EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT REPORTS MAY 2013 – JULY 2013

Organisation: Audit Office

Name: Mr Rob Mathie

Position: Assistant Auditor-General
Performance Audit

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Report No 229 – Management of ClubGRANTS scheme

Independent Liquor and Gaming Authority – Implementation of recommendations   **PAC submission No 1**

	RECOMMENDATION	ACCEPTED OR REJECTED	PROGRESS AND ACTIONS TO BE TAKEN	DUE DATE (required by Audit Office)	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (section of agency responsible for implementation)	Audit Office comments
6	Develop a mechanism for feedback from Local Committees on tax rebate claims by clubs.	Accepted.	**PROGRESS** In consultation with ClubsNSW and the Office of Liquor, Gaming and Racing, the Independent Liquor and Gaming Authority have developed a "ClubGRANTS Guidelines Breach Allegation Form" for Local Committees. This form provides Local Committees with the opportunity to lodge a complaint if they feel that there has been a breach of the ClubGRANTS Guidelines. The form will be made available on the Independent Liquor and Gaming Authority's new website which is due to be launched on **11 August 2014**. It will also be promoted via ClubsNSW. **ACTIONS TO BE TAKEN** Nil.	Dec 2013.	Completed.	Independent Liquor and Gaming Authority.	
7	Strengthen the tax rebate process to include a timely assessment of tax rebate claims and consideration of any tax rebate information provided by Local Committees.	Accepted.	**PROGRESS** The assessment of tax rebates claims can at times be delayed due to the level of investigation required in confirming grant purposes. In the absence of additional human resources, the Independent Liquor and Gaming Authority plans to address recommendation 7 via recommendations six and nine.	Dec 2013.	On track. This has been delayed due to feedback from stakeholder consultations.	Independent Liquor and Gaming Authority.	Committee may wish to inquire what the new completion date is and whether the stakeholder consultation has brought up any problems.

							Audit Office comments
			The implementation of recommendation six will help to identify any funds which have been misappropriated by clubs prior to the rebate assessment process. This will alleviate resources by reducing the number of clubs requiring a tax re-assessment. The implementation of recommendation nine (see below) will allow the Independent Liquor and Gaming Authority to view all aspects of the grant process, including the justifications behind grant allocation. This will reduce the likelihood of staff requiring direct engagement with clubs to confirm grant purposes, thus creating a more efficient process. On **26 June 2014** the Office of Liquor, Gaming and Racing were advised that the Independent Liquor and Gaming Authority, in consultation with ClubsNSW, were developing a proposal to address recommendations 6, 7 and 9. **ACTIONS TO BE TAKEN** Nil.				
9	Consider an annual independent audit of ClubGRANTS expenditure by clubs and a statement be provided to OLGR	Accepted.	**PROGRESS** In a meeting held **21 November 2013** with the Office of Liquor, Gaming and Racing, concerns were raised over the potential resource over-burden associated with implementing recommendation 9; a view also expressed by the Minister. On **5 December 2013**, Clubs NSW also raised concerns about the implementation of the proposals and on **10 December 2013**, Clubs NSW wrote to the Independent Liquor and Gaming Authority recommending alternative solutions to addressing recommendation 9. It was proposed that the existing ClubGRANTS online system be adapted to enable direct lodgement of tax rebate assessments to the Independent Liquor and Gaming Authority.		On track. This has been delayed due to feedback from stakeholder consultations.	Independent Liquor and Gaming Authority.	

The Independent Liquor and Gaming Authority would be provided with access to the system to view all grant applications and decisions behind grant allocation.

It was also proposed that clubs who did not wish to subscribe to the ClubGRANTS online system would be required to submit an independently audited statement verifying that ClubGRANTS expenditure complied with the ClubGRANTS Guidelines.

On **4 March 2014**, the Auditor General's Office advised the Independent Liquor and Gaming Authority that it had no objections to the new proposals.

The amendments that are required to the ClubGRANTS online system to implement this proposal have been identified and costed by the provider of the system, 'Smartygrants'.

To cover the cost of these amendments, Clubs NSW have proposed that an amendment to the ClubGRANTS Guideline be made. This will allow clubs to recoup the cost of their membership to the ClubGRANTS online system.

