duplication of information and diagnostics. Patients can add to their own information. It will enable ready access to patient history of treatment, medication and care.

The system is fully operational as a pilot in two Area Health Services. An evaluation of the pilot has been commissioned to inform the future business case for a statewide roll-out.

To date, more than 44,000 consumers have enrolled in the EHR program and 36 general practitioners have supported the initiative.

Medical Imaging

The Medical Imaging Program aims to provide an integrated digital imaging and radiology information system to areas within NSW Health. It provides clinicians with tools to improve workflow, decrease turnaround time, share images across facilities and implement alternative service delivery models to manage increasing workload.

A vendor has been selected following an extensive evaluation process, and contracts executed to supply Picture Archive Communications System/ Radiology Imaging System (PACS/RIS) equipment and implementation services to four Area Health Services; Sydney West, North Coast, Northern Sydney Central Coast, and Sydney South West. Equipment has been delivered to a number of sites and implementation planning activity commenced.

Patient Administration System

The Patient Administration System Program has been completed with the conclusion of the North Sydney Central Coast Area Health Service project.

Now fully implemented, the System delivers more effective and efficient patient management, and administration of medical records. It provides the foundation for core clinical systems, such as the eMR.

Infrastructure and Telecommunications

A telecommunications strategy has been developed to ensure clinical systems will be adequately supported by data communications capability. Upgrades to air-conditioning and power to data centres at Liverpool and Cumberland, and roll-out of a statewide service desk to South Eastern Sydney Illawarra, South West, Greater Western, Greater Southern Area Health Services, Ambulance, Justice Health, Health Support Services have been achieved.

Corporate strategy

Corporate Systems Phase One

The current systems supporting planning, management and funding of Area Health Services are aged and fragmented. Corporate management tools need to be modernised to better support Area Health Services' key management functions and accelerate development of shared services.

The Corporate Systems Phase One Program provides NSW Health with upgraded financial payroll, human resource and procurement information systems. It also includes the appropriate security and associated infrastructure. Contracts with system vendors have been signed and implementation activity is underway.

Business Information Strategy

Data warehouses, Reporting Tools and Dashboards

The Business Information Strategy will make timely, consistent and high quality information available to decision makers at all levels within NSW Health. Better business information will support and sustain the gains made through programs such as the Clinical Services Redesign Program and help to track the benefits of all health programs to NSW Treasury in a timely and transparent manner.

The Ward Activity Dashboard and Nursing Dashboards have been trialled in four wards at Westmead and John Hunter Hospitals and are being scoped for statewide roll-out along with the development of local data stores.

Future initiatives

In line with the ICT strategy, progress has been made on developing four business cases for future funding consideration. These include Community Health, Electronic Health Records, Corporate Systems Phase Two and Infrastructure. Subject to funding, these areas will progress in 2009. In addition, work will continue to support national initiatives currently underway with National e-Health Transition Authority (NeHTA) to ensure these are well integrated into the NSW Health forward program of activity.

Response to NSW Government waste reduction and purchasing policy

Sustainability

NSW Health leases ten floors of office space at 73 Miller Street, North Sydney and occupies premises at Gladesville Hospital. In 2007/08 the Department continued to take a proactive approach towards sustainability by adopting measures to reduce greenhouse emissions, save water, reduce waste and increase recycling. The adoption of new technologies has resulted in improvements in infrastructure and communications capabilities that in turn reduce the Department's consumption of resources. Initiatives implemented during the year to improve sustainability include:

- The promotion of video-conferencing facilities to further reduce travel requirements. The Department has recorded an increase in the use of video-conferencing facilities.
- The upgrade of the floor switches to improve the usage and reliability of voice over IP telephone technology which reduces the volume of data cabling required.
- The installation of new water efficiency dual flush toilets and waterless urinals.
- The upgrade of Electronic Document Management (EDM) System to improve and increase the use of EDM in the Department.

The Department continued to support and participate in corporate initiatives and sustainability programs including Earth Hour, the 3CBDs Greenhouse Initiative and Green Capital. This underscores a commitment to improve energy efficiency and reduce greenhouse emissions. It also ensures that the Department remains informed on the latest sustainability issues.

Waste reduction and recycling

During 2007/08, the annual waste audit showed a 15% decrease in the total weight of waste generated per week in comparison to the previous year. This was mainly due to the reduction in the amount of waste paper generated, and can be attributed to the adoption of strategies such as electronic document management (EDM) and duplex printing.

The Department continues to recycle items such as used toner cartridges, fluorescent tubes and mobile telephones.

Purchasing policy

NSW Health promotes the purchase and use of environmentally friendly products and services. Goods and services are procured through NSW Government contracts where possible and are regularly reviewed to identify the availability of environmentally friendly options.

Wherever possible, NSW Health purchases items that have a high recycled content and are energy efficient.

Energy consumption

The Department works cooperatively with the landlord of 73 Miller Street to improve the energy efficiency of its tenancy.

The Department has achieved a Green Star tenancy rating of 4.5 in 2007 due to initiatives such as the introduction of flat screen computer monitors and power saving switches on multi-function devices.

The size and composition of the motor vehicle fleet is regularly monitored to maximise efficiency. Through the development and regular review of a Departmental Fleet Profile, the procurement of smaller and more fuel efficient vehicles has been mandated.

The Department has consistently exceeded Cleaner NSW Government Fleet targets set by the Premier's Department.

Shared services program

Health Support Services

In April 2007/08, Health Support Services became the delivery arm of the NSW Health Shared Services Program following the merger of HealthSupport and HealthTechnology. The merger presents a unique opportunity to maximise efficient, effective and innovative business practices to benefit healthcare delivery.

Health Support Services operations

Service Centre Parramatta

Based at Phillip Street, Parramatta, the centre provides transactional shared services to Health Support Services, including Linen Services, and to the Institute of Medical Education and Training. It also provides transactional shared services to Sydney West (SWAHS), Greater West (GWAHS), and Greater Southern (GSAHS) Area Health Services as well as the Children's Hospital at Westmead and Justice Health. Staff are working with Sydney South West Area Health Service (SSWAHS) which is due to transition its shared service functions next financial year.

Service Centre Newcastle

Since March 2007, Newcastle has transitioned payroll, financial and supply services from Hunter New England (HNEAHS) and North Coast (NSAHS) Area Health Services, and payroll functions for Northern Sydney Central Coast Area Health Service (NSCCAHS).

In 2008/09, its customer base will expand when finance and payroll services for South Eastern Sydney Illawarra Area Health Service (SESIAHS) are transitioned.

Shared Business Services

Shared Business Services aims to develop Food and Linen Services into statewide business units with consistent financial and pricing models, billing processes and KPI reports.

Business Procurement Services

This unit's function is to obtain better value by enhancing contract implementation using whole-of-health approval and informing the contracting management when significant issues arise.

Technology and Systems Support

Technology Shared Services (TSS) manages in excess of 50 projects centred on the management and provision of support and operational services to NSW Health and Area Health Services Information Communication Technology (ICT) programs and projects.

The TSS activities fall into five skill based areas:

- Enterprise Integration
- Support Services
- Operations, Software Development & Support
- Technical Services
- Statewide Service Desk

Achievements

Payroll and finance transitions

Undertook successful transition of payroll services for NCAHS, NSCCAHS AND GSAHS, and finance and supply functions for HNEAHS AND NCAHS.

The transition of NSCCAHS finance, SESIAHS finance and payroll services, and SSWAHS payroll and finance will take place next financial year.

Transforming health procurement

The Health Item Master File (HIMF) went live at the Parramatta service centre in October 2007. It will transform how AHSs undertake procurement by providing more product information and allowing detailed analysis of product spend.

Currently there are 22,000 items defined in the HIMF covering medical and surgical, pharmaceutical, food, engineering and pathology products. These items were previously only known as 'stock' and 'non-stock' items.

One Build, One Plan, One Health System

The development of a single install interim State Baseline Build Financial Management Information System (SBB) FMIS was completed in October 2007. The SBB FMIS will be used to implement the new NSW Health Standard Chart of Accounts (SCOA) and HIMF for all customer AHSs.

ENABLE NSW - Supporting people with disabilities and their families

EnableNSW was established in August 2007 within Health Support Services to implement major reforms to five NSW Health disability support programs. These programs provide equipment and/or attendant care services to assist eligible residents to live and participate in the community.

These programs are:

- Program of Appliances for Disabled People (PADP)
- Artificial Limb Service (ALS)
- Home Respiratory Programs
- Home Oxygen Service (HOS)
- Ventilator Dependant Quadriplegia Program (VDQP)
- Children's Home Ventilation Program (CHVP).

Approximately 20,000 people are eligible each year for these programs.

In 2007/08, EnableNSW progressed the following initiatives:

- Establishment of the EnableNSW Transition Steering Committee to assist with the transition of services across AHSs to a single statewide service.
- Better information for clinicians and clients through a regular e-newsletter and the development of an EnableNSW website at www.enable.health.nsw.gov.au.
- Establishment of expert Statewide Clinical Advisor positions for PADP and Home Respiratory Programs.
- Development and piloting of new prescription processes for clinicians and uniform application processes.
- Development of an information system to support more efficient service delivery.
- Release of an expression of interest for positions on a new EnableNSW Advisory Council (ENAC).

Electronic Medical Record (eMR) Program

The Electronic Medical Record (eMR) program is a $95 million investment to improve patient care and service delivery through the deployment of clinician support tools and improved clinical support practices.

A State Baseline Build (SBB) design incorporating clinical data standards and processes is being deployed across AHSs over an 18 to 24 month period. The eMR program and State Base Build (SBB) design support improvement in the patient experience by focusing on key high volume care delivery settings and processes including electronic orders, results reporting, enterprise scheduling, the emergency department, Operating Theatres, and electronic discharge referrals.

The eMR should result in improved safety, quality and efficiency of health care delivery, with fewer errors of duplication, omission, interpretation, and transcription. Increased surgical capacity will result from fewer cancelled procedures due to over-runs, blocking issues or lost paperwork. Savings will be achieved through a reduction in duplicated orders for tests and cost reductions associated with availability of improved clinician decision support tools.

During the past year, most of the focus has been on designing and documenting the SBB, and supporting the first two implementation projects at SESIAHS and NCAHS.

The eMR will go live at sites in both of these areas in late 2008, and will be progressively rolled out through to July 2010. The eMR team will manage the overall program of work across the state via its experienced team of business analysts, project managers, change managers, testers, trainers, and report developers.

Clinical Care – Patient Administration Program

The Patient Administration System (PAS) provides the foundation for core clinical systems, such as Electronic Medical Record (eMR) and the Unique Patient Identifier (UPI), to link patient records across an Area Health Service.

The roll-out of iSOFT's iPM application for PAS to Justice Health adolescent facilities occurred in March 2008. SESIAHS, GWAHS and GSAHS upgraded to iPM/e*Index application SBB Version 2.0 in December 2007.

The SBB approach supports effective delivery and maintains systems. Version 2.0 of the iPM/e*Index application PAS Unique Patient Identifier (UPI) State Based Build provides enhanced functionality in the management of waiting lists, and patient registration and identification.

The Cerner Millennium Patient Administration System (PAS) was implemented across all of the NSCCAHS facilities and Sydney Home Nursing Service during 2007/ 08.

Extensive preparatory work was undertaken for the implementation of the Cerner Results Reporting for Port Macquarie Base Hospital.

Healthelink Electronic Health Record (EHR) Program

The Healthelink pilot EHR aims to improve patient safety, and quality and efficiency of health care through the provision of the right information to the right people at the right time. Healthelink securely brings together information collected from public and private health information systems into a single electronic record. This information is available online to both the patient and authorised health care providers.

In the past year, Healthelink has successfully operated as a pilot in the Maitland region and parts of greater western Sydney. It now holds the health information of over 40,000 individuals.

State Unique Patient Identifier (SUPI) Facility Program

The State Unique Identifier is used by the Healthelink electronic health record to allow health professionals share patient information and allows patient information to be linked between different health entities.

SWAHS, Children's Hospital at Westmead and HNEAHS have been contributing data to support the Healthelink pilot. GWAHS and GSAHS began contributing data to the SUPI in 2008.

The SUPI facility also supports the linkage of mental health data, required for Commonwealth reporting.

The way forward

Health Support Services will continue to listen to and consult with our clients about the way shared corporate and technology services are provided. We remain committed to enhancing our business processes to ensure best practice service delivery.

Among our priorities for 2008/ 09 are:

- Completion of the transition of all corporate services to Health Support Service Centres, including those transitions from SSWAHS and SESIAHS.
- Implementing the Linen Load Redistribution Strategy which will see the decommissioning of Concord Linen Service and the realignment of linen work loads at Newcastle, Illawarra, Parramatta and Orange Linen Services.
- Transitioning of Food Services to Health Support Services to be managed as a statewide business unit under Shared Business Services.
- Business transformation programs including automated invoice processing, electronic business to business for purchase orders, and shipping notices and invoices with selected vendors.
- Implementation of new major clinical and corporate IT systems including a State Based Build EMR (Electronic Medical Record) and the Corporate IT program.

The NSW Institute of Medical Education and Training

The NSW Institute of Medical Education and Training (IMET) was established in 2005 to support and coordinate post-graduate medical education and training. Over the past year it has:

- Successfully placed 663 interns and Australian Medical Council graduates to commence work in the 2008 clinical year, an increase of 103 (18%) from 2007.
- Successfully delivered a pre-employment program to 51 Australian Medical Council graduates prior to their commencement of training in NSW and ACT hospital networks.
- Improved the rural preferential recruitment program in which 10 rural hospitals are now participating and 52 postgraduate year one trainees were directly recruited to rural hospitals for 2009, a 33% increase from the previous year.
- Accredited the first independent Prevocational General Practice Placement Program (PGPPP) placement in NSW. The PGPPP provides prevocational trainees with an experience in general practice to encourage them to pursue a career in this vital speciality.
- Reaccredited 20 facilities for prevocational education and training and provisionally accredited 66 new prevocational terms.
- Approved new basic physician training positions for 2009 at Liverpool, Royal North Shore, Gosford, Manly and Westmead Hospitals, to be incorporated into the training networks, together with an Expanded Settings position at Campbelltown/Camden.
- Introduced the principle of priority filling for rural psychiatry training positions.
- Continued development of rotational cardiology training networks to provide better distribution of trainees, particularly to rural areas. In 2008, three additional rural training positions were introduced at Port Macquarie Base, Wagga Wagga Base, and Tamworth Base Hospitals.
- Introduced a Statewide Education Program for cardiology trainees, including monthly lectures and access to a continuing professional development website for cardiologists.
- Coordinated a series of statewide surgical courses to support exam preparation, including Microbiology and Physiology, Pathology, Pharmacology and the newly developed Anatomy program.

- Continued to develop a Hospital Skills Program to support training and professional development of non-specialist doctors working in emergency, mental health, aged care, paediatrics, medicine, surgery, and obstetrics and gynaecology. The program aims to improve the quality and safety of patient care by recognising and enhancing the skills of the non-specialist medical staff who work in these departments.

Future directions

- Work with Area Health Services and NSW Health to manage the increasing number of medical graduates.
- Implementation of new rotational training networks for emergency medicine, anaesthetics and radiology.
- Help Area Health Services ensure structures for training and education of the medical workforce meet strategic workforce directions.
- Support for development of PGPPP, in particular ensuring that the accreditation process meets this need.
- Completion of an online accreditation system that aims to streamline the administrative processes for facilities, surveyors and IMET.

Significant committees

Governance Committees

Senior Executive Advisory Board

Chair: Director-General
Responsible Branch: Executive and Ministerial Services

The key meeting of NSW Health Chief Executives and the Department's Management Board, the Senior Executive Advisory Board is responsible for:

- Advising the Management Board on system-wide matters including budget management, strategies and policies.
- Statewide planning, direction setting and guidance of NSW Health.
- Providing leadership on statewide health issues, including population and community health and health promotion.
- Improving executive communication within the NSW health system.
- Ensuring all health care services work collaboratively to deliver equitable and effective integrated services to the community.

Department of Health Management Board

Chair: Director-General
Responsible Branch: Office of the Director-General

The Director-General chairs the NSW Health Management Board which is the key management meeting and forum for NSW Health. The Management Board considers and makes decisions on issues of departmental and health systemwide interest, including the NSW Health budget, development of health policy and monitoring of health system performance.

Finance, Risk and Performance Committee

Chair: Director-General
Responsible Branch: Finance and Business Management

Advises the Director-General, Minister for Health and the Budget Committee of Cabinet of the financial, risk and performance management of NSW Health. Each Area Health Service and Statutory Health Corporation establishs its own Finance Committee as a condition of subsidy.

Risk Management and Audit Committee

Chair: Jon Isaacs (Independent Chair)
Responsible Branch: Internal Audit

Assists the Director-General to perform her duties under the relevant legislation, particularly in relation to NSW Health internal control, risk management and internal and external audit functions. Area Health Services and Statutory Health Corporations establish their own Audit Committee as a condition of subsidy.

Reportable Incident Review Committee

Chair: Deputy Director-General, Health System Performance
Responsible Branch: Quality and Safety

Examines and monitors serious clinical adverse events reported to NSW Health via Reportable Incident Briefs and ensures appropriate action is taken. Identifies issues relating to morbidity and mortality that may have statewide implications. Advises on policy development to effect health care system improvement.

NSW Health Care Advisory Council

Co-chairs: Rt Hon Ian Sinclair AC, Professor Judith Whitworth

Peak clinical and community advisory body for the Minister for Health and the Director-General on clinical services, innovative service delivery models, health care standards, and performance management and reporting within the health care system.

Health Priority Taskforces

Part of the reporting structure for the NSW Health Care Advisory Council, HPTs advise the Director-General and Minister for Health on policy directions and service improvements for high priority areas.

Aboriginal Health Priority Task Force

Co-Chairs: Ms Sandra Bailey, Dr Sandra Eades

Function: provides strategic advice to the Director-General on Aboriginal health.

Children and Young People's Health Priority Taskforce

Co-Chairs: Professor Graham Vimpani, Ms Irene Hancock

Function: provides leadership across child and young people's health services, and strategic advice to the Minister and NSW Health.

Chronic, Aged and Community Health Priority Taskforce

Co-Chairs: Professor Ron Penny, Ms Kath Brewster

Function: provides direction and leadership for NSW Chronic, Aged and Community Health Services to achieve highly integrated services reflecting best national and international standards.

Maternal and Perinatal Health Priority Taskforce

Chair: Professor William Walters

Function: provides direction and leadership for NSW maternal and perinatal services reflecting best national and international standards.

Critical Care Health Priority Taskforce

Co-Chairs: Dr Tony Burrell, Ms Barbara Daly

Function: provides direction and leadership for NSW critical care services to achieve highly integrated services which reflect best national and international critical care standards. Advises the Department on the coordination, planning and development of critical care services at a statewide level, and on strategic directions for models of care and the implications of planning initiatives. Monitors and evaluates clinical effectiveness and outcome measures, resource utilisation and current research trends. Provides support and guidance to clinicians and Area Health Services on critical care service management, planning and implementation processes.

Mental Health Priority Taskforce

Co-Chairs: Professor Philip Mitchell, Ms Laraine Toms

Function: provides direction and leadership for the development of integrated mental health services reflecting best practice national and international standards. Provides advice on strategic planning and reviews programs and initiatives to maintain a focus on NSW mental health priorities.

Population Health Priority Taskforce

Co-Chairs: Professor Bruce Armstrong, Professor Louise Baur

Function: provides direction and leadership for population health issues. Identifies priority initiatives that can achieve sustainable health gain and advises on key design, implementation and evaluation issues.

Rural and Remote Health Priority Taskforce

Co-Chairs: Dr Peter Davis, Ms Liz Rummery

Function: works with rural Area Health Services to monitor the implementation of the recommendations in the NSW Rural Health Report and the NSW Rural Health Plan. Provides advice on rural and remote health issues to the Minister for Health and the Director-General.

Sustainable Access Health Priority Taskforce

Co-Chairs: Professor Brian McCaughan, Ms Wendy McCarthy.

Function: monitors and advises on improving and sustaining access to quality services through a focus on the patient journey. The Surgical Services, Emergency Care, and Acute Care Taskforces report to this HPT.

Ministerial Advisory Committees

Ministerial Advisory Committee on Hepatitis

Chair: Professor Geoffrey McCaughan

Function: provides the Minister with expert advice on all aspects of the strategic response to blood borne hepatitis (ie hepatitis B and hepatitis C).

Ministerial Advisory Committee on HIV and Sexually Transmitted Infections

Chair: Dr Roger J Garsia

Function: provides the Minister with expert advice on all aspects of the strategic response to HIV and sexually transmitted infections (STIs).

