
2025-29 Service Agreement

An Agreement between the Secretary, NSW Health
and South Western Sydney Local Health District
for the period 1 July 2025 to 30 June 2029



NSW Health 2025-29 Service Agreement

Principal purpose

The principal purpose of this Service Agreement (**the Agreement**) is to articulate the direction, responsibility and accountability across the NSW Health system for the delivery of high quality, effective healthcare services that promote, protect and maintain the health of the community, in keeping with NSW Government and NSW Health priorities.

The *Health Services Act 1997* (NSW) allows the Health Secretary to enter into performance agreements with public health organisations in relation to the provision of health services and health support services (s.126).

Through execution of the Agreement, the Secretary agrees to provide the funding and other support to the Organisation as outlined in the Agreement (including through the Funding and Performance Supplement which is entered into by the Secretary, NSW Health and the Organisation for each financial year during the term of the Agreement, and forms part of the Agreement).

Objectives

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

To achieve this, the Service Agreement, and related Funding and Performance Supplements:

- Enable the organisation to deliver high quality, effective services that promote, protect and maintain the health of the community, and provide care and treatment to sick and injured people
- Promote accountability to Government and the community for service delivery and funding
- Contribute to health system performance monitoring and management to achieve NSW Health and Government goals and priorities
- Recognise that the needs of the population are not the same and all components of the system should strive to improve and drive equitable health outcomes
- Incorporate funding processes that target both allocative and operational efficiency
- Provide longer term funding certainty and investment flexibility with accountability mechanisms.

The Service Agreement also seeks to link budget to outcomes to achieve NSW Outcomes:

- People receive timely quality care in hospitals
- People receive timely quality care in the community
- People are supported to make the best decisions for their health
- People are enabled to lead healthy and active lifestyles

Parties to the agreement

The Organisation

Ms Biljana Sankovic

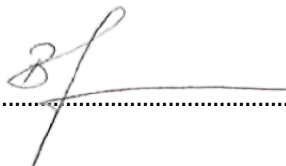
Chair

On behalf of the

South Western Sydney Local Health District Board

Date 28/7/2025

Signed



Sonia Marshall

Chief Executive

South Western Sydney Local Health District

Date 28/7/2025

Signed



NSW Health

Ms Susan Pearce AM

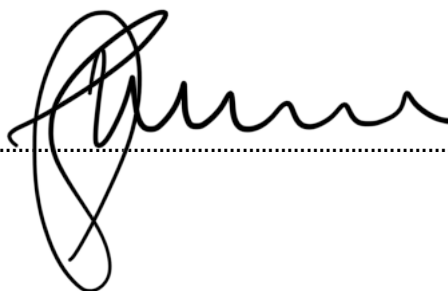
Secretary

NSW Health

Date

6/8/25

Signed



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1 Legislation and governance

1.1 Legislation

The *Health Services Act 1997* (the Act) provides a legislative framework for the public health system, including setting out the purposes and functions in relation to Local Health Districts (ss. 8, 9, 10).

Under the Act, the Health Secretary's functions include: to facilitate the achievement and maintenance of adequate standards of patient care within public hospitals and in relation to other services provided by the public health system, to facilitate the efficient and economic operation of the public health system, to provide governance, oversight and control of the public health system and the statutory health organisations within it, and to enter into performance agreements with public health organisations (s.122).

Under the Act, the Minister may attach conditions to the payment of any subsidy (or part of any subsidy) (s.127). As a condition of subsidy, all funding provided for specific purposes must be used for those purposes unless approved by the Health Secretary.

1.2 Structure of the Service Agreements

The Agreement consists of the following:

- (a) this document;
- (b) any Funding and Performance Supplement executed between the Secretary, NSW Health and the Organisation for each financial year during the term of the Agreement; and
- (c) any documents incorporated by reference.

1.3 Variation of the agreement

The Agreement may be amended at any time by agreement in writing between the Organisation and the Ministry of Health.

The Agreement is also subject to the powers of the Secretary and the Minister under the Act and the *Health Administration Act 1982*, including the power to determine the role, functions and activities of Local Health Districts (s. 32).

Any updates to finance or activity information further to the original contents of the Agreement and / or the Funding and Performance Supplement Agreements for each financial year during the term of the Agreement will be provided through separate documents that may be issued by the Ministry of Health in the course of the year and will be incorporated into the Agreement by reference.