On **26 June 2014**, the Independent Liquor and Gaming Authority wrote to the Office of Liquor, Gaming and Racing proposing the amendment to the ClubGRANTS Guidelines and are currently awaiting a response.

ACTIONS TO BE TAKEN
(Subject to amendment to ClubGRANTS Guidelines)

a) Upgrade ClubGRANTS Online System

The upgrade requirements have been identified by the system provider. Implementation can commence once approval has been granted for an amendment to the ClubGRANTS Guidelines.

Report No 229 – Management of ClubGRANTS scheme

NSW Trade and Investment – Implementation of recommendations   **PAC submission No 8**

	Implementation of Recommendations					Audit Office comments
	Recommendation	Accepted or Rejected	Actions taken/actions to be taken and comment	Due Date (date required by Audit Office)	Status (completed, on-track, delayed) and Comment	Responsibility (section of agency responsible for implementation)	
1.	Include all relevant requirements of the *Gaming Machine Tax Act 2001* in the ClubGRANTS guidelines (page 26).	Accepted	a) Amend ClubGRANTS guidelines to include all relevant requirements of the *Gaming Machine Tax Act 2001* in the ClubGRANTS Guidelines. Under the Gaming Machine Tax Act, the Minister for Hospitality, Gaming and Racing publishes the ClubGRANTS guidelines. The Auditor-General's recommendation is likely to involve amendments to the ClubGRANTS guidelines and therefore Ministerial approval will be required. Minor amendments to the ClubGRANTS guidelines are currently being progressed, however a more fulsome review of the ClubGRANTS guidelines is proposed during the second half of 2014, subject to approval of the Minister. Amendments to the guidelines required to implement this recommendation can be considered during this review.	December 2013	Delayed until December 2014 and subject to Ministerial approval	Office of Liquor, Gaming and Racing	Committee may wish to inquire how this is going and whether there are any problems.
2.	Proactively communicate to all local committees an estimate of funding available under category one (page 32)	Accepted	a) Publish Category 1 estimates on the Office of Liquor, Gaming and Racing website on a yearly basis. The Category 1 estimates for 2012/13 and 2013/14 were published on the Office of Liquor, Gaming and Racing's website on **18 April 2013** and **3 June 2014** respectively. b) Provide advice to ClubsNSW and the New South Wales Council of Social Service regarding the estimates. The Office of Liquor, Gaming and Racing provided advice to ClubsNSW on **8 August 2013** and the New South Wales Council of Social Service on **7 August 2013** regarding the estimates. The advice outlined that the estimates are publicised on the Office of Liquor, Gaming and Racing's website each year. c) Publish an article in *Liquor + Gaming* about the estimates. An article on the estimates was featured in the **August 2013** edition of *Liquor + Gaming*. d) ClubsNSW advised local committee convenors of the availability of the estimates in their **2 June 2013** ClubGRANTS newsletter.	September 2013	Completed	Office of Liquor, Gaming and Racing	