Ministerial Standing Committee on Hearing

Chair: Professor Jennie Brand-Miller

Function: advises the Minister on strategic directions for hearing services in NSW. Has a broad strategic focus, including other Government departments and non-government organisations involved in the provision of hearing services. The focus includes multidisciplinary collaboration of service providers across the whole spectrum of care including screening, diagnosis, treatment, research, education and occupational safety.

NSW Mental Health Sentinel Events Review Committee

Sentinel Events are incidents involving serious injury to, or the death of a person, where a person suffering or reasonably believed to be suffering from a mental illness is involved. Established in 2002, the Committee reviews sentinel events in circumstances where a public sector agency was involved in an event relating to a person's care, management or control. The Committee reported directly to, the Minister for Health through its Chair. The fourth and final report of the Committee was completed during 2008 and the Committee wound up on 30 April 2008.

NSW General Practice Council

Chair: Dr Diane O'Halloran

Function: provides expert and strategic advice to the Minister and the Department. Provides formal liaison and consultation mechanisms between NSW Health and General Practice, and facilitates the involvement of general practitioners in the development of health policies and initiatives aimed at improving health.

Maternal and Perinatal Committee

Chair: Professor William A Walters
Responsible Branch: Primary Health and Community Partnerships

The principal function of the Committee is to review maternal and perinatal morbidity and mortality in NSW, and advise on matters relating to the health of mothers and newborn infants. The Committee is privileged under section 23(7) of the Health Administration Act 1982.

Ministerial Taskforce on Emergency Care

Co-Chairs: Mr Rod Bishop, Ms Sue Strachan
Responsible Branch: Health Service Performance Improvement

Established in November 2007 to advise the Minister for Health and the Director-General on the key issues of emergency demand and workforce.

- The Aboriginal Vascular Health Program (AVHP) is now operational in nine correctional centres.
- Establishment of a "Continuum of Care" group to facilitate entry into and exit from custody on hepatitis C treatment.

Area Health Advisory Councils

Area Health Advisory Councils facilitate the involvement of health service providers, consumers and community members in the development of policies, plans and initiatives at local level.

They are established in all Area Health Services.

The Children's Hospital at Westmead also has an advisory council constituted similarly to the Area Health Advisory Councils. An Ambulance Service Advisory Council advises the Director-General with respect to the provision of Ambulance Services, as required under the Health Services Act 1997.

STATISTICS

APPENDIX 4

Health workforce

NSW Department of Health, Ambulance Service of NSW, Health Services, Health Administration Corporation and other NSW Health organisations Clinical Staff Ratio to all Staff at June 2008

	June 2003	June 2004	June 2005	June 2006	June 2007	June 2008
Medical, nursing, allied health, other health professionals, scientific and technical staff, oral health practitioners and ambulance clinicians as a proportion of all staff (%)	69.6%	70.1%	70.7%	71.9%	72.3%	72.6%

Source: Health Information Exchange and Health Service local data

Notes: 1. From 2008, the Clinical Staff Ratio is also inclusive Scientific and Technical Officers. Previous years data has been recast to reflect this change and may show a variation from previous annual reports.

2. It should be noted that the data for 'clinical staff' does not currently include all those staff engaged in face to face care eg. ward clerks, wardsmen, surgical dressers. It is expected that further refinement of employment data in future years will allow inclusion of these categories where relevant.

Number of Full Time Equivalent Staff (FTE) Employed in the NSW Department of Health, Health Support Services, Ambulance Service of NSW and Health Services as at June 2008

	June 2003	June 2004	June 2005	June 2006	June 2007	June 2008
Medical	6,112	6,357	6,462	6,826	7,318	7,866
Nursing	32,550	33,488	35,523	36,920	38,101	39,033
Allied Health	6,323	6,563	6,848	7,122	7,387	7,487
Other Prof. and Para professionals	4,222	4,036	3,431	3,383	3,351	3,329
Oral Health Practitioners and Therapists	988	976	990	1,008	998	1,098
Scientific and Technical Clinical Support Staff	4,923	5,019	5,831	5,944	6,157	6,146
Ambulance Clinicians	2,815	2,935	3,019	3,155	3,307	3,370
Corporate Services	5,441	5,469	5,038	4,666	4,593	4,476
Hotel Services	8,330	8,181	8,326	8,242	8,156	8,132
Maintenance and Trades	1,311	1,281	1,246	1,221	1,192	1,164
Hospital support workers	9,933	10,037	10,723	10,709	11,244	11,649
Other	322	385	350	353	388	409
Total	83,270	84,727	87,787	89,549	92,192	94,157

Source: Health Information Exchange and Health Service local data

Notes:

1. FTE calculated as the average for the month of June, paid productive and paid unproductive hours.
2. As at March 2006, the employment entity of NSW Health Service staff transferred from the respective Health Service to the State of NSW (the Crown). Third Schedule Facilities have not transfered to the Crown and as such are not reported in the Department.
3. Includes salaried (FTEs) staff employed with 'Health Services, Ambulance Service of NSW and the NSW Department of Health'. All non-salaried staff such as contracted Visiting Medical Officers (VMO) are excluded.
4. 'Medical' is inclusive of Staff Specialists and Junior Medical Officers. 'Nursing' is inclusive of Registered Nurses, Enrolled Nurses and Midwives. 'Allied Health' includes the following; audiologist, pharmacist, social worker, radiographer and podiatrist. 'Oral Health Practitioners and Therapists' includes Dental Assistants/Officers/Therapists/Hygienists. 'Other Professionals and Para-professionals', which includes health education officers, interpreters etc. 'Ambulance Clinicians' include ambulance on road staff and ambulance support staff. 'Corporate Services' includes Hospital Executive, IT, Human Resource and Finance staff etc. 'Scientific and technical support workers' includes hospital scientists and cardiac technicians. 'Hotel Services' are inclusive of food services, cleaning and security etc. 'Maintenance and Trades' is inclusive of Trade Workers, Gardeners and Grounds Management etc. 'Hospital Support Workers' includes ward clerks, public health officers, patient enquiries and other clinical support staff etc. 'Other' is employees not grouped elsewhere.
5. FTEs associated with the following health organisations are reported separately; the Institute of Medical Education and Training, HealthQuest, Clinical Excellence Commission and the Health Professional Registration Boards.
6. Previous to 2008, FTE associated with Health Support Services was reported separately. Information has been recast to reflect this change and will show variations from previous annual report. Health Support Services includes Health Support, Health Technology and Health Infrastructure.
7. Rounding errors are included in the table.

Number of Full Time Equivalent Staff (FTE) Employed in other NSW Health organisations as at June 2008

	June 2003	June 2004	June 2005	June 2006	June 2007	June 2008
Health Administration Corporation						
- Health Professional Registration Boards	56	53	46	57	56	59
- Institute of Medical Education & Training	0	0	0	25	26	26
HealthQuest	21	21	22	24	20	13
Mental Health Review Tribunal	14	13	14	17	20	21
Clinical Excellence Commission	0	0	12	22	23	31
Total	91	88	137	288	145	150

Source: Health Information Exchange & Health Service local data

Notes:

1. From 2008, the Clinical Staff Ratio also includes Scientific and Technical Officers. Previous years data has been recast to reflect this change and may show a variation from previous annual reports.
2. It should be noted that the data for 'clinical staff' does not currently include all those staff engaged in face to face care eg. ward clerks, wardsmen, surgical dressers. It is expected that further refinement of employment data in future years will allow inclusion of these categories where relevant.

Acts administered

BY THE NSW MINISTER FOR HEALTH AND LEGISLATIVE CHANGES

Acts administered

- Anatomy Act 1977 No. 126
- Assisted Reproductive Technology Act 2007 No. 69 (uncommenced)
- Cancer Institute (NSW) Act 2003 No. 14 (jointly allocated with the Minister Assisting the Minister for Health (Cancer))
- Chiropractors Act 2001 No. 15
- Dental Practice Act 2001 No. 64
- Dental Technicians Registration Act 1975 No. 40
- Drug and Alcohol Treatment Act 2007 No. 7 (uncommenced)
- Drug Misuse and Trafficking Act 1985 No. 226, Part 2A only (jointly with the Minister for Police, the remainder, the Attorney General)
- Fluoridation of Public Water Supplies Act 1957 No. 58
- Gladesville Mental Hospital Cemetery Act 1960 No. 45
- Health Administration Act 1982 No. 135
- Health Care Complaints Act 1993 No. 105
- Health Care Liability Act 2001 No. 42
- Health Professionals (Special Events Exemption) Act 1997 No. 90
- Health Records and Information Privacy Act 2002 No. 71
- Health Services Act 1997 No. 154
- Human Tissue Act 1983 No. 164
- Lunacy and Inebriates (Commonwealth Agreement Ratification) Act 1937 No. 37
- Lunacy (Norfolk Island) Agreement Ratification Act 1943 No. 32
- Medical Practice Act 1992 No. 94
- Mental Health Act 2007 No. 8
- New South Wales Institute of Psychiatry Act 1964 No. 44
- Nurses and Midwives Act 1991 No. 9
- Optical Dispensers Act 1963 No. 35
- Optometrists Act 2002 No. 30
- Osteopaths Act 2001 No. 16
- Pharmacy Act 1964 No. 48
- Pharmacy Practice Act 2006 No. 59
- Physiotherapists Act 2001 No. 67
- Podiatrists Act 2003 No. 69
- Poisons and Therapeutic Goods Act 1966 No. 31
- Private Health Facilities Act 2007 No. 9 (uncommenced)
- Private Hospitals and Day Procedure Centres Act 1988 No. 123
- Psychologists Act 2001 No. 69
- Public Health Act 1991 No. 10
- Smoke-free Environment Act 2000 No. 69
- Sydney Hospital (Trust Property) Act 1984 No. 133
- Tuberculosis Act 1970 No. 18.

Legislative changes (July 2007 – June 2008)

New Acts

- Assisted Reproductive Technology Act 2007 No. 69.

Amending Acts

- Health Legislation Amendment Act 2007 No. 89
- Medical Practice Amendment Act 2008.

Acts repealed

- Mental Health Act 1990.

Subordinate legislation

Principal Regulations made

- Chiropractors Regulation 2007
- Dental Technicians Registration Regulation 2008

- Fluoridation of Public Water Supplies Regulation 2007
- Health Care Liability Regulation 2007
- Mental Health Regulation 2007
- Mental Health (Criminal Procedure) Regulation 2007
- Optical Dispensers Regulation 2007
- Osteopaths Regulation 2007
- Pharmacy Practice Regulation 2008
- Psychologists Regulation 2008
- Smoke-free Environment Regulation 2007.

Amending Regulations made

- Dental Practice Amendment (Oral Health Therapists) Regulation 2007
- Health Records and Information Privacy Amendment Regulation 2007
- Health Services Amendment (Appointment of Visiting Practitioners) Regulation 2007
- Medical Practice Amendment (Advertising) Regulation 2008
- Mental Health Amendment (Transitional) Regulation 2007
- Poisons and Therapeutic Goods Amendment (Fees) Regulation 2007
- Poisons and Therapeutic Goods Amendment (Oral Health Therapists) Regulation 2007
- Poisons and Therapeutic Goods Amendment (Midwives) Regulation 2007
- Private Hospitals and Day Procedure Centres Amendment (Fees) Regulation 2007
- Public Health (General) Amendment Regulation 2008
- Public Health Legislation Amendment (Fees) Regulation 2008.

Regulations repealed

- Chiropractors Regulation 2002
- Dental Technicians Registration Regulation 2003
- Fluoridation of Public Water Supplies Regulation 2002
- Health Care Liability Regulation 2001
- Optical Dispensers Regulation 2002
- Osteopaths Regulation 2002
- Psychologists Regulation 2002
- Smoke-free Environment Regulation 2000.

Significant judicial decisions

Downe v Sydney West Area Health Service (No. 2) [2008] NSWSC 159

In September 2004, Dr Lynette Downe was suspended on full pay by the former Wentworth Area Health Service from her duties as Director of the Neonatal Intensive Care Unit pending an investigation into allegations of bullying and intimidation.

Dr Downe's suspension continued while various unsuccessful attempts were made to resolve the issue, and in 2006 she initiated proceedings against the SWAHS in the Supreme Court of NSW.

In his judgment, Rothman J found Dr Downe's continued suspension by SWAHS after the findings of the review was unlawful. His Honour left open the possibility that there may be circumstances in which an employer can direct an employee not to perform work for an indefinite period.

However, he found that the contract of employment with Dr Downe clearly contemplated the performance of work by Dr Downe, given the necessity for her as a specialist neonatologist to exercise her skills regularly, and the role of Dr Downe in establishing the NICU. It was therefore implicit in Dr Downe's contract of employment that she would have the opportunity to exercise her skill as a clinician and as Director.

His Honour also found there were implied terms of mutual trust and confidence, as well as an implied term of good faith, in Dr Downe's contract of employment.

Freedom of Information Report

The Freedom of Information Act 1989 (FOI Act) gives the public a legally enforceable right to information held by public agencies, subject to certain exemptions. During the 2007/08 financial year, NSW Health received 86 new requests for information under the FOI Act, compared to 49 new requests in the previous financial year, an increase of 76%.

The Department carried over five applications from the 2006/07 reporting period. Of the 91 applications to be processed, 13 were granted full access, 16 were granted partial access and nine requests were refused access. A total of 16 were no documents held. Three applications were transferred to other agencies, four applications were withdrawn, four applicants failed to pay an advance deposit and five applications failed to amend their request which was an unreasonable diversion of resources to complete. Sixteen applications have been carried forward to the next reporting period.

During the past financial year, most FOI applications to the Department concerned public health issues. These applications continued to be multi-dimensional and were of significant complexity. A proportion of the Department's FOI work involved third party consultations – particularly those from central NSW Government agencies and those seeking data across the NSW health public sector. The Department also provided considerable assistance and advice to applicants, including the re-scoping of a significant number of FOI applications.

The Department received 15 personal FOI applications, one more than in the previous financial year. Non-personal applications doubled since 2006/07, totalling 71 compared to 35 in 2006/07. Thirty-six applications were received from Members of Parliament, triple the number received in 2006/07 (12). Twenty applications were from the media, compared to eight in 2006/07.

The Department received seven applications for internal reviews within the last reporting period. Five of the original determinations were varied and two were upheld. Three of the internal reviews related to matters that were carried forward from the previous reporting period. In addition, the Department dealt with two Ombudsman reviews – both of which are ongoing.

Thirteen applications required consultations with parties outside NSW Health. Most applications required consultation with more than one party, involving a total of 56 third parties being consulted. NSW Health also dealt with 24 third party consultations from other agencies.

During 2007/08 the Department estimated its FOI processing charges to be $39,305, which was partly offset by $4,448 received in fees. The annual operating costs to the Department were far in excess of the above amounts, comprising the wages and general administration costs for FOI within the Executive Support Unit.

No applications were received for the amendment or notation of records, nor were any Ministerial certificates issued.

From 2007/08 a new format for FOI statistical reporting by agencies has been introduced. It should be noted that the 2006/07 figures published in the previous annual report may not correlate with a number of tables for the new format. In addition, some of the columns for 2006/07 have been left blank due to the change in the reporting of data.

Section A – New FOI Applications

How many FOI applications were received, discontinued or completed?	Number of FOI Applications					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
A1 New	14	15	35	71	49	86
A2 Brought forward	1	3	8	2	9	5
A3 Total to be processed	15	18	43	73	58	91
A4 Completed	4	11	32	43	36	54
A5 Discontinued	8	5	8	16	16	21
A6 Total processed	12	16	40	59	52	75
A7 Unfinished (carried forward)	3	2	3	14	6	16

Section B – Discontinued Applications

Why were FOI applications discontinued?	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
B1 Request transferred out to another agency (s.20)	N/A	3	N/A	3	N/A	6
B2 Applicant withdrew request	N/A	1	N/A	4	N/A	5
B3 Applicant failed to pay advance deposit (s.22)	N/A	0	N/A	4	N/A	4
B4 Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete (s.25(1)(a1))	N/A	1	N/A	5	N/A	6
B5 Total discontinued	N/A	5	N/A	16	N/A	21

Section C – Completed Applications

What happened to completed FOI applications?	Number of Completed FOI Applications					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
C1 Granted or otherwise available in full	2	0	6	13	8	13
C2 Granted or otherwise available in part	1	4	4	12	5	16
C3 Refused	1	4	22	5	23	9
C4 No documents held	N/A	3	N/A	13	N/A	16
C5 Total completed	**4**	**11**	**32**	**43**	**36**	**54**

Section D – Applications Granted or Otherwise Available in Full

Documents made available to the applicant were:	Number of FOI Applications (granted or otherwise available in full)					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
D1 Provided to the applicant	N/A	0	N/A	13	N/A	13
D2 Provided to the applicant's medical practitioner	N/A	0	N/A	0	N/A	0
D3 Available for inspection	N/A	0	N/A	0	N/A	0
D4 Available for purchase	N/A	0	N/A	0	N/A	0
D5 Library material	N/A	0	N/A	0	N/A	0
D6 Subject to deferred access	N/A	0	N/A	0	N/A	0
D7 Available by a combination of any of the reasons listed in D1-D6 above	N/A	0	N/A	0	N/A	0
D8 Total granted or otherwise available in full	**N/A**	**0**	**N/A**	**13**	**N/A**	**13**

Section E – Applications Granted or Otherwise Available in Part

Documents made available to the applicant were:	Number of FOI Applications (granted or otherwise available in part)					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
E1 Provided to the applicant	N/A	4	N/A	12	N/A	16
E2 Provided to the applicant's medical Practitioner	N/A	0	N/A	0	N/A	0
E3 Available for inspection	N/A	0	N/A	0	N/A	0
E4 Available for purchase	N/A	0	N/A	0	N/A	0
E5 Library material	N/A	0	N/A	0	N/A	0
E6 Subject to deferred access	N/A	0	N/A	0	N/A	0
E7 Available by a combination of any of the reasons listed in E1-E6 above	N/A	0	N/A	0	N/A	0
E8 Total granted or otherwise available in part	**N/A**	**4**	**N/A**	**12**	**N/A**	**16**

Section F – Refused FOI Applications

Why was access to the documents refused?	Number of Refused FOI Applications					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
F1 Exempt	1	2	22	1	23	3
F2 Deemed refused	0	2	0	4	0	6
F3 Total refused	**1**	**4**	**22**	**5**	**23**	**9**

Section G – Exempt Documents

Why were the documents classified as exempt? (identify one reason only)	Number of FOI Applications (refused or access granted or otherwise available in part only)					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
Restricted documents:						
G1 Cabinet documents (Clause 1)	N/A	0	N/A	2	N/A	2
G2 Executive Council documents (Clause 2)	N/A	0	N/A	0	N/A	0
G3 Documents affecting law enforcement and public safety (Clause 4)	N/A	1	N/A	0	N/A	1
G4 Documents affecting counter terrorism measures (Clause 4A)	N/A	0	N/A	0	N/A	0
Documents requiring consultation:						
G5 Documents affecting intergovernmental relations (Clause 5)	N/A	0	N/A	0	N/A	0
G6 Documents affecting personal affairs (Clause 6)	N/A	4	N/A	9	N/A	13
G7 Documents affecting business affairs (Clause 7)	N/A	0	N/A	2	N/A	2
G8 Documents affecting the conduct of research (Clause 8)	N/A	0	N/A	0	N/A	0
Documents otherwise exempt:						
G9 Schedule 2 exempt agency	N/A	0	N/A	0	N/A	0
G10 Documents containing information confidential to Olympic Committees (Clause 22)	N/A	0	N/A	0	N/A	0
G11 Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23)	N/A	0	N/A	0	N/A	0
G12 Documents relating to threatened species conservation (Clause 24)	N/A	0	N/A	0	N/A	0
G13 Plans of management containing information of Aboriginal significance (Clause 25)	N/A	0	N/A	0	N/A	0
G14 Private documents in public library collections (Clause 19)	N/A	0	N/A	0	N/A	0
G15 Documents relating to judicial functions (Clause 11)	N/A	0	N/A	0	N/A	0
G16 Documents subject to contempt (Clause 17)	N/A	0	N/A	0	N/A	0
G17 Documents arising out of companies and securities legislation (Clause 18)	N/A	0	N/A	0	N/A	0
G18 Exempt documents under interstate FOI Legislation (Clause 21)	N/A	0	N/A	0	N/A	0
G19 Documents subject to legal professional privilege (Clause 10)	N/A	0	N/A	0	N/A	0
G20 Documents containing confidential material (Clause 13)	N/A	1	N/A	0	N/A	1
G21 Documents subject to secrecy provisions (Clause 12)	N/A	0	N/A	0	N/A	0