1.4 Conditions of subsidy

The Organisation is required to comply with the various Conditions of Subsidy set out in the *Financial Requirements and Conditions of Subsidy (Government Grants)*.

1.5 National Agreement

The National Cabinet has reaffirmed the commitment of all Australian governments to providing universal healthcare for all Australians. This is enshrined in the 2020-2025 Addendum to the

National Health Reform Agreement (NHRA), which has been extended by one year until 30 June 2026. The NHRA outlines the financial arrangements for Australian public hospital services.

1.6 Governance

The Organisation must ensure that all applicable duties, obligations and accountabilities are understood and complied with, and that services are provided in a manner consistent with all NSW Health policies, procedures, plans, circulars, inter-agency agreements, Ministerial directives and other instruments and statutory obligations.

1.6.1 Clinical governance

NSW public health services are accredited against the National Safety and Quality Health Service Standards. The Organisation will complete a Safety and Quality Account inclusive of an annual attestation statement as outlined in the Standards (Version 2.0) by the 31 October each year. The Organisation must provide a copy of the annual Governing Body attestation statement, required by the Australian Commission on Safety and Quality in Health Care, to the NSW Ministry of Health by the 31 October each year.

The Australian Safety and Quality Framework for Health Care provides a set of guiding principles that can assist health services with their clinical governance obligations.

The NSW Health Clinical Governance in NSW policy (PD2024_010) provides an important framework for improvements to clinical quality.

1.6.2 Corporate governance

The Organisation must ensure services are delivered in a manner consistent with the NSW Health Corporate Governance and Accountability Compendium.

1.6.3 Procurement governance

The Organisation must ensure procurement of goods and services complies with NSW Health Procurement (Goods and Services) policy (PD2024_044). The Public Works and Procurement Act 1912 grants the Procurement Board authority to issue directions and policies to government agencies regarding the procurement of goods and services of any kind. The Organisation must ensure procurement of goods and services complies with the NSW Government Procurement Policy Framework and any NSW Procurement Board Directions as issued. The Organisation must also comply with procurement-connected policies, including but not limited to the Aboriginal Procurement Policy and the Small and Medium Enterprise and Regional Procurement Policy.

1.6.4 Performance Framework

Service Agreements are a central component of the NSW Health Performance Framework which documents how the Ministry of Health monitors and assesses the performance of public sector health services to achieve expected service levels, financial performance, governance and other requirements.

1.6.5 Affiliated Health Organisations

The Organisation is to enter into an annual Service Agreement with the following Affiliated Health Organisations (AHOs) in receipt of subsidies in respect of the recognised establishments or services recognised under Schedule 3 of the *Health Services Act 1997* and listed below:

Organisation	Recognised establishment or recognised service
Benevolent Society of New South Wales	South West Sydney Scarba Services. Early Intervention Program.
Hammondcare Health and Hospitals Limited	Braeside Hospital, Prairiewood.
Karitane	Child and Family health services at Carramar, Fairfield, Liverpool and Randwick.
NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS)	NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS)

Section 130 of the Act provides for Local Health Districts exercising the delegated function (s.129) of determining subsidies for AHOs to enter into performance agreements with AHOs in respect of the AHO's recognised establishments and recognised services and may detail operational performance targets for the AHO in the exercise of specified functions relating to the health services concerned during a specified period, and provide for evaluation and review of results in relation to those targets.

Under s.130 of the Act, the AHO is to report performance results under a performance agreement during a financial year to the Organisation within 3 months of the end of that year.

While the Act requires an annual report, effective performance management will require more frequent reviews of progress against agreed priorities and service performance measures by the parties to the AHO Service Agreement.

To ensure equity across NSW public health organisations in the governance of funding and performance, the Organisation will:

- Include AHO Chief Executive Officers in annual budget planning and negotiations
- Determine subsidies for the AHO, with the key condition of subsidy being the Accounts and Audit Determination for Public Health Organisations
- Include in the annual Service Agreement the operational performance targets, with performance thresholds, for the AHO
- Evaluate and review performance against those targets and thresholds through quarterly meetings with the AHO Chief Executive Officers
- Report those results to the Secretary, NSW Health each year

2 Strategic context

The delivery of NSW Health strategies and priorities is the responsibility of the Ministry of Health, health services and support organisations. These are to be reflected in the strategic, operational and business plans of these entities.