		Implementation of Recommendations					Audit Office comments
	Recommendation	Accepted or Rejected	Actions taken/actions to be taken and comment	Due Date (date required by Audit Office)	Status (completed, on-track, delayed) and Comment	Responsibility (section of agency responsible for implementation)	
3.	Develop grants administration guidelines for category two (page 34).	Accepted	a) Encourage ClubsNSW to develop a best practice model that can be used by clubs. In accordance with the NSW Trade & Investment response in relation to this recommendation, the Office of Liquor, Gaming and Racing has been encouraging ClubsNSW to develop a best practice model that can be used by clubs. On **2 April 2014**, ClubsNSW advised the Office of Liquor, Gaming and Racing that it would develop a template form for Category 2 funds for inclusion in the *ClubsNSW Best Practice Guidelines for Community Support* and provide the Office of Liquor, Gaming and Racing with a copy of the template before it is published.	December 2013	**Delayed** **This recommendation is being implemented through work undertaken by ClubsNSW**	Office of Liquor, Gaming and Racing and ClubsNSW	Committee may wish to inquire why this was delayed and how it is going.
4.	Establish the ClubGRANTS Fund committee under category three (page 40)	Accepted	b) Classification of ClubGRANTS Fund Committee by Public Service Commission. On **18 December 2013**, the Public Service Commissioner advised that the Committee would be classified as Group C, Level 3 in accordance with the *Classification and Remuneration Framework for NSW Government Boards and Committees.* c) Appointment of Committee members. Following Cabinet approval, the Minister signed the Instrument of Appointment for the Chair and Committee members on **18 February 2014**. d) Orientation and first meeting of the Committee. The first meeting of the ClubGRANTS Fund Committee was held on **26 February 2014**.	December 2013	**Completed in February 2014**	Office of Liquor, Gaming and Racing	
5.	Develop grant management processes for the provision of grants under category three and publicise the application process (page 40)	Accepted	a) Develop ClubGRANTS Category 3 Application Guidelines, Expression of Interest and Application Form. The Guidelines, EOI and Application Form were developed and endorsed by the ClubGRANTS Fund Committee on **26 February 2014**. b) Establish process for assessing EOIs and Applications. The grants assessment process was developed and endorsed by the ClubGRANTS Fund Committee on **26 February 2014**. c) Appointment of Grants Assessment Committee. The Grants Assessment Committee for 2013/14 funding round was appointed by the ClubGRANTS Fund Committee on **16 April 2014**.	December 2013	**Completed in March 2014**	Office of Liquor, Gaming and Racing	

		Implementation of Recommendations				
	Recommendation	Accepted or Rejected	Actions taken/actions to be taken and comment	Due Date (date required by Audit Office)	Status (completed, on-track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
			d) Publicise opening of ClubGRANTS Fund Category 3 for 2013/14. On **7 March 2014** the then Minister issued a press release announcing that the 2013/14 ClubGRANTS Fund funding round would be open from 7 March to 10 April 2014.			
			e) Make recommendations to the Minister regarding shortlisted applications under the 2013/14 funding round. At its meeting on **28 May 2014** the ClubGRANTS Fund Committee recommended a shortlist of projects to the Minister for consideration for the 2013/14 funding round.			
6.	Develop a mechanism for feedback from local committees on tax rebate claims by clubs (page 32)	Accepted	Section 17(3) of the Gaming Machine Tax Act enables local committees to provide information to the Independent Liquor and Gaming Authority in accordance with the ClubGRANTS Guidelines that a registered club claiming a gaming machine tax rebate for Category 1 or Category 2 expenditure has not complied with the ClubGRANTS Guidelines. However, the requirements for providing information to the Independent Liquor and Gaming Authority are not currently included in the guidelines. The Independent Liquor and Gaming Authority has advised that it is developing a "ClubGRANTS Guidelines Breach Allegation Form for Local Committee Members" to enable local committees to provide information to the Independent Liquor and Gaming Authority that a registered club claiming a gaming machine tax rebate for Category 1 or Category 2 expenditure has not complied with the ClubGRANTS Guidelines. This will ensure that a formal mechanism exists for local committees to provide such feedback.	December 2013	**The Independent Liquor and Gaming Authority has advised it is taking action in relation to this recommendation**	Office of Liquor, Gaming and Racing and the Independent Liquor and Gaming Authority
7.	Strengthen the tax rebate process to include a timely assessment of tax rebate claims and consideration of any tax rebate information provided by local committees (pages 32 and 36).	Independent Liquor and Gaming Authority responsibility	Implementation of this recommendation is primarily a matter for the Independent Liquor and Gaming Authority. On **26 June 2014** the Independent Liquor and Gaming Authority advised that it is developing a proposal in consultation with ClubsNSW to address recommendations 7 and 9.	December 2013	**This recommendation is the responsibility of the Independent Liquor and Gaming Authority**	Independent Liquor and Gaming Authority
8.	Include in the annual audit program of registered clubs, a review of ClubGRANTS	Accepted	a) Conduct annual ClubGRANTS audits In the 2012-13 gaming machine tax year period (1 September 2012 to 31 August 2013) the Office of Liquor, Gaming and Racing conducted 20 ClubGRANTS audits.	December 2013	Completed	Office of Liquor, Gaming and Racing