Why were the documents classified as exempt? (identify one reason only)	Number of FOI Applications					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
G22 Documents affecting the economy of the state (Clause 14)	N/A	0	N/A	0	N/A	0
G23 Documents affecting financial or property interests of the state or an agency (Clause 15)	N/A	0	N/A	0	N/A	0
G24 Documents concerning operations of agencies (Clause 16)	N/A	0	N/A	0	N/A	0
G25 Internal working documents (Clause 9)	N/A	0	N/A	0	N/A	0
G26 Other exemptions (eg., Clauses 20, 22A and 26)	N/A	0	N/A	0	N/A	0
G27 Total applications including exempt documents	**N/A**	**6**	**N/A**	**13**	**N/A**	**19**

Section H – Ministerial Certificates (S.59)

How many Ministerial Certificates were issued?	Number of Ministerial Certificates	
	2006/07	2007/08
H1 Ministerial Certificates issued	0	0

Section I – Formal Consultations

How many formal consultations were conducted?	Number	
	2006/07	2007/08
I1 Number of applications requiring formal consultation	42	13
I2 Number of persons formally consulted	149	56

Section J – Amendment of Personal Records

How many applications for amendment of personal records were agreed or refused?	Number of applications for amendment of personal records	
	2006/07	2007/08
J1 Agreed in full	0	0
J2 Agreed in part	0	0
J3 Refused	0	0
J4 Total	0	0

Section K – Notation of Personal Records

How many applications for notation of personal records were made (s.46)?	Number of applications for notation	
	2006/07	2007/08
K1 Applications for notation	0	0

Section L – Fees and Costs

What fees were assessed and received for FOI applications processed (excluding applications transferred out)?	Assessed Costs		Fees Received	
	2006/07	2007/08	2006/07	2007/08
L1 All completed applications	$6,446.00	$39,305.00	$4,425.00	$4,448.00

Section M – Fee Discounts

How many fee waivers or discounts were allowed and why?	Number of FOI Applications (where fees were waived or discounted)					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
M1 Processing fees waived in full	0	0	0	0	0	0
M2 Public interest discount	0	0	2	0	2	0
M3 Financial hardship discount – pensioner or child	0	0	0	0	0	0
M4 Financial hardship discount – non profit organisation	0	0	0	0	0	0
M5 Total	**0**	**0**	**2**	**0**	**2**	**0**

Section N – Fee Refunds

How many fee refunds were granted as a result of significant correction of personal records?	Number of refunds	
	2006/07	2007/08
N1 Number of fee refunds granted as a result of significant correction of personal records	0	0

Section O – Days Taken to Complete Request

How long did it take to process completed applications? (Note: calendar days)	Number of Completed FOI Applications					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
O1 0-21 days – statutory determination period	7	7	38	23	45	30
O2 22-35 days – extended statutory determination period for consultation or retrieval of archived records (S.59B)	1	2	12	9	13	11
O3 Over 21 days – deemed refusal where no extended determination period applies	0	0	0	0	0	0
O4 Over 35 days – deemed refusal where extended determination period applies	0	2	0	11	0	13
O5 Total	**8**	**11**	**50**	**43**	**58**	**54**

Note: Figures in O5 should correspond to figures in A4.

Section P – Processing Time: Hours

How long did it take to process completed applications?	Number of Completed FOI Applications					
	Personal		Other		Total	
	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08
P1 0-10 hours	7	8	46	25	53	33
P2 11-20 hours	1	2	4	18	5	20
P3 21-40 hours	0	0	0	0	0	0
P4 Over 40 hours	0	1	0	0	0	1
P5 Total	**8**	**11**	**50**	**43**	**58**	**54**

Section Q – Number of Reviews

How many reviews were finalised?	Number of Completed Reviews	
	2006/07	2007/08
Q1 Internal reviews	5	7
Q2 Ombudsman reviews	5	0
Q3 ADT reviews	0	0

Section R – Results of Internal Reviews

What were the results of internal reviews finalised? Grounds on which the internal review was requested	Number of Internal Reviews					
	Personal		Other		Total	
	Original Agency Decision Upheld	Original Agency Decision Varied	Original Agency Decision Upheld	Original Agency Decision Varied	Original Agency Decision Upheld	Original Agency Decision Varied
R1 Access refused	2	0	0	5	2	5
R2 Access deferred	0	0	0	0	0	0
R3 Exempt matter deleted from documents	0	0	0	0	0	0
R4 Unreasonable charges	0	0	0	0	0	0
R5 Failure to consult with third parties	0	0	0	0	0	0
R6 Third parties views disregarded	0	0	0	0	0	0
R7 Amendment of personal records refused	0	0	0	0	0	0
R8 Total	**2**	**0**	**0**	**5**	**2**	**5**

Infectious disease

NOTIFICATIONS IN NSW

Disease notifications by Area Health Service of residence (2005 AHS boundaries), crude rates per 100,000 population, NSW, 2007

Condition	Greater Southern[f]		Greater Western[f]			Hunter / New England[f]		North Coast[f]		Northern Sydney/ Central Coast[f]		South Eastern Syd/ Illawara[f]		Sydney South West[f]		Sydney West[f]			
	Albury	Goulburn	Broken Hill	Dubbo	Bathurst	Newcastle	Tamworth	Pt Macquarie	Lismore	Gosford	Hornsby	Wollongong	Randwick	Camperdown	Liverpool	Penrith	Parramatta	Justice Health	Total
Adverse event after immunisation	7.12	8.14	2.22	4.83	5.79	2.57	1.68	1.39	2.46	4.84	1.73	5.08	3.07	1.14	1.93	5.98	3.63	0	
Anthrax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Arboviral infection	22.11	64.13	66.71	84.07	15.62	57.46	38.05	76.72	74.85	21.63	4.96	26.74	5.28	3.42	1.68	4.41	3.12	12.5	583.46
Barmah Forest virus[b]	2.62	50.25	4.45	9.66	2.31	20.24	9.51	31.24	39	5.17	0.74	18.45	0.49	0.57	0.24	0.63	0.78	12.5	208.85
Ross River virus[b]	19.12	12.92	62.26	73.44	12.73	36.88	27.42	44.09	31.98	14.85	2.73	7.49	2.09	1.52	0.84	3.15	1.95	0	355.46
Other b	0.37	0.96	0	0.97	0.58	0.34	1.12	1.39	3.87	1.61	1.49	0.8	2.7	1.33	0.6	0.63	0.39	0	19.15
Blood lead level >= 15ug/dL[b]	3	1.91	11.12	71.5	4.63	3.77	0.56	0.69	1.05	0.97	1.24	5.61	1.59	2.66	2.77	2.52	3.89	0	119.48
Botulism	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Brucellosis[b]	0	0	0	0	0.58	0	0	0	0	0	0	0	0.12	0	0.12	0	0	0	0.82
Chancroid[b]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chlamydia trachomatis infection	176.6	126.3	231.3	143	206.6	229	232.2	123.6	217.2	186.9	133.3	154.6	280.1	253.8	99.9	128.8	135.1	1188	4246.3
Congenital chlamydia[b]	0.37	0.96	2.22	0	0.58	0.34	0	0.35	0.7	0.32	0.37	0	0.12	0.19	0.36	0.63	1.17	0	8.68
Chlamydia – other[b]	176.2	125.4	229	143	206	228.7	232.2	123.2	216.5	186.6	132.9	154.6	279.9	253.6	99.54	128.2	134	1188	4237.54
Cholera[b]	0	0	0	0	0	0	0	0	0	0	0.12	0	0	0.19	0	0	0	0	0.31
Creutzfeldt-Jakob disease[b]	0	0	0	0	0	0.17	0	0	0	0.32	0	0.53	0.12	0	0.12	0.31	0	0	1.57
Cryptosporidiosis[b]	19.49	6.7	4.45	16.43	19.1	7.21	35.26	9.37	17.22	7.1	5.33	4.01	4.66	4.18	5.79	6.61	4.41	0	177.32
Giardiasis[b]	17.62	15.31	8.89	42.52	16.78	28.65	33.02	19.09	5.97	26.15	38.77	22.19	40.6	38.21	14.36	26.76	34.62	25	454.51
Gonorrhoea[b]	5.25	1.91	0	3.87	6.37	12.87	5.6	2.43	14.76	9.36	15.48	8.56	57.53	56.46	11.58	11.97	12.45	100	336.45
Haemolytic uraemic syndrome	0	0	0	0	0.58	0.86	0.56	0	0	0	0	0.27	0.12	0.19	0.12	0	0.13	0	2.83
H.influenzae serotype b	0.37	0	0	0	0	0.17	0	0.35	0	0	0.12	0	0.12	0	0.12	0	0.13	0	1.38
Hib epiglottitis[b]	0	0	0	0	0	0	0	0	0	0	0.12	0	0	0	0	0	0	0	0.12
Hib meningitis[b]	0.37	0	0	0	0	0	0	0.35	0	0	0	0	0	0	0	0	0	0	0.72
Hib septicaemia[b]	0	0	0	0	0	0.17	0	0	0	0	0	0	0	0	0	0	0.13	0	0.3
Hib infection NOS[b]	0	0	0	0	0	0	0	0	0	0	0	0	0.12	0	0.12	0	0	0	0.24
Hepatitis A[b]	0	0	0	0.97	0.58	0.17	0	0.35	1.76	0	1.61	0.8	1.23	1.14	1.45	0.94	1.17	0	12.17
Hepatitis B	13.49	11.01	22.24	9.67	1.16	8.4	10.63	5.9	12.65	10.66	35.42	12.3	47.35	81.17	72.39	12.28	72.23	550	988.95
Hepatitis B – acute viral[b]	0.75	1.44	0	0.97	0	1.37	0	0	0.7	0.65	0.74	0	1.72	0.57	1.45	0.31	0.13	12.5	23.3
Hepatitis B – other[b]	12.74	9.57	22.24	8.7	1.16	7.03	10.63	5.9	11.95	10.01	34.68	12.3	45.63	80.6	70.94	11.97	72.1	537.5	965.65
Hepatitis C	38.98	55.04	77.82	68.6	61.34	55.07	50.93	48.25	76.25	60.05	25.15	49.47	48.46	75.85	59.72	50.06	49.15	7675	8625.19
Hepatitis C – acute viral[b]	0.37	1.44	6.67	4.83	0.58	0.69	1.68	0	0	0	0	0	0.25	3.99	0.6	0	0.13	50	71.23
Hepatitis C – other[b]	38.61	53.6	71.15	63.77	60.76	54.38	49.25	48.25	76.25	60.05	25.15	49.47	48.21	71.86	59.12	50.06	49.02	7625	8553.96
Hepatitis D[b]	0	0	0	0	0	0	0	0	0	0.32	0	0.53	0.37	0	0	0.31	0.52	0	2.05
Hepatitis E[b]	0	0	0	0	0	0	0	0	0	0.32	0.12	0	0.37	0.57	0	0	0	0	1.38
HIV infection[b]	0.75	1.44	0	1.93	1.16	3.09	0.56	1.39	1.41	2.58	3.84	2.41	15.7	18.44	2.9	0.94	3.89	0	62.43
Influenza	14.98	35.9	22.24	19.33	37.04	37.22	45.33	15.27	58.32	17.43	17.59	16.31	22.69	8.55	14.12	39.04	60.04	37.5	518.9
Influenza – Type A[b]	13.87	33.5	22.24	16.43	34.72	32.42	40.85	14.23	21.43	12.27	10.16	12.3	14.35	5.51	9.29	31.49	55.89	37.5	418.45
Influenza – Type B[b]	0.37	1.44	0	2.9	1.74	4.8	3.36	0	1.05	0.32	0.74	2.41	6.38	2.85	1.21	4.41	3.37	0	37.35
Influenza – Type A&B[b]	0.37	0.96	0	0	0	0	0.56	0	1.05	0	0.25	1.07	1.96	0	0	2.83	0.65	0	9.7
Influenza – Type NOS[b]	0.37	0	0	0	0.58	0	0.56	1.04	34.79	4.84	6.44	0.53	0	0.19	3.62	0.31	0.13	0	53.4

Disease notifications by Area Health Service of residence (2005 AHS boundaries), crude rates per 100,000 population, NSW, 2007

Condition	Greater Southern[f]		Greater Western[f]			Hunter / New England[f]		North Coast[f]		Northern Sydney/ Central Coast[f]		South Eastern Syd/ Illawara[f]		Sydney South West[f]		Sydney West[f]			
	Albury	Goulburn	Broken Hill	Dubbo	Bathurst	Newcastle	Tamworth	Pt Macquarie	Lismore	Gosford	Hornsby	Wollongong	Randwick	Camperdown	Liverpool	Penrith	Parramatta	Justice Health	Total
L. longbeachae[b]	0.37	0.48	0	0	0	0.34	1.12	0.69	0	0.65	0.25	1.07	0.25	0	0.48	0.63	0.65	0	6.98
L. pneumophila[b]	0	1.91	0	0	0	0.51	0.56	0.69	1.05	0.65	0.74	0.53	1.35	1.52	1.09	2.52	1.82	0	14.94
Legionnaires' disease other	0.75	0	0	0	0	0	0.56	0	0	0	0	0	0	0	0	0	0	0	1.31
Leprosy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.52	0	0.52
Leptospirosis[b]	0	0	0	0.97	0	0.17	0.56	0.69	1.05	0	0	0	0	0	0	0	0	0	3.44
Listeriosis[b]	0	0	2.22	0	0	0.86	0	0	0	0	0.37	0.53	0.61	0.19	0.24	0.31	0.26	0	5.59
Lymphogranuloma venereum LGV)[b]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malaria[b]	1.12	2.87	0	0	0.58	2.4	1.12	1.39	0.7	0.65	1.24	1.6	0.98	1.71	0.6	1.89	2.07	0	20.92
Measles	0	0	0	0	0	0	0	0	0	0	0.12	0	0.12	0	0.12	0	0	0	0.36
Measles lab confirmed	0	0	0	0	0	0	0	0	0	0	0.12	0	0.12	0	0.12	0	0	0	0.36
Measles – other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Meningococcal disease	1.49	2.87	0	2.9	1.16	1.54	1.68	0.69	2.1	1.94	1.6	1.07	2.08	0.95	1.45	1.57	1.82	0	26.91
Meningococcal – serogroup B[b]	0.75	2.39	0	2.9	1.16	1.03	1.12	0.69	1.05	0.97	1.36	0.8	1.1	0.76	1.09	1.26	1.04	0	19.47
Meningococcal – serogroup C[b]	0.37	0	0	0	0	0.17	0	0	0.7	0.32	0	0.27	0.37	0.19	0	0	0	0	2.39
Meningococcal – serogroup 135[b]	0	0.48	0	0	0	0	0	0	0	0	0	0	0	0	0.12	0	0	0	0.6
Meningococcal – serogroup Y[b]	0	0	0	0	0	0	0	0	0	0.65	0.12	0	0.12	0	0	0	0.13	0	1.02
Meningococcal – other	0.37	0	0	0	0	0.34	0.56	0	0.35	0	0.12	0	0.49	0	0.24	0.31	0.65	0	3.43
Mumps[b]	0.75	0	0	0	1.16	0.86	0.56	0	0	0.32	6.32	3.21	16.68	5.89	3.26	3.15	5.19	0	47.35
Pertussis	23.99	26.32	13.34	55.08	10.42	34.31	35.81	16.66	32.33	24.54	34.81	20.86	39.13	33.65	18.46	27.39	41.11	0	488.21
Pneumococcal disease (invasive)[b]	7.87	6.7	15.57	14.49	6.94	10.98	9.51	9.03	7.03	7.1	6.94	9.63	6.13	7.79	5.31	7.87	6.22	12.5	157.61
Psittacosis[b]	1.5	0.48	2.22	1.93	1.74	0.86	0	0.35	0.7	0	0	0.8	0.25	0	0.24	1.57	0.39	0	13.03
Q fever[b]	1.5	6.22	6.67	44.45	4.63	3.6	31.9	5.55	9.49	0.97	0.12	3.21	0.12	0	0	0.31	0.26	0	119
Rubella	0	0	0	2.9	0	0	0.56	0	0	0	0.12	0	0	0.19	0	0	0.39	0	4.16
Congenital rubella[b]	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.13	0	0.13
Rubella – other[b]	0	0	0	2.9	0	0	0.56	0	0	0	0.12	0	0	0.19	0	0	0.26	0	4.03
Salmonella infection[b,d]	31.86	26.8	15.57	27.06	27.2	32.59	43.65	27.08	76.6	45.84	41.99	22.99	36.19	45.43	30.28	32.12	39.68	12.5	615.43
Shigellosis[b]	0	1.44	0	0.97	0	0.51	0.56	1.04	2.81	0	1.61	0.27	1.84	2.28	0.72	0	0.52	0	14.57
Syphilis	3.37	3.83	31.13	15.46	9.26	4.29	4.48	9.37	4.22	6.78	6.69	8.29	40.85	47.72	16.65	8.5	12.32	237.5	470.71
Congenital syphilis	0	0	0	0	0.58	0	0	0	0	0	0.12	0	0	0	0	0	0.26	0	0.96
Infectious syphilis [b,c]	0.37	0.96	2.22	0	1.74	2.06	1.12	0.69	1.76	0.32	2.11	1.87	29.2	17.49	1.33	1.26	3.63	25	93.13
Syphilis – other[b]	3	2.87	28.91	15.46	6.94	2.23	3.36	8.68	2.46	6.46	4.46	6.42	11.65	30.23	15.32	7.24	8.43	212.5	376.62
Tetanus	0	0	0	0	0	0	0	0	0.35	0	0	0.27	0	0	0	0	0	0	0.62
Tuberculosis[b]	1.12	2.87	0	0	0.58	2.74	0.56	1.39	1.41	1.29	5.33	2.67	7.73	12.93	9.77	4.09	16.6	0	71.08
Typhoid[b]	0.37	0	0	0	0	0	0	0	0	0	0.25	0	0.25	0.57	0.48	0	1.69	0	3.61
Verotoxin – producing Escherichia coli infections[b]	1.12	0.48	0	0	0	1.54	2.24	0	0.35	0	0.12	0	0	0	0.12	0.63	0.13	0	6.73

a Year of onset: the earlier of patient reported onset date, specimen date or date of notification

b Laboratory-confirmed cases only

c Includes Syphilis primary, Syphilis secondary, Syphilis < 1 yr duration and Syphilis newly acquired

d Includes all paratyphoid cases

f AHS further divided into the geographical region covered by their component Public Health Unit

g Rate is based on a denominator of 8000 persons

h Includes cases with unknown PHU

NOS: not otherwise specified.

No laboratory-confirmed cases of the following diseases have been notified since 1991: Plague, Diphtheria, Granuloma inguinale, Lyssavirus, Poliomyelitis, Rabies, Smallpox, Typhus, Viral haemorrhagic fever, Yellow fever.

Private hospital activity levels

Private hospital activity levels for the year ended 30 June 2008

	Licensed Beds[1]	Total Admissions				Same Day Admissions				Daily Average		Bed Occupancy	
Area Health Service	Number	Number	% Variation on last year	Market share %[2]	Market share variation[3]	Number	% Variation on last year	Market Share %[2]	Market share variation[3]	Number	% Variation on last year	%	Variation on last year[3]
Sydney South West	572	96,078	6.0	24.4	1.5	71,852	6.0	35.9	2.3	545	4.3	88.8	3.9
South Eastern Sydney Illawarra	1,397	229,520	7.6	44.4	2.2	153,739	10.1	54.0	3.3	1,469	4.7	104.8	9.5
Sydney West	895	124,254	5.5	38.2	1.7	79,521	7.7	51.0	3.2	848	2.2	94.5	2.0
Nothern Sydney Central Coast	1,771	248,637	4.4	58.3	3.0	163,801	6.0	70.4	3.9	1,882	3.1	104.3	6.6
Hunter New England	866	102,317	10.6	35.4	2.4	62,920	12.9	46.1	2.9	732	7.1	84.3	-6.6
North Coast	224	38,264	4.0	20.2	0.3	29,265	6.0	29.6	0.3	216	4.8	96.3	42.4
Greater Southern	201	37,373	4.2	25.5	1.0	25,819	6.0	36.5	1.4	197	1.5	97.9	6.3
Greater Western	144	15,072	9.1	14.6	0.6	10,211	12.1	21.5	0.4	93	4.1	64.7	12.6
Total NSW	**6,070**	**891,515**	**6.3**	**37.3**	**2.3**	**597,128**	**8.1**	**48.7**	**2.6**	**5,983**	**4.0**	**97.2**	**6.8**

1. Licensed beds as at 30 June 2008.
2. Market share calculations include Children's Hospital at Westmead in the total for NSW.
3. Market share variation on total admissions and same day admissions and bed occupancy variance on last year are percentage point variance from 2006/07.