It is recognised that the Organisation will identify and implement local priorities to meet the needs of their respective populations, taking into consideration alignment with NSW Health core strategies: Future Health, Regional Health, Workforce Plan, and Aboriginal Health. In doing so, the Organisation will:

- Work together with clinical staff about key decisions, such as resource allocation and service planning.
- Engage in appropriate consultation with patients, carers and communities in the design and delivery of health services.

2.1 Future Health Strategic Framework

The *Future Health: Strategic Framework* (the Strategic Framework) is the roadmap for how the health system will deliver services to achieve NSW Health's vision.

The Strategic Framework reflects the aspirations of the community, NSW Health's patients, workforce and partners in care for how they envisage our future health system. Future Health guides the delivery of care in NSW from 2022-32, while adapting to and addressing the demands and challenges facing the NSW Health system. There will be specific activities for the Ministry of Health, health services and support organisations to deliver as NSW Health implements the Strategic Framework, and services are required to align their strategic, operational and business plans with these Future Health directions.

2.2 Regional Health Strategic Plan

The *Regional Health Strategic Plan 2022-2032* outlines NSW Health's strategies to ensure people living in regional, rural and remote NSW can access high quality and timely healthcare with excellent patient experiences and optimal health outcomes. The *Regional Health Strategic Plan* aims to improve health outcomes for regional, rural and remote NSW residents over the decade from 2022 to 2032.

Regional NSW encompasses all regional, rural and remote areas of NSW. There are nine regional local health districts in NSW: Central Coast, Far West, Hunter New England, Illawarra Shoalhaven, Mid North Coast, Murrumbidgee, Northern NSW, Southern NSW and Western NSW. Some areas of other local health districts may also be considered regional for the purpose of the plan, such as South Western Sydney and Nepean Blue Mountains. The *Regional Health Strategic Plan* is also supported by the metropolitan local health districts and by the Specialty Health Networks which have patients in many regional locations.

The *Regional Health Strategic Plan Priority Framework* outlines a suite of targets for each Strategic Priority, to be achieved in each time horizon of the Plan.

2.3 NSW Aboriginal Health Plan

The *NSW Aboriginal Health Plan 2024-2034* aims to drive change to achieve the highest possible levels of health and wellbeing for Aboriginal people in NSW, in line with the National Agreement on

Closing the Gap, by:

- Guiding how health systems are planned, delivered, and monitored
- Elevating the focus on Aboriginal expertise to drive shared decision-making and innovative collaborations
- Influencing the redesign of health services to achieve health equity
- Providing direction for the elimination of racism in all aspects of health care

The NSW Aboriginal Health Plan is supported by the *NSW Aboriginal Health Governance, Shared Decision Making and Accountability Framework* which promotes partnership and shared decision making and is operationalised through the NSW Aboriginal Health Transformation Agenda which NSW Health Organisations have responsibility for actioning.

2.4 NSW Health Workforce Plan 2022-2032

The *NSW Health Workforce Plan* describes the NSW Health workforce vision and its system priorities:

1. Build positive work environments that bring out the best in everyone.
2. Strengthen diversity in our workforce and decision making.
3. Empower staff to work to their full potential around the future care needs.
4. Equip our people with the skills and capabilities to be an agile, responsive workforce.
5. Attract and retain skilled people who put patients first.
6. Unlock the ingenuity of our staff to build work practices for the future.

State-level leads have been identified to lead specific activities under the first Horizon, on behalf of the system.

However, to achieve the workforce vision, all agencies, local health districts, specialty networks and pillar organisations are responsible for delivering on these six system-wide workforce priorities for the workforce of their organisation.

2.5 NSW Government priorities

There are several government priorities that NSW Health is responsible for delivering. These government priorities are usually reported to the Premier's Department or The Cabinet Office through NSW Health Executive. Progress on government priorities allocated to NSW Health is monitored by the Ministry of Health including:

- Election commitments including the Premier's focus areas
- Inquiry recommendations
- NSW Performance and Wellbeing Framework

3 Local Strategic Priorities

Healthcare service planning supports a more consistent approach to delivering NSW Health's core strategies, to achieve the vision of *a sustainable health system that delivers outcomes that matter most to patients and the community, is personalised, invests in wellness and is digitally enabled*.

The Organisation is responsible for strategic and service planning that meets the particular needs of their local population and has identified the following priorities that will be targeted over the period of this Agreement:

- Establish Antenatal Screening Hub Pilot
- Enhance Lung Cancer Screening Diagnostic and Coordination Services
- Renal services