Audit Office comments

	Implementation of Recommendations					
	Recommendation	**Accepted or Rejected**	**Actions taken/actions to be taken and comment**	**Due Date** (date required by Audit Office)	**Status** (completed, on-track, delayed) **and Comment**	**Responsibility** (section of agency responsible for implementation)
	expenditure and publicise common issues (pages 32 and 36).		b) Publicise common issues on the Office of Liquor, Gaming and Racing's website. Common issues identified during the audit were outlined in a reminder on ClubGRANTS reporting requirements published on the Office of Liquor, Gaming and Racing's website on **17 October 2013**.			
			c) Publicise common issues in the Office of Liquor, Gaming and Racing's e-news to clubs. An article was included in an e-news that was issued on **1 November 2013**.			
9.	Consider an annual independent audit of ClubGRANTS expenditure by clubs and provide a statement to be provided to OLGR (pages 32 and 36).	Accepted	On **26 June 2014** the Independent Liquor and Gaming Authority advised the Office of Liquor, Gaming and Racing that it was developing a proposal in consultation with ClubsNSW to address recommendations 7 and 9. Note that NSW Trade & Investment previously indicated in its response to the Audit Office report that this recommendation would be considered during a proposed review of the ClubGRANTS guidelines in 2014 (see recommendation 14). The proposed action by the Independent Liquor and Gaming Authority supersedes the NSW Trade & Investment response.	December 2013	**The Independent Liquor and Gaming Authority has advised it is implementing this recommendation**	Office of Liquor, Gaming and Racing and Independent Liquor and Gaming Authority
10.	Establish and publicise a complaints mechanism for breaches of the ClubGRANTS guidelines (pages 32, 36 and 40).	Accepted	a) Publicise on the Office of Liquor, Gaming and Racing's website that a complaints mechanism is available. A complaints mechanism for breaches of the ClubGRANTS guidelines has been published on the Office of Liquor, Gaming and Racing's website (**13 September 2013**)	December 2013	Completed	Office of Liquor, Gaming and Racing
11.	Continue providing monthly reports on delegated functions relating to the ClubGRANTS scheme to the Independent Liquor and Gaming Authority (pages 32 and 36).	Accepted	No action required. On **11 February 2013**, the Independent Liquor and Gaming Authority revoked its delegations to the Office of Liquor, Gaming and Racing under the Gaming Machine Tax Act. Therefore, this recommendation is now redundant and no further action is required.	Ongoing	No longer applicable	Office of Liquor, Gaming and Racing
12.	Work with clubs and benefiting organisations to ensure they publicly report on funding provided under category one and two in accordance with	Accepted	a) Publicise the requirement in the Office of Liquor, Gaming and Racing's newsletter and e-news service. This requirement was featured in the **April 2013** edition of the Office of Liquor, Gaming and Racing's *liquor + gaming* newsletter and the **June 2013** *liquor + gaming* e-news service.	September 2013	Completed	Office of Liquor, Gaming and Racing and ClubsNSW

		Implementation of Recommendations					**Audit Office comments**
	Recommendation	Accepted or Rejected	Actions taken/actions to be taken and comment	Due Date (date required by Audit Office)	Status (completed, on-track, delayed) and Comment	Responsibility (section of agency responsible for implementation)	
	the ClubGRANTS guidelines (pages 32 and 36).		b) Advise ClubsNSW of this requirement. The Office of Liquor, Gaming and Racing advised ClubsNSW of this requirement on **8 August 2013**.				
			c) ClubsNSW advised members of this requirement by circular (**13 February 2012** and **22 November 2012**) and has developed a *Best Practice Guideline for Community Support* which outlines the requirement (**May 2012**).				
13.	Publicly report on category three funding provided including recipients and the purpose of grants (page 40).	Accepted	a) Provide a list of funded projects including recipients and the purpose of grants for projects funded between 1 September 2011 and 30 August 2013. A list of projects funded from the ClubGRANTS Fund from 1 September 2011 to 30 August 2013 was published on the www.olgr.nsw.gov.au website on 5 **September 2013.**	December 2013	Completed	Office of Liquor, Gaming and Racing.	
			b) Publicly announce funded projects for 2013/14 and 2014/15 and produce an annual report detailing expenditure during the gaming machine tax year. The projects for 2013/14 were publicly announced on 23 July 2014. An annual report will be prepared by November 2014.				
14.	Review the ClubGRANTS scheme to assess whether the scheme is effective and achieving its objectives against the guidelines (pages 32 and 36).	Accepted	Develop a proposal for a review of the ClubGRANTS Guidelines and seek Ministerial approval. If approved, conduct the review in second half 2014.	December 2014	On track	Office of Liquor, Gaming and Racing	Committee may wish to inquire who is doing the review and how it is going.