Source: Licensed Beds – Private Health Care Branch, Others – Health Information Exchange.

Public hospital activity levels

TABLE 1: Selected Data for the year ended June 2008 Part 1[1,2]

Area Health Service	Separations	Planned Sep %	Same Day Sep %	Total Bed Days	Average Length of Stay (acute)[3, 6]	Daily Average of Inpatients[4]
Children's Hospital at Westmead	25,731	52.7	43.0	88,080	3.4	241
Justice Health	3,085	0.0	7.6	63,799	14.4	174
Sydney South West	297,202	43.5	43.2	1,232,641	3.8	3,368
South Eastern Sydney Illawarra	287,672	42.3	45.6	1,177,036	3.7	3,216
Sydney West	201,018	38.3	38.0	866,112	3.7	2,366
Northern Sydney Central Coast	177,611	40.8	38.8	856,266	4.3	2,340
Hunter New England	186,611	43.0	39.4	803,357	3.8	2,195
North Coast	151,348	43.5	46.1	550,931	3.4	1,505
Greater Southern	109,033	31.8	41.2	428,240	2.8	1,170
Greater Western	88,071	37.9	42.4	350,896	3.1	959
Total NSW	**1,527,382**	**41.1**	**42.0**	**6,417,358**	**3.7**	**17,534**
2006/07 Total	1,523,369	40.2	42.4	6,310,334	3.6	17,289
Percentage change (%)[9]	0.3%	0.95%	-0.38%	1.7%	2.32%	1.42%
2005/06 Total	1,481,632	40.1	42.6	6,205,835	3.6	17,002
2004/05 Total	1,415,422	41.0	42.0	6,212,216	3.5	17,020
2003/04 Total	1,387,944	40.6	41.5	6,231,213	3.6	17,025
2002/03 Total	1,365,042	33.0	41.4	5,984,960	3.5	16,397
2001/02 Total	1,336,147	39.4	40.4	5,887,535	3.5	16,130

TABLE 2: Selected Data for the year ended June 2008 Part 2[1,2]

Area Health Service	Occupancy Rate[5] June 08	Acute Bed Days[6]	Acute Overnight Bed Days[6]	Non-admitted Patient Services[7]	Emergency Dept. Attendances[8]	Expenses - all Program ($000)
Children's Hospital at Westmead	91.1	88,080	77,009	612,082	49,630	313,777
Justice Health		44,013	43,781	3,615,883	0	102,283
Sydney South West	88.9	1,109,447	983,752	3,931,366	342,787	2,394,380
South Eastern Sydney Illawarra	90.9	1,012,546	884,519	5,151,581	378,450	2,196,714
Sydney West	87.7	731,926	656,496	3,711,418	243,681	1,832,444
Northern Sydney Central Coast	87.9	754,708	686,315	2,858,729	243,315	1,657,663
Hunter New England	75.8	694,819	621,476	2,635,932	361,718	1,598,997
North Coast	85.4	508,608	438,927	2,044,246	308,960	931,423
Greater Southern	71.0	289,454	244,655	1,428,520	258,567	851,604
Greater Western	71.9	272,418	235,086	1,436,297	230,710	734,459
Total NSW	**85.1**	**5,506,019**	**4,872,016**	**27,426,053**	**2,417,818**	**12,613,744**
2006/07 Total	86.2	5,363,709	4,733,362	26,695,722	2,303,728	11,805,293
Percentage change (%)[9]	-1.1%	2.7%	2.9%	2.7%	5.0%	6.8%
2005/06 Total	90.1	5,196,691	4,565,262	26,559,354	2,195,115	11,059,426
2004/05 Total	90.8	4,658,364	4,087,072	24,540,781	2,004,107	10,146,453
2003/04 Total	91.4	4,661,011	4,110,036	24,836,029	1,999,189	9,613,775
2002/03 Total	91.7	4,473,146	3,928,070	24,194,817	2,005,233	8,821,642
2001/02 Total	97.1	4,395,481	3,874,228	22,629,220	2,003,438	7,969,570

TABLE 3: Average available beds, June 2008[1,5]

Area Health Service	General Hospital Units[3,4]	Nursing Home Units	Community Residential	Other Units	Total
The Children's Hospital at Westmead	267	–	–	–	267
Justice Health	223	–	–	–	223
Sydney South West	3,712	194	52	28	3,985
South Eastern Sydney Illawarra	3,385	120	–	–	3,505
Sydney West	2,424	167	94	261	2,946
Northern Sydney Central Coast	2,482	45	42	203	2,771
Hunter New England	2,699	277	4	215	3,195
North Coast	1,513	74	–	–	1,587
Greater Southern	1,561	365	29	54	2,009
Greater Western	1,222	472	61	155	1,910
Total NSW	**19,486**	**1,714**	**282**	**915**	**22,397**
2006/07 Total	19,170	1,419	412	1,379	22,380
2005/06 Total	18,952	1,464	177	1,482	22,075
2004/05 Total	18,573	1,032	636	1,232	21,472
2003/04 Total[2]	17,098	1,306	678	1,289	20,370
2002/03 Total[2]	16,882	1,381	647	1,237	20,147
2001/02 Total[2]	16,001	1,497	627	1,389	19,513
2000/01 Total[2]	16,098	1,580	696	1,346	19,720
1999/00 Total[2]	17,226	1,682	672	1,674	21,254

NOTES FOR TABLES 1 AND 2

1. The Health Information Exchange (HIE) data were used except for Children's Hospital Westmead and Justice Health where Department of Health Reporting System (DOHRS) data were used. The number of separations include care type changes.
2. Activity includes services contracted to private sector and all the data reported are as of 8/10/2008.
3. Acute average length of stay = (Acute bed days/Acute separations).
4. Daily average of inpatients = Total Bed Days/366.
5. Bed occupancy rate is based on June data only. Facilities with peer groups other than A1a to C2 are excluded. The following bed types are excluded from all occupancy rate calculations: emergency departments, delivery suites, operating theatres, recovery wards, residential aged care, community residential and respite activity. Unqualified baby bed days were included from 2002/03.
6. Acute activity is defined by a service category of acute or newborn.
7. Includes services contracted to the private sector. Source: HIE, WebDOHRS.
8. Source: HIE and WebDOHRS. Pathology and radiology services performed in emergency departments have been excluded since 2004/05.
9. Planned separations, same day separations and occupancy rates are percentage point variance from 2006/07.

NOTES FOR TABLE 3

1. Source: Sustainable Access Plan bed reporting since 2004/05.
2. The number of beds for 1999/00 to 2003/04 is the average available beds over the full year and is provided for general comparison only.
3. The number of general hospital unit beds from 2002/03 onwards is not comparable with previous years as cots and bassinettes were included from 2002/03.
4. Beds for Hawkesbury District Health Service have been included to reflect contractual arrangements for the treatment of public patients in that facility.
5. Beds in emergency departments, delivery suites, operating theatres and recovery wards are excluded. Flex and surge beds are included.

Registered health professionals in NSW

The number of registered health professionals 2007/2008 – as at 30/06/2008 is as follows:

Board	No. of registrants current as at 30/06/2008
Chiropractors	1,414
# Dentists	4,505
Dental Hygienists	272
Dental Therapists	317
Oral Therapists	25
Dental Technicians	
Dental Prosthetists	452
Dental Technicians	817
# Medical Practitioners	30,036
General registration	23,872
Conditional registration	6,164
Nurses and Midwives	
Registered Nurses	84,310
Registered Midwives	17,757
Enrolled Nurses	17,110
Authorised Nurse Practitioners	111
Authorised Midwife Practitioners	2
Optical Dispensers	1,509
Optometrists	1,715
Osteopaths	562
# Pharmacists	8,106
Physiotherapists	6,799
Podiatrists	926
Psychologists (includes 1450 provisionals)	9,963

Please note that figures for # Dentists, # Medical Practitioners and # Pharmacists have been provided by their individual Boards.

Mental Health Act

SECTION 108

In accordance with Section 108 of the *NSW Mental Health Act* (2007) the following report details mental health activities for 2007/08 in relation to:

- the care of the patients and persons detained in each hospital
- the state and condition of each hospital
- important administrative and policy issues
- matters at the discretion of the Director-General.

Historical tables are presented in this report with the latest updates of 2007/08 data. To review all the revisions and amendments made to this section, please see the *NSW Health – Annual Report 04/05* at www.health.nsw.gov.au/pubs/2005/ar_2005.html.

Total beds and activity

Under the NSW Government Action Plan for Health (2000/01 to 2002/03), and subsequent enhancements, a significant investment has been made in increasing inpatient capacity. Changes since 2000/01 are summarised in the tables below. Detailed data on beds and activity for individual Area Health Services and facilities are shown in a later table.

Over the period from 2000/01 to 2007/08, funded bed capacity increased by 493 beds (26%).

Average availability is affected by (i) commissioning periods between the completion of construction and full operation of new units, and (ii) closure of beds for renovation or temporary lack of staff. Average occupancy, derived in this way from aggregate data, is likely to be an underestimate of true occupancy at a unit level.

The stand-alone psychiatric hospital at Rozelle was closed in April 2008; acute and non-acute mental health beds were transferred to the new mental health facility at Concord Hospital.

Performance indicators

This report includes Health Service Performance Agreement (HSPA) indicators refined to exclude "out of program" staff and activity. These indicators are consistent between Areas within NSW. National reporting definitions for "mental health" include a small number of services funded by other programs (eg Primary Care and Rehabilitation and Aged Care Programs). Therefore, for interstate comparisons, data in the annual Report on Government Services and the National Mental Health Report should be used.

Funded Capacity	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Funded Beds at 30 June	1,874	1,922	2,004	2,107	2,157	2,219	2,316	2,367
Increase since 30 June 2001	–	48	130	233	283	345	442	493

Average Availability (full year)	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Average Available beds	1,814	1,845	1,899	1,985	2,075	2,153	2,261	2,283
Increase since 30 June 2001	–	31	85	171	261	339	447	469
Average Availability (%) – of funded beds	97%	96%	95%	94%	96%	97%	98%	97%

Average Occupancy (full year)	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Average Occupied beds	1,572	1,621	1,702	1,773	1,847	1,912	2,056	2,056
Increase since 30 June 2001	–	48	130	201	274	340	484	484
Average Occupancy (%) – of available beds	87%	88%	90%	89%	89%	89%	91%	90%

Acute and non-acute inpatient care utilisation

Mental health inpatient services provide care under two main care types - acute care and non-acute care. Table 1 and Table 2 show service utilisation for these care types for each Area Health Service since 2000/01.

TABLE 1: AHS Performance Indicator - Mental Health Acute Inpatient Care (Separations from overnight stays)

AREA HEALTH SERVICE Acute Overnight Separations	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
SSW	4,545	4,866	5,041	5,058	5,135	6,211	5,997	5,709
SESI	3,577	3,866	3,876	4,609	4,425	4,815	4,692	4,801
SW	3,309	3,493	3,149	3,124	3,074	3,683	4,613	4,869
NSCC	2,803	2,755	2,628	2,776	3,187	3,472	4,068	3,426
HNE	3,402	3,511	3,839	4,166	3,969	4,023	4,103	4,210
NC	1,566	1,545	2,034	2,395	2,354	2,421	2,200	2,168
GS	1,369	1,373	1,318	1,342	1,348	1,290	1,221	1,636
GW	877	954	858	1,197	1,505	1,656	1,608	1,510
CHW	–	–	–	–	94	121	96	116
JHS	161	151	100	92	91	123	699	806
NSW	21,609	22,514	22,843	24,759	25,182	27,815	29,297	29,251

Source: NSW State HIE: Area Health Service returns to Department of Health Reporting System (DOHRS).

Limitations: DOHRS reporting of overnight separations was incomplete for Justice Health, Northern Sydney Central Coast and Greater West. Data has been corrected for missing months: totals for those Areas are therefore an estimate assuming average activity for months with missing data.

Amendment to 2006/07 figures: The acute separations for Sydney South West (SSW) for 2006/07 have been revised from 6,885 to 5,997 based on identification of an error in reporting of separations for Liverpool Hospital in 2006/07. The NSW total for 2006/07 has been amended accordingly, down from 30,185 to 29,297.

Interpretation - Table 1

In 2007/08, funded acute beds increased by 66; comprising 49 new funded acute beds across the state, and the reclassification of 15 non-acute beds to acute beds with the closure of Rozelle Hospital and the opening of the Concord Centre for Mental Health. Wollongong Hospital (South Eastern Sydney Illawarra) commissioned 15 new adult acute and four PECC beds; Wyong Hospital (Northern Sydney Central Coast) four PECC beds; Broken Hill Hospital (Greater Western) four additional adult acute beds; Lismore Hospital (North Coast) 15 additional adult acute beds and eight new acute Child and Adolescent beds. There were some minor adjustments in total bed numbers in Sydney South West.

Compared with 2006/07, average available acute beds increased by 29, from 1,440 to 1,469, and average occupied acute beds increased by nine, from 1,350 to 1,359.

The number of acute overnight separations has leveled in 2007/08 following steady increases between 2004 and 2007, aligned to increased funding which saw the implementation of Psychiatric Emergency Care Centres (PECCs) and a rise in the acute Mental Health bed base. A substantial proportion of the additional beds funded in 2007/08 were not fully operational at the end of the reporting period. Delays in opening have primarily been due to difficulties in recruiting staff. It is anticipated an increase in activity (separations) flowing from this increase in acute bed numbers will begin to be evident in 2008/09.

Since 2000/01, there has been a 26% increase in the number of acute beds and a 35% increase in acute overnight separations. New units with short average lengths of stay (Psychiatric Emergency Care Centres, Justice Health screening unit) have contributed to this increased activity.

TABLE 2: AHS Performance Indicator – Mental Health Non-Acute Inpatient Care – Occupied Bed-days

AREA HEALTH SERVICE Non-Acute O/N OBDs	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
SSW	32,260	30,048	28,949	29,467	22,913	16,821	19,030	19,623
SW	52,580	53,250	56,291	56,123	55,805	56,588	54,898	50,874
NSCC	56,324	56,248	55,820	59,397	62,815	61,707	65,370	62,934
SESI	–	–	–	–	–	–	5,002	4,978
HNE	42,464	42,913	42,868	43,502	42,450	43,497	39,055	37,826
NC	–	–	–	–	–	–	–	–
GS	14,669	16,680	17,426	17,697	17,959	17,751	17,032	17,269
GW	30,440	30,741	33,555	38,344	39,978	35,866	37,234	37,540
CHW	–	–	–	–	–	–	–	–
JHS	21,765	22,396	21,299	21,604	21,769	20,980	20,115	19,677
NSW	250,502	252,276	256,208	266,134	263,688	253,210	257,736	250,721

Source: NSW State HIE: Area Health Service returns to Department of Health Reporting System (DOHRS). **Limitations:** DOHRS reporting of overnight occupied bed days was incomplete for Justice Health, Sydney South West, Sydney West and Greater West. Data has been corrected for missing months.

Interpretation - Table 2

There was a decrease in non-acute funded beds due to the reclassification of 15 non-acute beds to acute beds occurring with transfer of services to the Concord Mental Health Centre. In 2007/08, average available non-acute beds decreased by seven from 821 to 814 and average occupied non-acute beds decreased by nine from 706 to 697. Increases in non-acute bed numbers are planned for 2008/09, in South Eastern Sydney Illawarra, North Coast and Hunter New England.

TABLE 3: AHS Performance Indicator – Ambulatory care (contacts)

AREA HEALTH SERVICE Ambulatory Contacts	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	% 07/08 target met
SSW	57,568	113,802	166,910	195,935	227,012	243,385	179,233	166,276	39.3
SESI	98,072	159,475	221,264	233,001	291,447	285,580	296,926	265,664	79.8
SW	146,494	150,022	125,178	123,872	118,026	164,617	189,429	193,646	72.6
NSCC	103,928	228,093	282,408	295,704	351,699	373,628	441,085	471,621	137.2
HNE	90,365	89,692	111,593	129,721	108,739	163,259	166,140	133,107	52.2
NC	5,945	69,278	120,586	145,000	123,710	133,427	137,590	153,132	95.5
GS	6,399	82,702	106,753	25,332	88,237	158,486	146,889	155,465	94.6
GW	73,557	88,643	102,644	101,994	111,112	120,535	124,491	108,451	101.4
CHW	3,183	8,634	10,885	10,055	12,787	16,759	20,900	18,618	62.6
JHS	–	443	4,608	171,115	299,101	50,258	60,388	54,733	68.3
NSW	585,511	990,784	1,252,829	1,431,729	1,731,870	1,709,934	1,763,071	1,720,713	79.5

Source: NSW Health HIE from Area ambulatory source systems in the State data warehouse (HIE).

Targets: Based on target numbers of funded ambulatory Full Time Equivalent (FTE) Staff. Targets are set at 80% of the actual expected number of contacts.

Limitations: Area Health Services using CHIME and Cerner systems (Hunter New England and Sydney South West) cannot meet mandatory reporting requirements for ambulatory data into the State HIE. The data included may therefore represent an under-reporting of the ambulatory contacts recorded in local source-systems. Reporting for this year is still incomplete in a number of AHS. The total for 2007/08 is likely to increase as AHS data entry is completed.

Interpretation - Table 3

This indicator has varied little over the last four reporting periods (range: 1,709, 934 – 1,763,071; variation: 3%). There is substantial variability between AHSs for this indicator (range: 39.3% - 137.2%). This may reflect some local data system issues as well as differences in local practices for collection and processing of clinician-reported activity data.

Data sources for the annual report

Overnight separations (i.e. admitted and separated on different dates) refers to the process by which an admitted patient completes an episode of care by "being discharged, dying, transferring to another hospital or changing type of care".

"Funded Beds" data is compiled from a variety of sources including "Form C" returns from Area Health Services, the Mental Health Beds Spreadsheets maintained by InforMH on behalf of MHDAO and discussions direct with Area Health Services.

"Deaths" and "Private Provider" data is supplied direct from Area Health Services and Private Providers via an annual survey (conducted in July 2008).

Ambulatory contact data was extracted in July 2008 from the MH-AMB tables in the NSW State HIE.

Child/Adolescent beds – 2006/07 to 2007/08

Funded acute beds increased by eight from 47 to 55, with the opening of a new CAMHS unit at Lismore. The beds become operational in July 2008. It is anticipated an increase in activity (separations) flowing from the increase in acute bed numbers will be seen in 2008/09. Compared with 2006/07, the number of average available acute CAMHS beds decreased by one from 48 to 47 and the number of average occupied acute beds decreased by two from 33 to 31.

For non-acute CAMHS services, funded non-acute beds remained unchanged at 56. Average available non-acute beds decreased from 52 to 43 and average occupied non-acute beds increased by four from 21 to 25.

The availability and occupancy statistics for these units are complicated by the fact that they operate mainly during the week and school term.

Private hospitals

In 2007/08, 16 private hospitals authorised under the Mental Health Act provided inpatient psychiatric services in NSW in 637 authorised beds.

Changes from 2006/07 to 2007/08

- Funded beds at Lingard increased by six, from 33 to 39.
- Funded beds at Mosman Clinic increased by one, from 16 to 17.
- Funded beds at Northside West Clinic decreased by 23, from 80 to 57.

In 2007/08 there was an overall decrease of 16 funded beds (2%) across all private hospitals (653 beds in 2006/07). Overnight admissions to private hospitals decreased by an equivalent rate (2%) from 8,436 in 2006/07 to 8,288 (2%) in 2007/08.

Public Hospitals Activity Levels

Public psychiatric hospitals and co-located psychiatric units in public hospitals – with beds gazetted under the Mental Health Act 2007 and other non-gazetted psychiatric units

AREA HEALTH SERVICE / Hospital	Location	Funded[1] beds at 30 June		Average Available[2] beds in year		Average Occupied[3] beds in year		Overnight[4] separations in 12 mths	Deaths[5] in 12 mths
		2007	2008	2006-07	2007-08	2006-07	2007-08	to 30/6/08	to 30/6/08
X500 SYDNEY SOUTH WEST		**394**	**395**	**383**	**389**	**334**	**343**	**6447**	**6**
ACUTE BEDS - ADULT									
Royal Prince Alfred Hos.	Camperdown	40	40	40	44	36	36	844	0
Rozelle Hospital[6]	Leichhardt	114	0	131	107	109	98	2027	2
Concord Hospital[6]	Concord	0	130	-	22	-	18	276	0
Liverpool Hospital	Liverpool	70	70	64	68	68	67	1203	2
Campbelltown Hospital[7]	Campbelltown	34	34	30	30	31	31	534	0
Bankstown/Lidcombe HS	Bankstown	30	30	30	30	30	28	697	0
Bowral & District Hospital	Bowral	2	2	2	2	1	0	20	0
ACUTE BEDS - CHILD/ADOLESCENT									
Campbelltown Hos. (GnaKaLun)	Campbelltown	10	10	10	10	7	7	108	0
NON-ACUTE BEDS - ADULT									
Rozelle Hospital[6]	Leichhardt	50	0	47	35	36	23	44	2
Concord Hospital[6]	Concord	-	35	-	6	-	4	29	0
Campbelltown Hospital	Campbelltown	20	20	11	20	11	18	452	0
NON-ACUTE BEDS - CHILD/ADOLESCENT									
Thomas Walker Hospital	Concord	24	24	17	15	6	13	213	0
X510 SOUTH EASTERN SYDNEY/ ILLAWARRA		**244**	**263**	**240**	**243**	**227**	**240**	**4846**	**6**
ACUTE BEDS - ADULT									
Wollongong[8]	Wollongong	20	39	20	20	19	19	387	2
Shellharbour Hospital	Shellharbour	49	49	46	48	46	48	1293	1
St Vincents Public Hospital	Darlinghurst	33	33	33	33	29	30	937	0
Prince of Wales Hospital	Randwick	58	58	57	58	56	64	886	3
St George Hospital	Kogarah	34	34	34	34	30	31	804	0
Sutherland Hospital	Sutherland	28	28	28	28	28	30	427	0
ACUTE BEDS - CHILD/ADOLESCENT									
Sydney Children's Hospital	Randwick	8	8	9	8	4	4	67	0
NON-ACUTE BEDS - ADULT									
Prince of Wales Hospital	Randwick	14	14	14	14	14	14	45	0
X520 SYDNEY WEST		**416**	**416**	**417**	**418**	**392**	**367**	**5044**	**2**
ACUTE BEDS - ADULT									
Blacktown Hospital[9]	Blacktown	34	34	30	33	32	34	850	0
St Josephs Hospital	Auburn	15	15	19	19	17	15	96	0
Westmead (adult)	Westmead	26	26	26	26	27	26	344	0
Cumberland Hospital	Westmead	102	102	99	102	95	102	1655	1
Penrith DHS - Nepean Hosp.[12]	Penrith	39	39	35	38	32	34	1553	0
Blue Mountain DH	Katoomba	15	15	15	15	32	14	352	0
ACUTE BEDS - CHILD/ADOLESCENT									
Westmead (Redbank - AAU)	Westmead	9	9	9	9	8	4	19	0

AREA HEALTH SERVICE / Hospital	Location	Funded[1] beds at 30 June		Average Available[2] beds in year		Average Occupied[3] beds in year		Overnight[4] separations in 12 mths	Deaths[5] in 12 mths
		2007	2008	2006-07	2007-08	2006-07	2007-08	to 30/6/08	to 30/6/08
NON-ACUTE BEDS - ADULT									
Cumberland Hospital	Westmead	159	159	159	159	144	138	70	1
NON-ACUTE BEDS - CHILD/ADOLESCENT									
Westmead (Redbank - AFU & CFU)	Westmead	17	17	25	17	6	3	105	0
X530 NORTHERN SYDNEY/ CENTRAL COAST		**400**	**404**	**382**	**384**	**353**	**362**	**3764**	**6**
ACUTE BEDS - ADULT									
Greenwich Home of Peace Hos.	Greenwich	20	20	20	20	19	22	153	0
Hornsby & Ku-Ring-Gai Hos.[10]	Hornsby	41	41	28	29	23	26	643	0
Manly District Hospital	Manly	30	30	30	29	27	29	521	0
Royal North Shore Hospital	St Leonards	24	24	24	23	23	21	370	2
Macquarie Hospital	North Ryde	14	14	14	14	14	15	252	0
Gosford District Hospital	Gosford	25	25	25	25	24	23	583	1
Wyong District Hospital	Wyong	50	54	50	50	44	47	904	1
NON-ACUTE BEDS - ADULT									
Macquarie Hospital	North Ryde	181	181	183	183	170	167	58	2
NON-ACUTE BEDS - CHILD/ADOLESCENT									
Coral Tree	North Ryde	15	15	10	11	9	9	280	0
X540 HUNTER/NEW ENGLAND		**301**	**301**	**298**	**298**	**278**	**267**	**4261**	**14**
ACUTE BEDS - ADULT									
Maitland Hospital	Maitland	24	24	24	24	29	25	950	1
James Fletcher Hospital	Newcastle	82	82	79	81	76	78	1702	8
Armidale & New England Hos.	Armidale	8	8	8	8	7	6	233	0
Tamworth Base Hospital	Tamworth	25	25	26	23	23	20	628	0
Manning River Base Hospital	Taree	20	20	20	20	17	16	358	0
Morisett Hospital	Morisett	12	12	14	12	10	8	47	0
ACUTE BEDS - CHILD/ADOLESCENT									
John Hunter Hospital (Nexus)	Newcastle	12	12	12	12	8	10	292	0
NON-ACUTE BEDS - ADULT									
Morisett Hospital	Morisett	118	118	116	119	107	104	51	5
X550 NORTH COAST		**100**	**123**	**100**	**98**	**93**	**91**	**2168**	**1**
ACUTE BEDS - ADULT									
Lismore Base Hospital[12]	Lismore	25	40	25	23	24	22	609	0
Tweed Heads District Hos.	Tweed Heads	25	25	25	25	23	23	598	0
Coffs Harbour & District Hos.	Coffs Harbour	30	30	30	30	30	29	574	0
Kempsey Hospital	Kempsey	10	10	10	10	9	8	222	0
Port Macquarie Base Hos.	Port Macquarie	10	10	10	10	7	9	165	1
ACUTE BEDS - CHILD/ADOLESCENT									
Lismore Base Hospital[12]	Lismore	-	8	-	-	-	-	-	-
X560 GREATER SOUTHERN		**118**	**118**	**115**	**120**	**99**	**101**	**1840**	**1**
ACUTE BEDS - ADULT									
Albury Base Hospital	Albury	24	24	21	24	18	19	541	0
Wagga Wagga Base Hospital	Wagga Wagga	18	20	18	20	17	17	528	0
Goulburn Base Hospital	Goulburn	20	20	20	22	17	18	567	0
Queanbeyan Hospital[13]	Queanbeyan	2	0	2	-	0	-	-	
NON-ACUTE BEDS - ADULT									
Kenmore Hospital	Kenmore	54	54	54	54	47	47	204	1

AREA HEALTH SERVICE / Hospital	Location	Funded[1] beds at 30 June		Average Available[2] beds in year		Average Occupied[3] beds in year		Overnight[4] separations in 12 mths	Deaths[5] in 12 mths
		2007	2008	2006-07	2007-08	2006-07	2007-08	to 30/6/08	to 30/6/08
X570 GREATER WESTERN		**187**	**191**	**179**	**180**	**142**	**144**	**1626**	**2**
ACUTE BEDS - ADULT									
Dubbo Base Hospital	Dubbo	18	18	18	18	13	13	442	0
Mudgee District Hospital	Mudgee	2	2	2	2	0	0	0	0
Bloomfield Hospital	Orange	28	28	28	29	23	22	843	0
Broken Hill Base Hospital[14]	Broken Hill	2	6	4	6	4	6	225	0
NON-ACUTE BEDS - ADULT									
Bloomfield Hospital	Orange	137	137	127	125	102	103	116	2
X160 CHILDREN'S HOSPITAL WESTMEAD		**8**	**8**	**8**	**8**	**5**	**6**	**116**	**0**
Children's Hospital Westmead	Westmead	8	8	8	8	5	6	116	0
X170 JUSTICE HEALTH SERVICE		**148**	**148**	**138**	**145**	**132**	**138**	**838**	**1**
ACUTE BEDS - ADULT									
Long Bay (Ward D & B)	Malabar	38	38	38	38	37	34	139	0
Mulawa and MRRC[15]	Silverwater	50	50	43	50	40	49	667	1
NON-ACUTE BEDS - ADULT									
Long Bay (MHRH & Ward C)	Malabar	60	60	57	57	55	55	32	0
NSW TOTAL		**2316**	**2367**	**2260**	**2283**	**2056**	**2059**	**30950**	**39**

1 "Funded beds" are those funded by NSW Health, except for some DVA beds at Rozelle Hospital (see note 6)
2 "Average Available beds" are the average of 365 nightly census counts as reported in DOHRS. This figure is an overstimate for Child and adolescent non acute units which do not operate for 365 days.
3 "Average occupied beds" are calculated from the total Occupied Overnight bed days for the year, as reported in DOHRS. Data corrected for non-acute child and adolescent units which are deemed to operate for 231 days.
4 "Overnight Separations" exclude sameday separations and are derived from DOHRS.
5 11 of the 14 reported deaths in Hunter New England were described as 'natural causes'.
6 Rozelle Hospital - Ward H had only 6 DVA funded beds for veterans in 2007/08 - reduced from 9 in 2005/06. As of 30 April 2008,services at Rozelle Hospital transferred to the Concord Mental Health Centre. "Average Available beds" and "Average occupied beds" for Concord are based on 10 months bed activity for Rozelle and 2 months bed activity for Concord.
7 Campbelltown - 4 PECC beds commenced in 2007/08.
8 19 additional funded beds at Wollongong (15 acute Mental Health Older Persons and 4 PECC beds) were not operational in 2007/08.
9 Blacktown PECC commenced operation in October 2007.
10 Hornsby Intensive care unit (PICU) commenced operation in November 2007.
11 Wyong PECC commenced operation in September 2007.
12 23 additional funded beds at Lismore (15 Acute Adult beds and 8 Acute C&A beds) expected to be operational in 2008/09.
13 2 acute mental health beds previously located at Queanbeyan were relocated to Wagga Wagga in 2007/08.
14 Broken Hill increased by 4 beds from December 2006.
15 Acute screening units: 10 women's beds at Silverwater, 10 High Dependency Unit and 30 in sub-acute units. These beds are not reported under the Mental Health financial program. Units not staffed overnight.

Psychiatric hospitals and Children and Adolescent Hospitals/Units - listed in order of presentation in the table:
Psychiatric hospitals: Rozelle, Macquarie, Cumberland, James Fletcher Newcastle, Morisett, Kenmore and Bloomfield
Children and Adolescent Hospitals/Units: GnaKaLun, Thomas Walker, Sydney Children's Hospital, Westmead (Redbank acute/non-acute), Coral Tree, John Hunter Hospital (Nexus) and Children's Hospital Westmead

Source: Mental Health and Drug and Alcohol Office

Private Hospitals Activity Levels

Private hospitals in NSW authorised under the Mental Health Act 2007

Hospital/Unit	Authorised Beds[1]	Available Authorised Beds[2]		In residence		Admitted in 12 months to 30/6/2008		On leave	Deaths in 12 mths
	as at 30/6/08	as at 30/6/07	as at 30/6/08	as at 30/6/07	as at 30/6/08	Over Night	Same Day[3]	as at 30/6/08	to 30/6/08
Albury/Wodonga Private	12	12	12	3	4	76	252	0	0
Dudley Private Hospital[4]	13	14	13	5	9	175	9	0	0
Lingard	39	41	39	21	24	397	126	0	0
Mayo Private Hospital	9	9	9	6	7	129	0	0	0
Mosman Private	17	16	18	7	14	234	318	0	0
Northside Clinic	93	93	93	80	89	1307	0[6]	0	0
Northside Cremorne Clinic	36	36	36	25	31	374	0[6]	1	0
Northside West Clinic	57	75	53	38	41	490	0[6]	0	0
South Pacific	34	35	34	23	30	429	2756	0	0
St John of God Burwood	86	86	86	55	68	1345	2644	0	0
St John of God Richmond	86	86	86	54	65	1147	2644	0	0
Sydney Private Clinic	44	44	44	34	39	796	4036	0	0
Wandene	30	30	30	25	25	405	1413	0	0
Wesley Private	38	38	38	24	31	414	2866	0	0
Sydney Southwest Private	18	17	18	7	12	176	21	0	0
Warners Bay Private[5]	25	25	25	17	18	394	25	0	0
Total	**637**	**-**	**634**	**-**	**507**	**8288**	**17110**	**1**	**0**
Total 2006/07		**653**		**657**		**8436**	**24310**	**30**	**0**
Total 2005/06		**587**		**382**		**7958**	**23803**	**52**	**2**
Total 2004/05		**596**		**382**		**8139**	**20691**	**1**	**5**
Total 2003/04		**560**		**426**		**9857**	**18339**	**1**	**2**
Total 2002/03		**580**		**422**		**8048**	**17589**	**2**	**4**
Total 2001/02		**570**		**377**		**7822**	**18666**	**4**	**1**

Services & Facilities

Selected Services

NSW DEPARTMENT OF HEALTH

NSW Department of Health

North Sydney Office

73 Miller Street
North Sydney NSW 2060
(Locked Mail Bag 961, North Sydney NSW 2059)

Telephone: 9391 9000
Facsimile: 9391 9101
Website: www.health.nsw.gov.au
Email: nswhealth@doh.health.nsw.gov.au
Business hours: 9.00am–5.00pm, Monday to Friday

Director-General: Professor Debora Picone, AM

Centre for Oral Health Strategy

Corner Mons Road and Institute Road
Westmead NSW 2145

Telephone: 8821 4300
Facsimile: 8821 4302
Business hours: 9.00am–5.00pm, Monday to Friday

Chief Dental Officer: Dr Clive Wright

Environmental Health Branch

Building 11
Gladesville Hospital Campus
Victoria Road, Gladesville NSW 2111
(PO Box 798, Gladesville NSW 1675)

Telephone: 9816 0234
Facsimile: 9816 0240
Business hours: 9.00am–5.00pm, Monday to Friday

Director: Dr Wayne Smith

Pharmaceutical Services Branch

Building 20
Gladesville Hospital Campus
Victoria Road, Gladesville NSW 2111
(PO Box 103, Gladesville NSW 1675)

Telephone: 9879 3214
Facsimile: 9859 5165
Business hours: 8.30am–5.30pm, Monday to Friday

Chief Pharmacist and Director: John Lumby

Methadone Program

Telephone: 9879 5246
Facsimile: 9859 5170

Enquiries relating to authorities to prescribe other drugs of addiction:

Telephone: 9879 5239
Facsimile: 9859 5175

Health Professionals Registration Boards

Level 6
477 Pitt Street
Sydney NSW 2000
(PO Box K599, Haymarket NSW 1238)

Telephone: 9219 0212
Facsimile: 9281 2030
Website: www.hprb.health.nsw.gov.au
Email: hprb@doh.health.nsw.gov.au

Business hours: 8.30am–5.00pm, Monday to Friday
Cashier service: 8.30am–4.30pm, Monday to Friday

Director: Jim Tzannes

Health Infrastructure Office

Telephone: 8644 2000
Facsimile: 8644 2240
Website: www.hinfra.health.nsw.gov.au
Chief Executive: Robert Rust

The Health Infrastructure Office was established in July 2008 to manage and oversee the delivery of the NSW Government's major hospital works.

Major project delivery achievements during 2007/08

- Managed the transition of project delivery for major capital works to Health Infrastructure, the new Health Administration Corporation business unit.
- Managed the Health Infrastructure Capital Program and achieved full expenditure of $333.8 million on conventionally funded major works.
- Commenced planning development on projects with a total value of $658 million.
- Contract commencement on major projects with a total value of $88 million.
- Achieved financial close on the Orange/Bathurst Public Private Partnership (PPP) Project.
- Managed the start of the two PPP projects at the Calvary (Mater) Hospital, Newcastle, and the Long Bay Prison and Forensic Hospital.
- Progressed the planning and preliminary phases of the Royal North Shore Hospital PPP.

Major priorities for 2008/09

- The start of five new major projects with a total value of $130 million.
- Development of planning phases for seven new major projects with a total value of $1,300 million.
- Financial close on the Royal North Shore Hospital public private partnership project, and the investigation planning on two additional PPP projects.
- Consolidate and expand Health Infrastructure business operations. This includes further development of revised accountabilities and refinement of project planning and procurement processes, including formalising procurement accreditation for the delivery phase of projects.

Maps and profiles of Metropolitan Area Health Services

Northern Sydney Central Coast

AREA HEALTH SERVICE

NORTHERN SYDNEY
CENTRAL COAST
NSW HEALTH

1

Telephone: 4320 2333
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Website: www.nsccahs.health.nsw.gov.au

Chief Executive

Matthew Daly

Local Government areas

Hornsby, Ku-ring-gai, Ryde, Hunters Hill, Lane Cove, Willoughby, North Sydney, Mosman, Manly, Warringah, Pittwater, Gosford, Wyong.

Public hospitals

Royal North Shore Hospital
Ryde Hospital
Manly Hospital
Mona Vale Hospital
Hornsby Ku-ring-gai Hospital
Macquarie Hospital
Gosford Hospital
Wyong Hospital
Woy Woy Hospital
Long Jetty Health Care Centre

Public nursing homes

Graythwaite Nursing Home
Affiliated organisations
Hope HealthCare (Greenwich Hospital, Graythwaite Nursing Home, Neringah Hospital)
Royal Rehabilitation Centre, Sydney

Other services

Northern Sydney Home Nursing Service
Sydney Dialysis Centre, Darling Point
BreastScreen (various sites)
Sexual Assault Service
Multicultural Health Service
Drug and Alcohol Services
Mental Health Services
Women's and Children's Health Services
Aboriginal Health
Acute/Post Acute Care