Report No 231 – Building energy use in NSW public hospitals

NSW Office of Environment and Heritage – Implementation of Recommendations

PAC submission No 3

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	To encourage greater investment in energy efficiency and benchmarking of performance, the Office of Environment and Heritage (OEH) should – by December 2013:					
1	review, jointly with NSW Treasury, the administrative arrangements for the Treasury Loan Fund to secure its continuation (page 32)	ACCEPTED IN PRINCIPLE	OEH Senior Executive to discuss with Treasury to identify an effective administrative framework. Potentially establish a cross-government working group to review and streamline access to funding based on the proposed framework developed by OEH.	December 2014 (revised – Auditor General report recommended December 2013)	CONFIDENTIAL Delayed OEH and NSW Treasury continue to cooperate on the effective administration of a finance facility. Progress has been delayed by changes in Ministerial responsibilities and the need to facilitate new briefings on this complex issue.	OEH, Regional Operations Group, Metro Branch, Statewide Programs (Business and Government) - in conjunction with NSW Treasury.

Audit Office Comments

Action delayed
Can OEH provide an indicative timeframe for completion of this action?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)	Audit Office Comments
2	allocate resources to a seed funding program for projects which could be potentially funded from the Treasury Loan Fund (page 32)	PARTIALLY ACCEPTED	None	December 2013	Completed A team of energy efficiency specialists was established in OEH to assist key agencies and budget allocated for a seed funding program as part of the Energy Efficiency Action Plan (EEAP).	OEH, Regional Operations Group, Metro Branch, Statewide Programs (Business and Government)	**Action completed**
3	review the administrative rules to enhance successful access to loans from the Treasury Loan Fund, including risk-based assessment and approval processes (page 32)	ACCEPTED	Establish new administrative framework for the finance facility. Obtain approval from key stakeholders for proposed rule changes to streamline application process and access.	December 2014 (revised – Auditor General report recommended December 2013)	**CONFIDENTIAL** Delayed OEH and NSW Treasury continue to cooperate on the effective administration of a finance facility. Progress has been delayed by changes in Ministerial responsibilities and the need to facilitate new briefings on this complex issue.	OEH, Regional Operations Group, Metro Branch, Statewide Programs (Business and Government)	**Action delayed** Can OEH provide an indicative timeframe for completion of this action?
4	simplify key Treasury Loan Fund application documents and administrative processes (page 32)	ACCEPTED	Establish new administrative framework for the finance facility. Re-establish agency access to the finance facility.	December 2014 (revised – Auditor General report recommended December 2013)	**CONFIDENTIAL** Delayed Completion of this recommendation is dependent on the outcomes of Recommendations 1 and 3.	OEH, Regional Operations Group, Metro Branch, Statewide Programs (Business and Government)	**Action delayed** Can OEH provide an indicative timeframe for completion of this action?

Audit Office Comments heading applies to rightmost column.