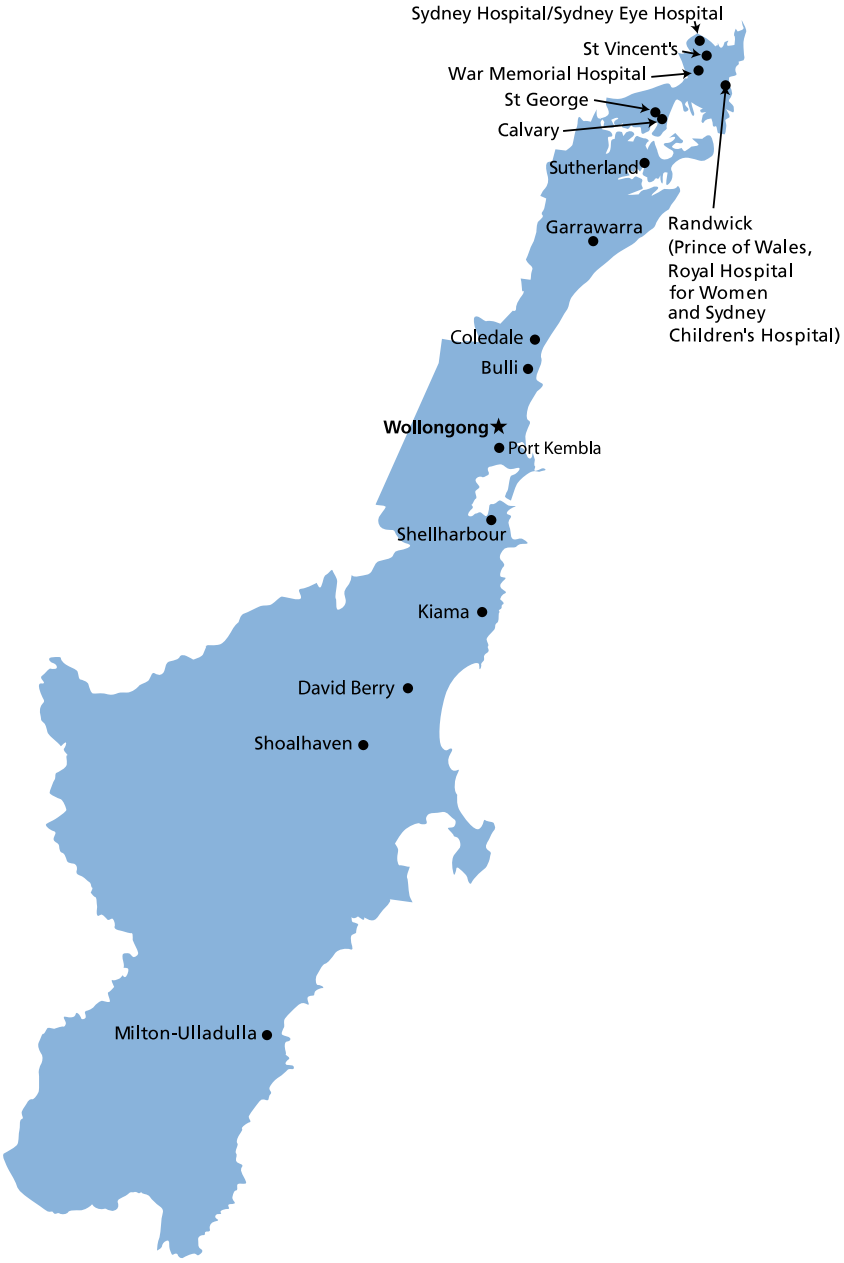
Highlights and Achievements

- A Clinical Services Strategic Plan was delivered, led by a clinical strategy group comprising 21 senior NSCCH clinicians and providing a direction for acute and ambulatory care services for the next 10 years.
- Phase 1 of the electronic medical record system (eMR) was rolled out across the Area.
- A Professional Practice Unit was established to allow for transparent and objective investigation of more complex complaints and grievances by staff and patients.
- A Nursing Taskforce was established to ensure an operational voice for nurses in executive decision-making, resulting in Directors of Nursing resuming broader operational responsibilities.
- A plan for the early detection of renal disease was implemented, including a referral pathway into the NSCCH Renal Network, support services and Health for Life Programs.
- NSCCH Falls Prevention and Management Policy was implemented across all public hospitals in the Area.
- NSCCH was the first Area Health Service to complete the move to state standard pay cycle and state standard pay day.
- The Area's payroll production and superannuation were successfully transitioned to Health Support Services.
- A wireless network was implemented in Royal North Shore Hospital's ICU, allowing the deployment of computers on wheels at patients' bedsides.
- Mona Vale Hospital appointed metropolitan Sydney's first hospitalist in aged care to provide continuity of care and streamline the admission process for elderly patients.
- NSCCH went totally smoke free.
- The *Q4: Live Outside the Box* project challenging children to reduce "extra food" and screen time and increase physical activity, undertaken first on the Central Coast, was adopted by NSW Health's statewide *Live Life Well @ School* project.
- The Stroke Care Pathway was established at Gosford Hospital, enabling stroke patients rapid treatment on arrival.
- The $99 million Kolling Research and Education Building was completed, part of the overall $736 million Royal North Shore Hospital and Community Health Services redevelopment – the largest health capital works project in NSW.
- Royal North Shore Hospital opened the state's first MAU (Medical Assessment Unit).
- The CADE clinic within the Department of Psychological Research at Royal North Shore Hospital acquired Australia's first clinical research MRI scanner, to be used in the investigation of depression, brain injury, chronic fatigue and pain management.
- Hornsby Hospital's MHICU (Mental Health Intensive Care Unit) was completed.
- A $3.8 million redevelopment of Mona Vale Hospital's emergency department was completed.
- A short stay area was opened at Wyong Hospital's Paediatric Ambulatory Care Unit (PACU), reducing admission rates to the Children's Ward at Gosford Hospital.
- Gosford Hospital's MAU was commissioned.
- Four-bed Psychiatric Emergency Care Centre (PECC) opened within Wyong Hospital's emergency department.
- Macquarie Hospital progressed a master planning exercise with a view to moving Macquarie to a state-of-the-art mental health facility.
- The purpose-built Transitional Aged Care Facility was commissioned at Woy Woy.
- In conjunction with Area Mental Health Services, a major refurbishment of Long Jetty's Terilbah T-BASIS Unit (Transitional Behavioural Assessment and Intervention Service) was completed.
- A major refurbishment of Ryde Hospital's Maternity Unit was completed.
- Royal North Shore Hospital's Transit Lounge, designed to assist the flow of patients through the hospital, was completed.

South Eastern Sydney Illawarra

AREA HEALTH SERVICE

SOUTH EASTERN SYDNEY ILLAWARRA
NSW HEALTH



2

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Website: www.sesiahs.health.nsw.gov.au

Chief Executive

Terry Clout

Local Government areas

Botany Bay, Kiama, Hurstville, Kogarah, Randwick, Rockdale, Shellharbour, Shoalhaven, Sutherland, Sydney (part), Waverley, Woollahra, Wollongong, Lord Howe Island

Public hospitals

Bulli District Hospital
Calvary Healthcare Sydney
Coledale Hospital
David Berry Hospital
Kiama Hospital
Milton Ulladulla Hospital
Port Kembla Hospital
Prince of Wales Hospital
Royal Hospital for Women
St George Hospital
St Vincent's Hospital Sydney Ltd
Sacred Heart Hospice
Shellharbour Hospital
Shoalhaven District Memorial Hospital
Sutherland Hospital
Sydney Children's Hospital
Sydney Hospital/Sydney Eye Hospital
(including the Langton Centre, Kirketon Road Centres and Sydney Sexual Health Centre)
War Memorial Hospital, Waverley
Wollongong Hospital

SESIAHS also has administrative responsibility for the Gower Wilson Memorial Hospital on Lord Howe Island.

Public nursing homes

Garrawarra Centre, Waterfall

Other services

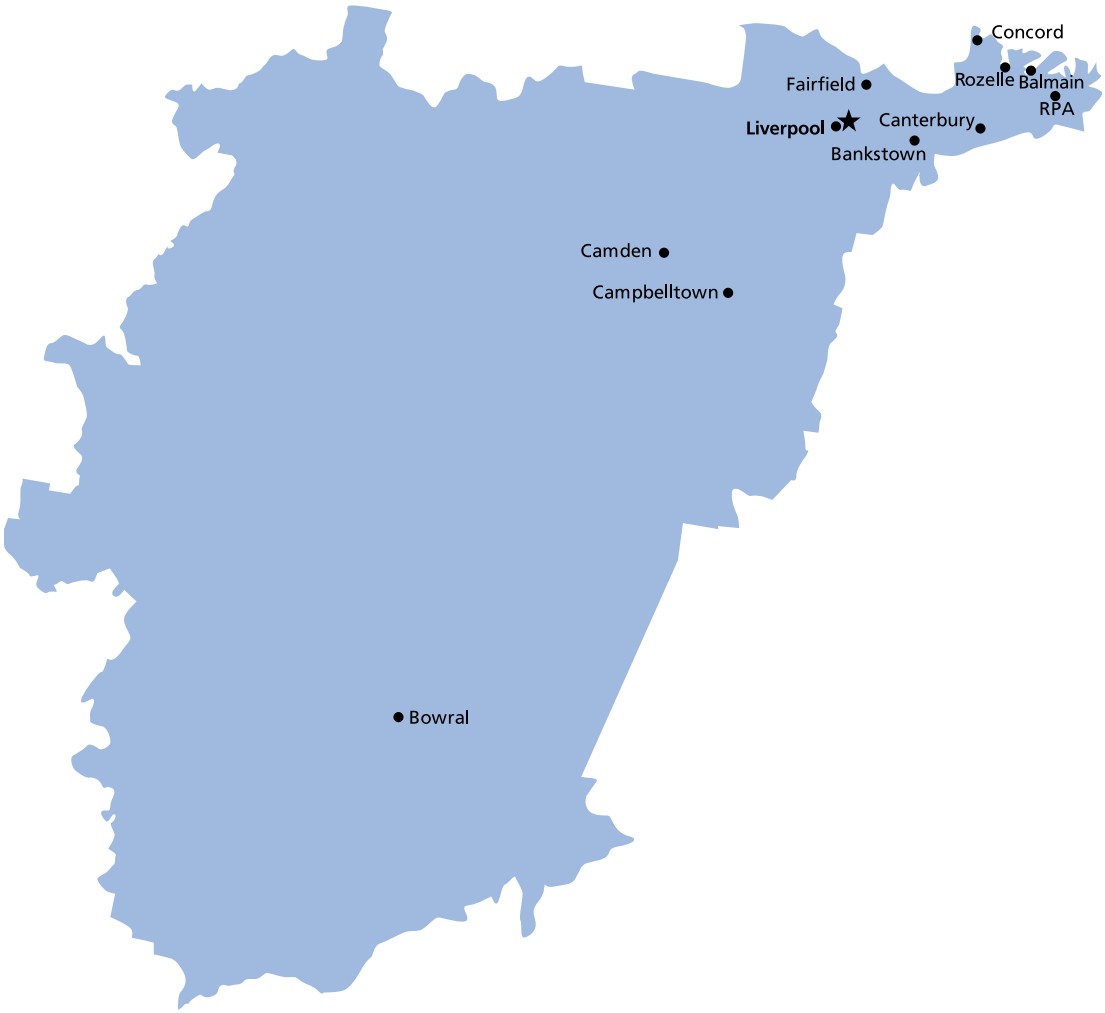
Eastern Sydney Scarba Service and Early Intervention Program

Highlights and Achievements

- Sutherland Centre for Immunology (SCI), based at Sutherland Hospital, celebrated its 10 year anniversary. The centre has garnered international acclaim for research into inflammatory eye disease and chronic fatigue syndrome.
- Illawarra's first clinical professor of nursing, Professor Kenneth Walsh, was appointed in October to the Southern Hospital Network Academic Teaching Unit.
- Aboriginal Vascular Health Mini Olympics took place at Shellharbour City Stadium in November. The Illawarra and Shoalhaven "Aunty Jean's Good Health Teams" were joined by Aboriginal health teams from regions adjoining SESIAHS.
- The work of Sydney Children's Hospital, Randwick was documented in an eight part series on Channel Ten which aired from February to April featuring real patient cases.
- St George Hospital's Associate Professor Colleen Lou attracted $548,000 in funding for one of the first randomised controlled studies of Transcranial Direct Current Stimulation (TDCS) in depression worldwide.
- An agreement linking health education and clinical practice for tertiary students was signed by SESIAHS and the University of Wollongong in April.
- A six-chair, $1.8 million Renal Dialysis Unit opened in April in Sutherland Hospital allowing an initial 20 patients to access dialysis closer to home.
- Home dialysis became available for St George Hospital renal patients in December when two Renal Unit chairs were allocated for home dialysis training.
- The Community Cancer Outpatient Unit opened at Milton-Ulladulla Hospital. Linked to the Southern Hospital Network's Cancer Services, it provides chemotherapy services two days a week.
- New Medical Assessment Units (MAUs) opened in Wollongong, St George and Sutherland hospitals to provide faster and better coordinated care for older patients.
- A total of $20.3 million was invested in mental health capital works projects, including non-acute mental health units at Sutherland, Shellharbour and St George hospitals. Funding was also given towards child and adolescent mental health services at Sydney Children's and Shellharbour hospitals, new Psychiatric Emergency Care Centres (PECCs) at Prince of Wales and Wollongong hospitals and for completion of the Specialist Mental Health Service for Older People (SMHSOP) at Wollongong Hospital.
- A joint initiative between SESIAHS and University of Wollongong saw Shane Venables graduate as the first student in the state to successfully complete the Aboriginal Population Health Scholarship Program.
- St George Hospital was one of 15 leading Australian hospitals selected to trial a new program to reduce the risk of venous thromboembolism (VTE).
- Sydney Children's Hospital held two special graduations for long-term adolescent patients moving from paediatric care on to adult services.
- A specialised stroke service opened at Shoalhaven District Memorial Hospital. The service will bring together specialised staff with dedicated resources to deliver best practice.
- NSW Health Awards 2007:
  - *To Deliver High Quality Health Services – Best Performance for 2006/07.* Winner: SESIAHS.
  - Hospital Performance Awards:
    Principal Referral and Specialist Hospitals – Best Performance for 2006/07. Winner: Sydney Children's Hospital.
    Major Rural District Hospitals – Most Improved Performance for 2006/07. Winner: Shellharbour Hospital.
  - *Creating Better Experiences for People Using the Health Service.* Winner: Shellharbour Hospital's DANGERS project.

Sydney South West
AREA HEALTH SERVICE

SYDNEY SOUTH WEST
NSW HEALTH



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Chief Executive

Mr Michael Wallace

Local Government Areas

Ashfield, Bankstown, Burwood, Camden, Campbelltown, Canada Bay, Canterbury, Fairfield, Leichhardt, Liverpool, Marrickville, Strathfield, City of Sydney (part), Wingecarribee, Wollondilly

Public Hospitals

Balmain Hospital
Bankstown-Lidcombe Hospital
Bowral and District Hospital
Camden Hospital
Campbelltown Hospital
Canterbury Hospital
Concord Centre for Mental Health
Concord Repatriation General Hospital
Fairfield Hospital
Liverpool Hospital
Royal Prince Alfred Hospital
Sydney Dental Hospital
Thomas Walker Hospital

Third schedule facilities

Braeside Hospital
Carrington Centennial Care
Karitane
Queen Victoria Memorial Home
Tresillian Family Care Centres

Other services

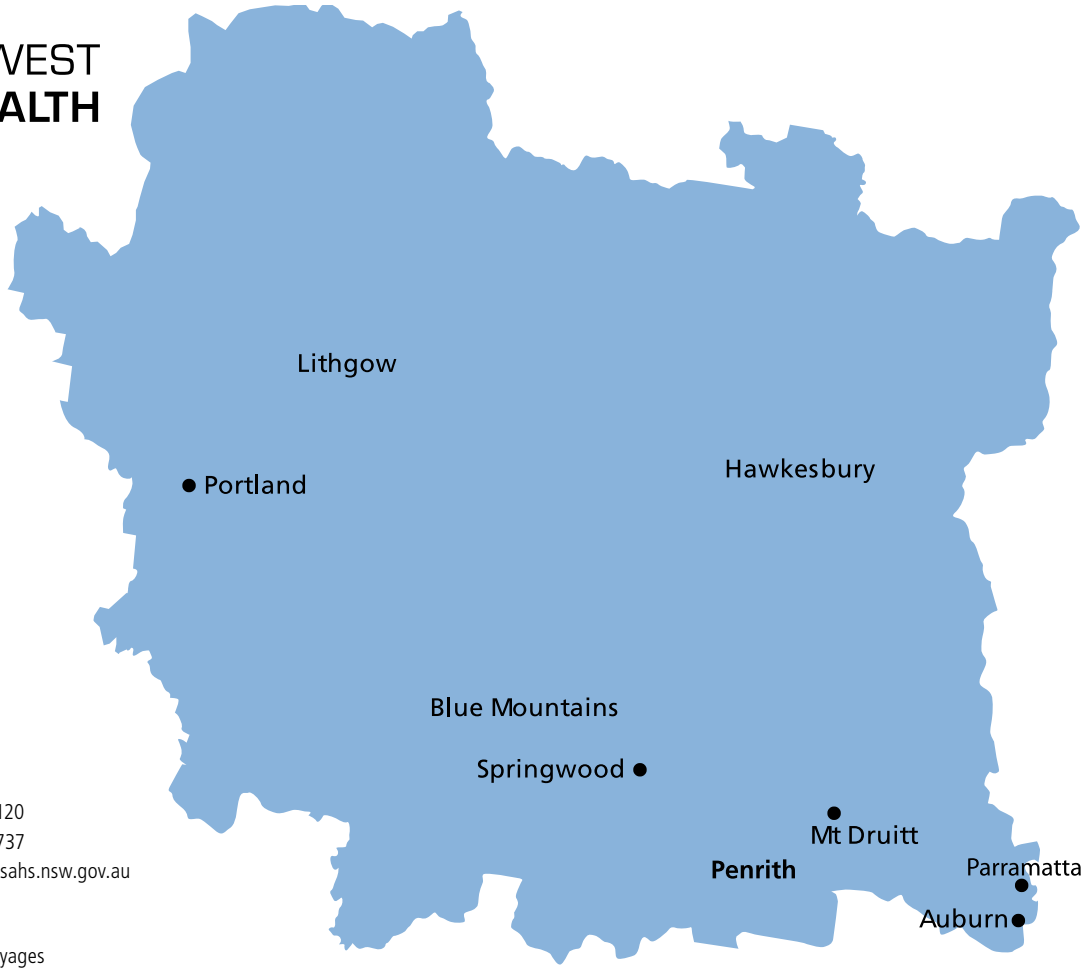
Department of Forensic Medicine
Sydney South West Pathology Services

Highlights and Achievements

- SSWAHS four year Strategic Plan was launched. The plan maps how SSWAHS will deliver high quality health services to the most diverse and fastest growing population in NSW. Its priorities are to reduce health disadvantage, prevent illness and improve health.
- All facilities within SSWAHS went smoke free in July. This will help reduce the harms associated with tobacco use amongst staff, patients and visitors.
- Medical Assessment Units were established at Royal Prince Alfred, Liverpool, Campbelltown, Canterbury, Bankstown and Concord Hospitals to provide faster and better coordinated care for older patients and those with chronic disease within the hospital, community and home.
- The $58 million Concord Centre for Mental Health officially opened in June. This state of the art facility is the single largest new mental health facility to be built in NSW for many decades. It was designed as a place of healing and hope for people affected by mental illness.
- Work is underway on the $390 million Stage 2 redevelopment of Liverpool Hospital. Fast tracked for completion in 2011, the redevelopment will significantly increase capacity to meet increasing demand as almost one million are expected to reside in the area by 2016. Once completed Liverpool Hospital will be the largest tertiary facility in NSW.
- The $3.2 million redevelopment of the Bowral Hospital Paediatric Unit upgrade has begun and will provide a more modern, family friendly environment for sick children and their families.
- The newly formed Ingham Health Research Institute (IHRI) for SSWAHS appointed a chairman and board and issued its first research grants. The IHRI aims to strengthen the capacity and reputation of south western Sydney as an area of excellence in medical research and technology.
- Royal Prince Alfred Hospital commemorated its 125th anniversary with a range of celebrations and official functions.
- NSW Health Awards 2007 – Each year the Minister for Health recognises the outstanding contributions and achievements of workers from across the NSW Health System. In 2007, SSWAHS picked up awards in a number of categories:
  - Winner: *Best Overall Performance by an Area Health Service*
  - Winner: *To Keep People Healthy - Most Improved Performance*
  - Winner: *To Provide the Health Care People Need - Most Improved Performance*
  - Winner: *To Manage Health Services Well - Best Performance*
  - Winner: *Hospital Performance Award - Principal Referral and Specialist Hospitals - Most Improved Performance* Liverpool Hospital
  - Winner: *Hospital Performance Awards - Major Metropolitan Hospitals - Most Improved Performance* Fairfield Hospital
  - Winner: *Make smart choices about the costs and benefits of health services*. Also shortlisted for the *Minister's Excellence Award*
  - Finalist: *Create better experiences for people using health services.*

Sydney West
AREA HEALTH SERVICE

SYDNEY WEST
NSW HEALTH



4

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Chief Executive

Professor Steven Boyages

Local Government areas

Auburn, Baulkham Hills, Blacktown, Blue Mountains, Hawkesbury, Holroyd, Lithgow, Parramatta, Penrith

Public hospitals

Auburn Hospital
Blacktown Hospital
Blue Mountains District ANZAC Memorial Hospital
Cumberland Hospital
Lithgow Hospital
Lottie Stewart Hospital
Mt Druitt Hospital
Nepean Hospital
Portland Hospital
Springwood Hospital
St Joseph's Hospital, Auburn
Tresillian Wentworth
Westmead Hospital

Note: the Area Health Service contracts Hawkesbury District Health Service Ltd to provide public health services in the Hawkesbury.