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
5	provide guidance and training on energy management (page 32)	PARTIALLY ACCEPTED	None	December 2013	Completed OEH provide access to energy management training to business and government stakeholders through the Energy Saver Program as well as factoring energy management outcomes into the design of retrofit projects delivered through the Program.	OEH, Regional Operations Group, Metro Branch, Statewide Programs (Business and Government)
6	establish, in consultation with the Department of Finance and Services, a permanent panel of prequalified energy performance contractors, including contractors with expertise in health settings (page 32)	ACCEPTED	Ongoing performance management and expansion of the panel	December 2013	Completed Panel has been established with 15 foundation members, and is operational.	OEH, Regional Operations Group, Metro Branch, Statewide Programs (Business and Government)
7	require agencies to apply for loans from the Treasury Loan Fund for energy savings projects at set regular intervals, and introduce time standards for finalising the assessment of compliant applications (page 32).	PARTIALLY ACCEPTED	Establish new administrative framework for the finance facility.	December 2014 (revised – Auditor General report recommended December 2013)	**CONFIDENTIAL** Delayed Completion of this recommendation is dependent on the outcomes of Recommendations 1 and 4.	OEH, Regional Operations Group, Metro Branch, Statewide Programs (Business and Government)

Audit Office comments

Action completed

Action completed

Action delayed
Can OEH provide an indicative timeframe for completion of this action?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
by June 2014:						
8	finalise the energy efficiency benchmarking tool for NSW hospitals (page 40).	ACCEPTED	None (OEH actions completed)	June 2014	Completed OEH has finalised the benchmark tool, which is awaiting endorsement from the stakeholder reference group (encompassing Local Health Districts). The adoption of the tool and provision of access of performance information to Local Health Districts is the responsibility of NSW Health in line with the recommendations made in the Auditor General's report. OEH will continue to provide support to NSW Health throughout the next stages of the process.	n/a

Audit Office comments

Action completed

Report No 231 Building energy use in NSW public hospitals

NSW Health – Implementation of recommendations

PAC submission No 5

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1.	To set clear direction for managing building energy use and investing in system-wide improvements, the Ministry of Health should:					Ministry of Health – Business and Asset Services
	BY DECEMBER 2013:					
1.1	• develop in consultation with LHDs and relevant specialty health networks, a strategy to guide investment in energy efficiency that includes:			Dec 2013		
1.1.1	– minimum energy efficiency performance standards for technologies, plant and equipment used in public hospitals	Accepted	MOH will work with HealthShare and Health Infrastructure, in consultation with the LHDs and specialty health networks, to develop a strategy to guide investment in energy efficiency that includes minimum energy performance standards for major and minor plant and equipment that is used in public hospitals	Dec 2013	The Ministry established the Energy Efficiency Procurement Workgroup who has developed an accountability framework for the procurement of energy efficient plant and equipment, this will be the centrepiece of the strategy. The strategy will be completed by 30th August 2014. Status: Partially completed	Ministry of Health – Business and Asset Services
1.1.2	-provision of seed funding for energy audits	Partially Accepted	MOH accepts that energy audits are important in the identification of energy efficiency opportunities but insists they must be integrated into an implementation program. Evidence to date shows that energy audits without implementation support do not result in investment in energy efficiency. Through the Energy Performance Management Strategy, MOH is working with NSW Treasury and the Office of Environment and Heritage to develop integrated financing options, including accessing the Treasury Loan Fund, which include facilitated support and seed funding for project	Dec 2013	The Office of Environment and Heritage (OEH) has finalised its Energy Efficient Government Program which includes facilitated support and seed funding for project identification and business case development to assist all government agencies in implementing projects on a cost-recovery basis and limited to the Treasury Loan Fund. Status: Completed	Ministry of Health – Business and Asset Services

Audit Office comments

Action delayed
Has the strategy been finalised and does it include energy efficiency standards?