Public nursing homes

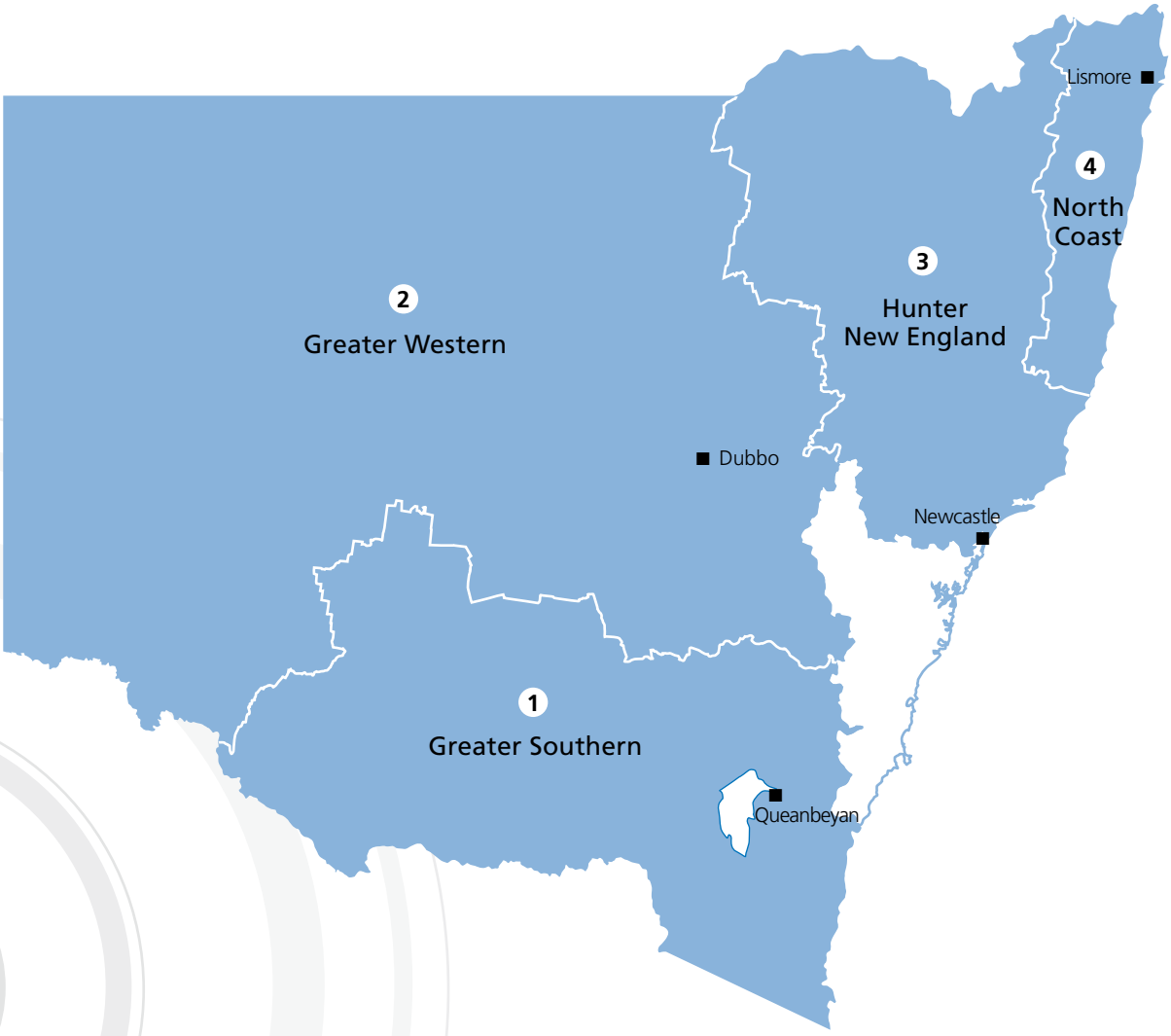
Governor Phillip Nursing Home
Wentworth Falls (run by Catholic Health Care)

Highlights and Achievements

- A 'one stop shop' comprehensive cancer centre, a Women's Health and Newborn Care centre and a Renal, Urology and Transplant Comprehensive Clinical Centre all opened at Westmead Hospital.
- Psychiatric Emergency Care (PECC) Units opened at Nepean ($2.39 million) and Blacktown ($1.95 million).
- Construction commenced on the $144.5 million hospital at Auburn and on Nepean Hospital's Allied Health, Rehabilitation and Aged Care Block, as well as the planning for the extension to Nepean Hospital.
- Average waiting times from triage to treatment for patients aged over 75 years fell from 70 to 21 minutes following the opening of the Healthcare for Older Persons Earlier (HOPE) Unit at Westmead Hospital's emergency department (ED). The unit fast-tracks patients through their assessment and treatment phases and ensures they receive more appropriate and timely care.
- The first NSW HealthOne site opened at Mt Druitt offering integrated services from GPs, community health workers, allied health and other medical professionals in one setting. Two further NSW HealthOne sites are approved for Rouse Hill and Auburn.
- Piloted the CareFirst CNS (Care Navigation Strategy) at Blacktown Hospital. An innovative model of care, it aims to identify and support older people or those with multiple conditions needing a coordinated care plan from a range of hospital and community services. The approach offers better support for people to maintain their health in the community and reduce the likelihood of hospital admission. When acute treatment is needed, time spent in emergency departments is avoided or minimized as each patient is connected quickly with the right service in the most appropriate setting.
- Over 2,500 staff participated in two Healthy Lifestyle Staff Challenges, increasing their physical activity levels and choosing healthier foods.
- Walking paths were developed at Westmead, Cumberland, Nepean and Blacktown hospitals.
- The Crunch & Sip® Program, which encourages fruit and water breaks, was delivered in 74 local primary schools.
- An e-Learning 'Centre' commenced in January 2008 leading to a significant increase in access to and compliance with annual mandatory training.
- The Blacktown Quit smoking program saw a 14% no smoking rate after six months, and of 720 staff who accessed the staff quit smoking support program, 25% continued not to smoke at the six month follow up point.
- SWAHS won, and were commended in a number of categories at the NSW Health Awards 2007:
- Winner: *Best Performance Award for a major metropolitan hospital.* Auburn Hospital.
  The hospital excelled in reducing waiting times for ambulance transfers into ED, and both booked and urgent surgery.
- Winner: *Most Improved Performance Award (smaller district hospital category).* Lithgow Hospital.
- Winner: *Build regional and other partnerships for health.*
  SWAHS Promoting Health through Strategic Partnerships in local government.
- Commended: *NSW Premier's Award.*
  Youth and Road Trauma Forum, aimed at reducing the injury and death of our youth via interactive road safety education and information that helps them to make safer choices.
- *Director-General's Encouragement Award.*
  Received for the Surgical Acute Rapid Assessment (SARA) Unit at Westmead Hospital, which reduced the access block by up to 43% in surgical patients.
- The Health Care Interpreting Service (HCIS) Call Centre Project was recognised for improving timely access to language support services through the implementation of a 24-hour telephone service. This resulted in an increased percentage (60%) of incoming calls answered within 60 seconds.

Maps and profiles of

Rural Area Health Services



Greater Southern

AREA HEALTH SERVICE

GREATER SOUTHERN
NSW HEALTH

1

Telephone: 6128 9777
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Website: www.gsahs.nsw.gov.au

Chief Executive

Heather Gray

Local Government areas

Albury, Bega Valley, Berrigan, Bland, Bombala, Boorowa, Carrathool, Conargo, Coolamon, Cooma Monaro, Cootamundra, Corowa, Deniliquin, Eurobodalla, Goulburn, Mulwaree, Greater Hume, Griffith, Gundagai, Harden, Hay, Jerilderie, Junee, Leeton, Lockhart, Murray, Murrumbidgee, Narrandera, Palerang, Queanbeyan, Snowy River, Temora, Tumbarumba, Tumut, Upper Lachlan, Urana, Yass Valley, Young, Wagga Wagga, Wakool

Public hospitals

Albury Base Hospital
Barham Koondrook Soldiers Memorial
Batemans Bay District Hospital
Batlow District Hospital
Bega District Hospital
Berrigan War Memorial Hospital
Bombala Hospital
Boorowa Hospital
Bourke Street Health Service
Braidwood Hospital
Coolamon Ganmain Health Service
Cooma Hospital
Cootamundra Hospital
Corowa Hospital
Crookwell Hospital
Culcairn Health Service
Delegate Multi-Purpose Service
Deniliquin District Hospital
Finley Hospital
Goulburn Hospital
Griffith Base Hospital
Gundagai District Hospital
Hay Hospital and Health Service
Henty District Hospital
Hillston District Hospital
Holbrook District Hospital
Jerilderie Health Service
Junee District Hospital
Kenmore Hospital
Leeton District Hospital
Lockhart Hospital
Moruya District Hospital
Murrumburrah-Harden Hospital
Narrandera District Hospital
Pambula District Hospital
Queanbeyan District Health Service
Temora & District Hospital
Tocumwal Hospital
Tumbarumba Health Service
Tumut District Hospital
Urana Health Service
Wagga Wagga Base Hospital
West Wyalong Hospital
Yass District Hospital
Young District Hospital

Third schedule hospitals

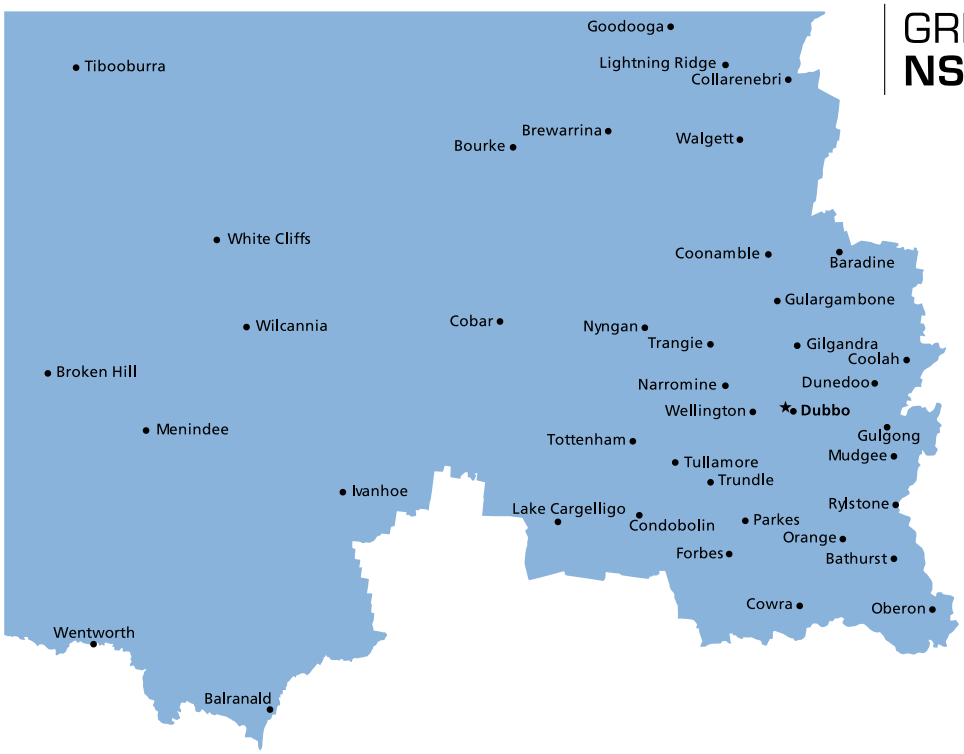
Mercy Health Service Albury
Mercy Care Centre Young

Highlights and Achievements

- Australian Council of Healthcare Standards (ACHS) accreditation achieved in the corporate sector. Certification achieved within mental health and all 10 GSAHS Clusters.
- GSAHS hospital winners at the 2007 NSW Health Awards:
  - Albury Base Hospital - Non Major Non Metropolitan Hospital Best Performance Award
  - Goulburn Base Hospital - Major Rural District Hospital Best Performance Award
  - Wagga Wagga Base Hospital - Non Major Non Metropolitan Hospital Most Improved Performance Award.
- Completion of capital works and official opening of:
  - Berrigan Multipurpose Service
  - Bombala Multipurpose Service
  - Junee Multipurpose Service (opening scheduled for July 2008)
  - Four bed stroke unit, Wagga Wagga Base Hospital
  - New emergency department, Griffith Base Hospital
  - New operating theatre suite and dialysis unit, Bega District Hospital
  - Appointment of Project Director, Procurement for the Wagga Wagga Health Service redevelopment.
- Implemented an internal administrative realignment to split the Area into three sectors. General Managers were appointed to each sector with a focus on localising decision making and increasing operational support at each sector level.
- The Mental Health Emergency Care Support Centre was launched. This initiative uses video-conferencing to provide 24 hour support for assessment and support of mental health consumers in rural centres across the health service, improving outcomes for this group.
- Oncology services were expanded in the Cooma area with the introduction of a Shared Care Model. This has enabled some oncology clients to receive treatment without travelling to a metropolitan area. Client care is delivered by specifically trained local general practitioners and nursing staff under the guidance of oncology specialists in metropolitan areas.
- Bridging the GAP (Goulburn Ambulatory Program) was introduced in Goulburn to reduce avoidable admissions to hospital for clients living with chronic respiratory conditions.
- A new model of care was introduced at Giles Court, Goulburn with a Transitional Behavioural Assessment and Intervention Service. This provides intensive assessment and treatment of dementia clients by a multidisciplinary team of staff with specialised skills.
- Introduction of antenatal shared care model at Young Health Service, increasing the range of options for mothers by offering midwifery led support in partnership with obstetricians. The model will be extended to other facilities in the Area.
- Achieved surgical wait list targets.

Greater Western

AREA HEALTH SERVICE



GREATER WESTERN
NSW HEALTH

2

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Chief Executive

Dr Claire Blizard

Local Government areas

Balranald, Bathurst Regional, Blayney, Bogan, Bourke, Brewarrina, Broken Hill, Cabonne, Central Darling, Cobar, Coonamble, Cowra, Dubbo, Forbes, Gilgandra, Lachlan, Mid-Western, Narromine, Oberon, Orange, Parkes, Walgett, Warren, Warrumbungle, Weddin, Wellington, Wentworth, Unincorporated Far West

Public hospitals

Balranald District Hospital
Baradine Multi-Purpose Service
Bathurst Base Hospital
Blayney Multi-Purpose Service
Bloomfield Hospital
Bourke District Hospital
Brewarrina Multi-Purpose Service
Broken Hill Base Hospital
Canowindra Soldiers' Memorial Hospital
Condobolin District Hospital
Cowra District Hospital
Cudal War Memorial Hospital
Cobar District Hospital
Collarenebri Multi-Purpose Service
Coolah Multi-Purpose Service
Coonabarabran District Hospital
Coonamble District Hospital
Dubbo Base Hospital
Dunedoo War Memorial Hospital
Eugowra Memorial Hospital
Forbes District Hospital
Gilgandra Multi-Purpose Service
Goodooga Community Health Service
Grenfell Multi-Purpose Service
Gulargambone Multi-Purpose Service
Gulgong District Hospital
Ivanhoe District Hospital
Lake Cargelligo Multi-Purpose Service
Lightning Ridge Multi-Purpose Service
Menindee Health Service
Molong District Hospital
Mudgee District Hospital
Narromine District Hospital
Nyngan District Hospital
Oberon Multi-Purpose Service
Orange Base Hospital
Parkes District Hospital
Peak Hill Hospital
Rylstone Multi-Purpose Service
Tibooburra District Hospital
Tottenham Hospital
Tullamore Hospital
Trangie Multi-Purpose Service
Trundle Multi-Purpose Service
Warren Multi-Purpose Health Service
Wellington Hospital, Bindawalla
Walgett District Hospital
Wentworth District Hospital
Wilcannia Multi-Purpose Service

Highlights and Achievements

- A pilot project, Early Recognition of "The Deteriorating Patient", was undertaken at Dubbo Base Hospital. It involved an educational program, redesigned observation chart, and structured communication system. The project received the Judge's Award at the 2008 GWAHS Health Awards Expo.

- GWAHS continues to increase the number of nurses who stay on to work in the Area after graduating, up from 54% in 2005/06 and 79% in 2006/07 to 94% in 2007/08.

- Clinical networks were established in a range of specialties. Multidisciplinary team meetings were held and referral pathways strengthened. Protocols and polices were standardised across sites, and links with General Practice forged. Service planning commenced in several specialities.

- A Mental Health Emergency Case Team was established in February 2008 after extensive community stakeholder consultation. Comprised of 12 nurses and two psychiatrists, the unit provides services on a 24 hour basis to hospital sites.

- Implementation of, and training in, pastoral care standards of practice commenced.

- Trainees and staff gained access to experienced senior psychiatrists with the introduction of the Aboriginal Mental Health Meeting Program as part of the Aboriginal Mental Health Workforce Development Plan. Five additional trainees have been appointed, bringing the Aboriginal Mental Health workforce to 29 across GWAHS.

- A breastfeeding booklet was produced in partnership with Dareton Aboriginal youth attending Dareton TAFE.

- Completion of the three year *Eat Right Play Right – Healthy Kids* pilot program enabled Wellington Public School to adopt healthy lifestyle activities into the school curriculum.

- A Joint Agency Protocol to address crisis management of domestic violence across GWAHS was developed and implemented, with input from NSW Police, DoCS, Housing NSW, Emergency Accommodation Program and DoCS Domestic Violence Line. The protocol promotes an immediate, comprehensive and safe response to women and children living with domestic violence.

- The $7 million Dunedoo MPS, the $5.4 million Tottenham MPS, and the $10.24 million MPS in Nyngan were all officially opened.

- The first cohort of students and employees completed the Aboriginal Health Worker Trainee program Certificate IV in Aboriginal Health Worker (practice). All are expected to gain permanent employment in August 2008.

- Funded a two-day Rural and Remote Aboriginal Chronic Disease Conference in Broken Hill. The conference highlighted best practice and 'what works' in prevention and management.

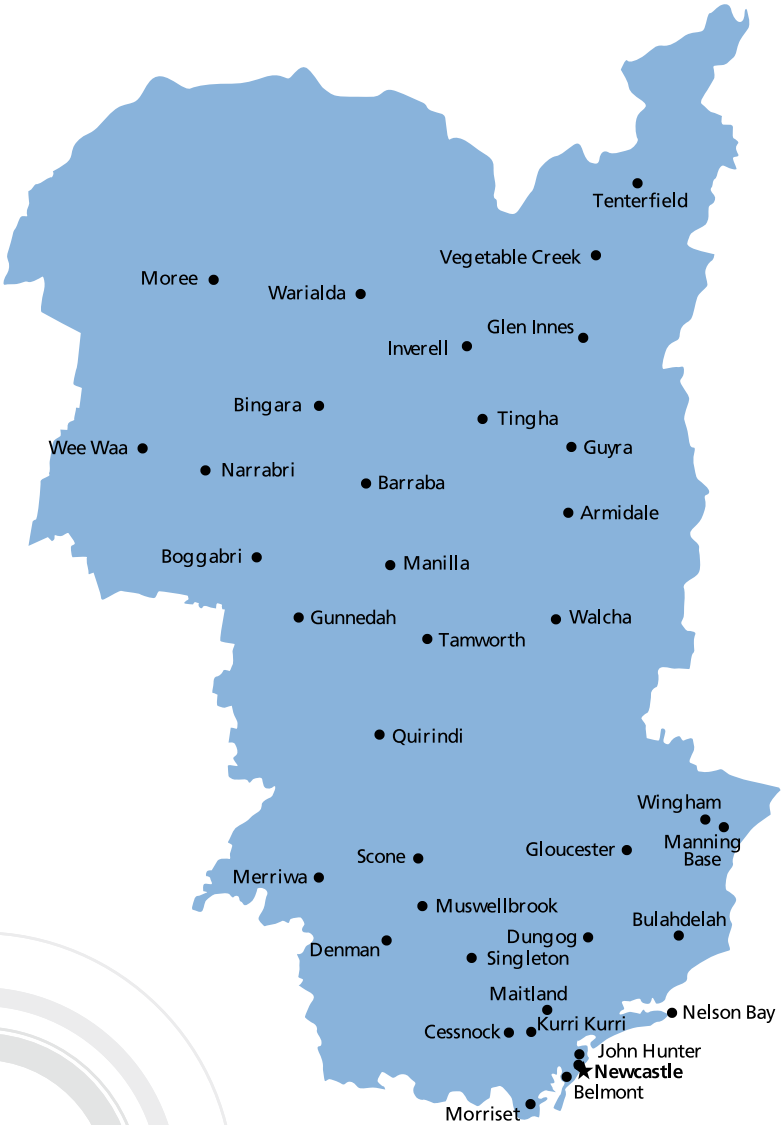
- GWAHS Quality Awards: *Chief Executive Award – Improving Access to Parenting Education for Parents of Children at Risk*. Orange Family Support Service and the PANOC Counsellor provided, in partnership, a parenting education group using the "Keeping Children Safe" course designed by Uniting Care Burnside. Key features include collaboration, respect, complementary, negotiated goals, and agreed delineation of tasks.

- Eight new Nurse Practitioner (NP) positions were endorsed. Six of these positions will effectively change the model of care within the emergency departments of Orange, Bathurst, Dubbo, Mudgee, Cowra and Forbes, as the NP will assess and treat those patients presenting as Triage 4's and 5's.

Hunter New England

AREA HEALTH SERVICE

HUNTER NEW ENGLAND
NSW HEALTH



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Chief Executive

Dr Nigel Lyons

Local Government Areas

Armidale, Dumaresq, Glen Innes, Severn, Gunnedah, Guyra, Gwydir, Inverell, Liverpool Plains, Moree Plains, Narrabri, Tamworth Regional, Tenterfield, Uralla, Walcha, Cessnock, Dungog, Gloucester, Great Lakes, Greater Taree, Lake Macquarie, Maitland, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter.

Public Hospitals

Armidale Hospital
Belmont Hospital
Calvary Mater Newcastle
Cessnock Hospital
Glen Innes Hospital
Gloucester Hospital
Gunnedah Hospital
Inverell Hospital
James Fletcher Hospital
John Hunter Hospital
John Hunter Children's Hospital
Kurri Kurri Hospital
Manilla Hospital
Moree Hospital
Morisset Hospital
Muswellbrook Hospital
Narrabri Hospital
Quirindi Hospital
Royal Newcastle Centre
Scone Hospital
Singleton Hospital
Tamworth Hospital
Taree – Manning Hospital
The Maitland Hospital

Community Hospitals / Multi Purpose Services

Barraba, Bingara, Boggabri, Bulahdelah, Denman, Dungog, Emmaville – Vegetable Creek, Guyra, Merriwa, Murrurundi, Quirindi, Tenterfield, Tingha, Tomaree, Walcha, Warialda, Wee Waa, Werris Creek and Wingham.

Highlights and Achievements

- Contributed to the reduction of alcohol-related crime in NSW through the implementation of the Alcohol Linking Program.
- Improved access to clinical information and specialist consultations by securing $3 million in funding to provide online access to patient imaging records.
- Opened a $36 million building to house Newcastle Community Health Centre, bringing a comprehensive range of services together on one site.
- Implemented a cultural respect training program to increase the appropriateness and effectiveness of services for the Aboriginal and Torres Strait Islander population; and increase the cultural safety of work sites for Aboriginal and Torres Strait Islander staff.
- Approval received to construct a $8.91 million non-acute mental health facility to provide intensive, short-term rehabilitation for mental health consumers on the James Fletcher Campus in Newcastle.
- Partnered University of New England and the University of Newcastle to launch the Joint Medical Program, aimed at addressing the rural and regional medical workforce shortage by providing rural-based medical education for the majority of the Bachelor of Medicine degree.
- Signed a Memorandum of Understanding with Pius X Aboriginal Corporation and the communities of Toomelah and Boggabilla to bring about improved health services to these communities.
- Completed a project to install air-conditioning in 15 wards of John Hunter Hospital in Newcastle.
- Launched the Rural Stroke Project to the Peel and Mehi Clusters to provide patients with improved access to specialised treatment and education.
- Launched the Hunter New England Aboriginal Health Partnership Strategic Plan 2007-2011.
- Implemented the Aboriginal Employment Strategy 2008-2011.
- Implemented a framework for a multidisciplinary approach supporting adults managing obesity.
- Officially opened the Moree District Health Service emergency department.
- Introduced a range of new programs to improve provision of oral health care to children.
- Scored the highest rating for overall patient care in the state in the 2007 NSW Health Patient Survey.
- Moved services from the 99-year-old Tingha Community Hospital building into a new Multi Purpose Service facility.
- Launched the second phase of Australia's largest ever obesity prevention trial – 'Good for Kids, Good for Life' – focussing on encouraging children aged under 15 years to get active.
- Commenced site works for the redevelopment of Narrabri District Health Service.
- Winner of the *2007 NSW Minister for Health's Award for Aboriginal Health* in recognition of our dedication to improving the health of Aboriginal and Torres Strait Islander people.
- Joint winner of the *2007 Prime Minister's Award for Employer of the Year (Large Employer)*, and *National Employer of the Year*, for dedication and innovation in the recruitment and retention of staff with a disability.
- Winner of the *NSW Minister for Health's Excellence Award* for 'Setting them up to succeed' – a program to support International Medical Graduates. This project also won the Build a Sustainable Health Workforce category.
- Winner of the *Clinical Excellence Commission Award for Improvement in Patient Safety* for 'Pre-hospital Acute Stroke Triage' – a project with the NSW Ambulance Service to improve outcomes for stroke patients.
- Winner of the *NSW Health Hospital Performance Award for Best Performance 2006/2007 Smaller Rural District Hospitals* – awarded to Narrabri Hospital.
- Winner of five awards at the *2007 Premier's Public Sector Awards*.
- Winner of the *2007 Treasury Managed Fund Risk Management Award* for Integrating Risk Management into Organisational Planning.

North Coast

AREA HEALTH SERVICE

NORTH COAST
NSW HEALTH

4

Telephone: 6620 2100
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Website: www.ncahs.nsw.gov.au

Chief Executive

Chris Crawford

Local Government Areas

Ballina, Bellingen, Byron, Clarence Valley, Coffs Harbour, Hastings, Kempsey, Kyogle, Lismore, Nambucca, Richmond Valley, Tweed

Public Hospitals

Ballina District Hospital
Bellinger River District Hospital
Bonalbo Health Service
Byron District Hospital
The Campbell Hospital, Coraki
Casino and District Memorial Hospital
Coffs Harbour Health Campus
Dorrigo Multi-Purpose Service
Grafton Base Hospital
Kempsey District Hospital
Kyogle Multi-Purpose Service
Lismore Base Hospital
Macksville Health Campus
Maclean District Hospital
Mullumbimby and District War Memorial Hospital
Murwillumbah District Hospital
Nimbin Multi-Purpose Service
Port Macquarie Base Hospital
The Tweed Hospital
Urbenville Multi-Purpose Service
Wauchope District Memorial Hospital

Achievements and Highlights

- Lismore Base Hospital: Opened a $38.5 million Mental Health Unit and advanced planning for major enhancements, including: Integrated Cancer Centre ($27 million, scheduled for 2010) and Cardiac Catheterisation Unit ($3.84 million, scheduled for 2009).
- Ballina Hospital: Significant progress was made on the $5.3 million 25-bed Rehabilitation Ward. The Ballina Medical Imaging Department was upgraded and major equipment replaced.
- Tweed Hospital: Opened a $1.5 million BreastScreen NSW Unit; a $6.8 million 30-bed medical ward and the Tweed Clinical Education and Research Institute.
- Port Macquarie Base Hospital: Opened the $2.4 million expansion of Involuntary Mental Health Unit and the Express Community Care Clinic. The clinic has reduced pressure on the emergency department by diverting lower acuity attendances into a faster, more holistic care stream, networked with the Hospital in the Home program. The six chair Renal Dialysis Unit also relocated to the hospital from the Port Macquarie Health Campus.
- Grafton Hospital: Completed the $755,000 upgrade of the emergency department and commenced planning for the Grafton Surgical Services program of works.
- Accreditations awarded to Tweed Byron Network, BreastScreen North Coast, NCAHS Mental Health Stream and NCAHS Corporate Services (Corporate Equip).
- Clinical Excellence Commission's Quality Systems Assessment completed.
- Record number of dialysis patients treated (increase of 3,227, or 13.5%). Inpatients increased by 6,968 (4.9%) and non-inpatients by 98,416 (5.1%).
- Implemented the Results Reporting and Electronic Discharge Reporting components of the NSW Health Electronic Medical Record.
- Reduced tobacco consumption rate; overweight/obesity rate below state average due to health promotion campaigns.
- Area-wide adoption and implementation of e-Learning.
- Successful implementation of the Occupational Vaccination and Screening program.
- Significant expansion of primary/transitional care options and packages as alternatives to hospital care across the Area.
- Recruitment to Coffs Harbour Health Campus of specialist clinicians in cardiology, obstetrics and gynaecology, emergency medicine and ICU.
- Five of the 21 finalists in the NSW Health Awards 2007.
- Significantly exceeded Aboriginal children (0-6 year olds) Otitis Media Screening target.
- Thirty schools and student leaders were involved in devising strategies to overcome physical activity barriers.
- The RRISK program (reduce risk increase student knowledge) was rolled out across the North Coast to address risk taking in relation to alcohol, drug use, driving and celebrating.
- Construction of Coffs Harbour Health Campus $7.5 million 20 bed non-acute Mental Health Unit advanced.
- Successful pilot of "*Eat Together Play Together Strong Smiles*" oral health promotion program for 3-5 year olds.
- All 68 North Coast high schools participated in the school-based vaccination program of HPV vaccine.
- A Refugee Clinic at Coffs Harbour was introduced in collaboration with Mid North Coast Network of General Practice, Anglicare and NCAHS Public Health Unit.
- Partnership formed with the region's Southern Cross University for a Midwifery Steering Committee focussing on future workforce and professional needs of midwives.
- NCAHS purchasing and supply services successfully transferred to NSW Health's consolidated service as part of Health Support Service Centre in Newcastle.
- Established an Environmental Sustainability Committee to consider ways to minimise and reduce waste, and improve energy and water usage efficiency.
- The Area's telecommunications infrastructure was expanded to support the Electronic Medical Record project.

Statewide Services

Ambulance Service of NSW

Telephone: 9320 7777
Facsimile: 9320 7800
Website: www.ambulance.nsw.gov.au

Chief Executive: Greg Rochford

Achievements

- Provided over 1,118,000 total responses (emergency and non-emergency) which is an average of 3,056 responses per day during 2007/08. This is equivalent to a call for assistance every 28 seconds.
- Maintained a 9.85 minute 50th percentile response time for life threatening emergencies in the context of a 5.9% increase in demand.
- Implemented the Clinical Assessment and Referral (CARE) program for ambulance paramedics providing safe, non-emergency department care referral options for appropriate patient groups.
- Implemented the Extended Care Paramedic Program with proof of concept projects in Sydney West and Port Macquarie/Forster Tuncurry.
- Enhanced the Cardiac Care Program with a roll-out strategy for 12 lead ECG's and initiating a Thrombolysis proof of concept project with Hunter Area Health Service.
- Established new Clinical Support Manager positions in operational divisions to increase focus on clinical outcomes, reporting and patient safety.
- Trained 625 paramedics in managing mental health emergencies and the use of the new provisions in the Mental Health Act 2007.
- Completed the Electronic Booking System Phase 2 enabling same-day booking of transport and improving usability for Area Health Services.
- Provided a new operational "working" uniform for all paramedics.
- Worked closely with NSW Health to finalise the major industrial case on work value and death and disability.
- Implemented 24 hour operations at the Illawarra Helicopter Base and entered new contracts with Emergency Medical Services helicopter operators at Newcastle, Tamworth, Lismore, Canberra and with ChildFlight.
- Developed an Annual Workforce Plan and recruited 235 trainee paramedics.
- Made major advances in infection control by conducting occupational screening and vaccination of over 80% of staff.
- Embedded disaster preparedness service agreements with Area Health Service Chief Executives; and developed a strategic disaster preparedness education framework.
- Received an Innovation Award in the category of Clinical Capacity for online education programs at the first Council of Ambulance Authorities Awards 2007.
- Participated in a national community education Triple Zero Campaign to reinforce the correct use of the Triple Zero emergency number.
- Developed a pre-school Emergency Helpers education program with the NSW Police and Fire Brigades.
- Introduced the Ambulance Online community e-newsletter to promote health messages and provide updates on Ambulance activities to the community.
- Coordinated NSW Health involvement in the 2007 Asia Pacific Economic Cooperation (APEC) Leader's Week and World Youth Day 08.
- Managed highly effective emergency responses to major incidents including a Sydney Harbour boating tragedy.

Clinical Excellence Commission

Telephone: 9382 7600
Facsimile: 9382 7615
Website: www.cec.health.nsw.gov.au

Chief Executive Officer:
Professor Clifford Hughes AO

Achievements

- Publication of the first six monthly report (January-June 2007) of IIMS state-wide data in January 2008.
- Preparation of the second six monthly report (July-December 2007) of IIMS state-wide data for publication.
- Release of the first annual CEC Chartbook – 2007 containing NSW safety and quality indicators. Began development of Chartbook 2008.
- Completion of the second stage of QSA development project and finalisation of QSA methodology and survey tools.
- Completion of the first phase of Blood Watch Transfusion Medicine Improvement program and next phase underway. In cooperation with the Area Health Services and other jurisdictions, in particular South Australia, an e-learning package has been rolled-out which will provide a credentialing process for junior staff.
- Roll-out of the Collaborating Hospitals Audit of Surgical Mortality (CHASM) completed in all Area Health Services.
- Reviews into the management of ADHD in Children and Adolescents in NSW, and the Management of Pacemaker Insertion in NSW completed.
- The Cardiothoracic Network partnership with the Greater Metropolitan Clinical Taskforce has been implemented in most hospitals and data managers have been appointed in most Area Health Services.
- The Board of the CEC visited two rural Area Health Services – Greater Southern and Greater Western. Following the success of these visits, others will follow to country health facilities.
- The first CEC rural campus opened in Coffs Harbour with the relocation of the Program Leader, NSW Falls Program.
- A program of work on Recognition and Management of the Deteriorating Patient – called 'Between the Flags' was launched in October 2007. The program utilises the imagery of the surf lifesaving movement, where recognition and rescue are key objectives well known to all.
- The networks of the CEC have been greatly enhanced by closer work with the intensive care coordination and monitoring unit, particularly around the CLAB ICU project.
- Strong partnerships have been developed which include regular meetings with the Quality and Safety branch of NSW Health, the Greater Metropolitan Clinical Taskforce (GMCT), and the Institute for Medical Education and Training (IMET).
- Educational seminars and training initiatives included the second cohort of the clinical leadership course, the e-learning modular program for quality improvement and various conference and seminar presentations by various team members including the Chief Executive Officer, executive staff and project staff.

Justice Health

Telephone: 9700 3000
Facsimile: 9700 3527
Website: www.justicehealth.nsw.gov.au

Chief Executive Officer: Julie Babineau

Achievements

- Review of clinical redesign and model of care at each of the female centres.
- Launch of the Community Integration Team (CIT) in May.
- The Aboriginal Vascular Health Program (AVHP) has been operational in nine correctional centres.
- The Transitional Nurse Practitioner has implemented cervical screening and breast checks at all metro centres (women).
- All patients with a communicable disease have a discharge plan and are linked with community health services.
- A total of 14,746 clients were screened for mental health problems by the Justice Health Court Liaison Service. Of this, 1,990 received a comprehensive assessment, with 1,662 diagnosed with a mental illness. Seventy-one per cent were diverted from the criminal justice system into community care or mental health facilities.
- At 30 June 2008, the Community Forensic Mental Health Service (CFMHS) had 43 civil patients and 107 forensic patients, comprising 94 conditionally released patients in the community and 13 forensic patients in custody.
- The Sexual Behaviours Clinic for the treatment of sex offenders operated at capacity with 65 open cases.
- The Youth Drug and Alcohol Court (YDAC) assessed 131 young people, with 59 accepted and 17 successfully completing the program.
- Connections Project established in all adult centres. Since the establishment of the project in September 2007, 1,395 clients have been referred to the program, of which 1,154 have been assessed and had a treatment plan developed.
- Work has continued around refining and evaluation management of incidences, particularly as they pertain to medication management.
- Construction of the $130 million Forensic and Prison Hospitals at the Long Bay Correctional Complex in Malabar continued.
- Planning continued for the opening of the new 85-bed Long Bay Hospital.
- Program of clinical audits were completed in oral health, medical appointments unit, pharmacy and radiography areas, and the evaluation of Correct Patient Correct Site procedures in radiography.
- The first Clinical Nurse Educator, Practice Development and Improvement was appointed.
- Blood Borne Virus Survey of all Young People in Custody and a major study into Understanding Emerging Comorbidity Among Young People were completed.
- Clinical Accreditation Program in Chronic Viral Hepatitis developed and approved for six credit points towards Masters of Nursing course with UTS.
- Completion of Post Graduate Forensic Mental Health Masters course with the University of NSW.
- The Young Offenders on Community Orders Health Welfare and Criminogenic Needs Survey was released.
- Computerised radiography provision was extended to six centres, with local agreements for radiographer provision reaching into Correctional Centres.
- Adolescent Health Clinical Leadership in Clinical Governance project was presented at the NSW Health Expo in October 2007.
- Adolescent Health 'Improve Continuity of Health Care for Young People Being Released from Custody' won the 2007 NSW Health Award.
- Completed thorough transition of finance activities to Health Support.
- Electronic ordering of goods and services was implemented.

The Children's Hospital at Westmead

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Chief Executive Officer: Dr Antonio Penna

Achievements

- Redevelopment of the emergency department commenced, with the opening of the Emergency Medical Unit (EMU).
- The hospital was the first organisation in Australia to receive the International Disability Management Standards Council Certification for Excellence in Injury Management, recognising the hospital's commitment to occupational health and safety.
- The Animal Assisted Therapies Program was launched by the Physiotherapy Department and the Delta Dog Society. This innovative program involves therapy dogs working alongside physiotherapists to assist and motivate long term physiotherapy patients.
- The Diabetes Prevention Research Centre was launched on World Diabetes Day by Goodwill Ambassador, Bec Hewitt. The Centre was made possible by donations from the Diavitiko Association and the Laki Bank.
- The *Kidz Factor Zone* was officially opened by the Minister for Health to provide specialised care to children with haemophilia.
- Significant progress was made in revenue improvement, wastage reduction and workforce productivity, exceeding annual targets by 33%. The hospital leads the state in salary packaging, is exemplary in improvement of private patient revenue and has made notable improvements in blood products wastage.
- An Evening Pharmacy Service commenced, along with a telephone triage system, allowing parents and carers to query medications and dosages for their sick child.
- The story of Demi-Lee Brennan attracted international media coverage. Demi-Lee received a liver transplant and miraculously took on the blood group and immune system of her donor, minimising the chance of her body rejecting the new organ.
- The Long Term Ventilation Unit assisted to return five ventilated children back to their home environment. They were previously treated within the Paediatric Intensive Care Unit.
- A new interventional angio suite in Radiology was installed to allow greater diagnosis and treatment of patients.
- The opening of the Aboriginal Memorial Garden highlighted the hospital's commitment to the Aboriginal Community, allowing a place of reflection for families and a venue to showcase Aboriginal heritage within the hospital and local area.
- Annual Memorial Service activities were expanded to include group sessions for bereaved parents and siblings for the 450 plus people who attended.
- The first Bandaged Bear Cup was held to recognise staff and volunteers. A feature on the NRL schedule and initiative of ANZ Stadium, the Cup was contested by the Canterbury Bulldogs and the Parramatta Eels.
- The Book Bunker celebrated 10 years with a birthday party attended by famous children's author, Mem Fox. Established by Scholastic, the Book Bunker is part of the hospital total healing environment, allowing children and families access to books and a library environment staffed by volunteer librarians.
- The Pain and Palliative Care Service was awarded the prestigious Institution Award by the International Association for Hospice and Palliative Care.
- The successful Grace Gala Ball raised over $300,000 for the Grace Centre for Newborn Care.
- After hospital staff uncovered that the Toy of the Year, Bindeez, contained a toxic chemical equivalent to an illicit drug, a major awareness campaign was launched, resulting in an international recall of this dangerous product.
- The Occupational Therapy Department celebrated 70 years of service, having been an integral part of the hospital's care for sick children since the Camperdown days.
- The Speech Pathology Department received a Service Award from the University of Sydney for continuous contribution to clinical education.

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Glossary & Index

Glossary of terms

Bed days
The total number of bed days of all admitted patients accommodated during the reporting period. It is taken from the count of the number of inpatients at midnight (approximately) each day. Details for Same Day patients are also recorded as Occupied Bed Days where one Occupied Bed Day is counted for each Same Day patient.

Bed occupancy rate
The percentage of available beds which have been occupied over the year. It is a measure of the intensity of the use of hospital resources by inpatients.

Clinical governance
A term to describe a systematic approach to maintaining and improving the quality of patient care within a health system.

Comorbidity
The presence of one or more disorders (or diseases) in addition to a primary disease or disorder.

eMR – Electronic Medical Record
An online record which tracks and details a patient's care during the time spent in hospital. It is a single database where patient details are entered once and then become accessible to all treating clinicians, with authorised access, anywhere in the hospital.

Enrolled nurses
Enrolled Nurses work with Registered Nurses to provide patients with basic nursing care.

Episode funding
Funding the costs of caring for patients at each different phase of their episode of illness, based on cost of expected workload and available funds.

Funded/Available beds
A suitably located and equipped bed or cot where the necessary financial and human resources are provided for admitted patient care.

Healthcare associated infections
An infection a patient acquires while in a healthcare setting receiving treatment for other conditions.

Hospitalist
A medical practitioner whose primary focus is to enhance care for patients in a cross specialty mode throughout the patient's healthcare experience. The hospitalist specialises in facilitating and coordinating the care and care systems for patients. They work in wards, emergency departments (ED), outpatient departments and community settings.

Medical Assessment Unit
A designated hospital ward specifically staffed and designed to receive medical inpatients for assessment, care and treatment for a designated period. Patients can be referred directly to the MAU by-passing the emergency department.

Non-specialist doctors
A doctor without postgraduate medical qualifications who receives a government salary for the delivery of non-specialist healthcare services in a public hospital to public patients.

Nurse Practitioner
A registered nurse educated and authorised to function autonomously and collaboratively in an advanced and extended clinical role. The role includes assessment and management of clients using nursing knowledge and skills and may include but is not limited to, the direct referral of patients to other health care professionals, prescribing medications and ordering diagnostic investigations.

Triage
An essential function of emergency departments where many patients may present at the same time. Triage aims to ensure that patients are treated in order of their clinical priority and that their treatment is timely.

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Annual Report 2008

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