It is not clear from the response if Health has secured support and seed funding from OEH and Treasury?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
			identification and business case development.			
1.1.3	– bundling energy efficiency improvements at an appropriate level to maximise value)	Accepted	MOH has completed a business case that considered bundling energy efficiency projects as part its Energy Performance Management Strategy. The business case showed that due to the governance structure of NSW Health, the transactional costs associated with bundling across LHDs will need to be weighed against the cost savings through economies of scale	Dec 2013	The bundling of projects is already underway in all current Energy Performance Contracts. Further enhancement of this approach is considered in the implementation plan for the Energy Performance Management Strategy (EPMS). Two pilot LHD's are already engaged in this strategy, the next two additional LHD's are due for commencement prior to the end of August 2014. The remainder of LHD's are programmed to roll on in 2015. _Status:_ Completed	Ministry of Health – Business and Asset Services
1.1.4	– an investment program with financing options ranging from the use of recurrent budgets to large scale capital investment outside the Treasury Loan Fund	Accepted	MOH notes that the NSW Health capital investment program is both constrained and fully committed. MOH is working with NSW Treasury and the Office of Environment and Heritage to develop integrated financing options, including accessing the Treasury Loan Fund.	Dec 2013	The development of investment strategies will be progressed through District implementation of the Energy Performance Management Strategy (EPMS), consistent with NSW Health governance arrangements. Discussions with NSW Treasury on the development of alternative financing options have commenced, and a first draft of an options paper was provided to Treasury. NSW Health is now incorporating comments from Treasury prior to reissuing the paper in the context of the Government Resource Efficiency Policy which is currently being finalised. Completion is due to occur October 2014 _Status:_ Partially completed	Ministry of Health – Business and Asset Services
1.1.5	– phasing in investment in renewable energy where cost-effective	Accepted	MOH has completed a business case that reviewed the impact and applicability of renewable energy as part of the Energy Performance Management Strategy. LHDs are already pursuing alternative and renewable energy sources independent of this audit, for example at Lockhart and Gulgong Hospitals.	Dec 2013	Renewables have been installed at a number of health facilities as a trial or as a cost effective investment. The EPMS business case recommends renewable energy be investigated as part of a broader strategy where cost effective. Murrumbidgee LHD is already progressing two sites which are awaiting Crown Finance through Treasury. Districts will continue to do this as they	Ministry of Health – Business and Asset Services

Audit Office comments

Action delayed
Can Health clarify the following:
- what did the business case show?
- is the purpose of the pilots to determine whether or not bundling will be rolled out across LHDs or is it to determine what can be bundled, or both?

Action delayed
The government Resource Efficiency Policy was released in July 2014. Can Health outline progress to date and confirm completion by October 2014?

Action delayed
Can Health clarify the following:
- what did the business case show in relation to the applicability of investment in renewable energy?
- how does current investment fit into in the broader strategy?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
					develop their own implementation business cases. It is possible that the announcement of the Government Resource Efficiency Policy will contain some renewable targets/investment considerations for smaller facilities. *Status:* Completed – ongoing where considered cost effective.	
1.2	• develop KPIs and targets for reducing energy cost and use, and improving energy efficiency	Partially Accepted	MOH has developed its Environment Information Management System to capture and report on electricity cost and use and is currently working with the Office of Environment & Heritage to develop a benchmarking tool for water and energy use in hospitals which will be utilised to set KPIs and targets for improving energy efficiency and reducing energy use. With respect to the cost of energy, this is out of the control of MOH and as such the recommendation to develop KPIs and targets to reduce energy cost cannot be accepted. MOH will continue its role as NSW Energy Category Chair for the State energy contracts and work with the Department of Finance and Services to achieve the best energy price for all government agencies. MOH notes that due to the current alternative procurement model being used to purchase electricity for government's largest sites, a relatively competitive price for electricity has been secured. MOH will also work to avoid energy costs through the improved management of energy through the Energy Performance Management Strategy.	Dec 2013	The announcement of the Government Resource Efficiency Policy (GREP) is imminent. When the policy is announced by the Government, Health will revise the NSW Health Sustainability Strategy 2013-15 to take into consideration any new targets. *Status:* Commencement pending	Ministry of Health – Business and Asset Services
1.3	• develop and start implementing	Accepted	MOH is currently developing a strategy to	Dec	Options for the strengthening of central capability and	Ministry of Health

Action Delayed.
The government Resource Efficiency Policy was released in July 2014.
Can Health outline:
- progress with developing KPIs and when they're likely to be finalised?
- how is performance currently being monitored?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	a strategy to strengthen the role of the sustainability unit as a Centre of Expertise by ensuring it:		strengthen the role and capacity of its Sustainability Unit as part of the Energy Performance Management Strategy. This includes a Business Plan and resourcing strategy to facilitate and/or deliver appropriate energy management training, develop materials and resources and staff engagement strategies to manage demand and influence behaviour and to implement a systematic process to identify and share better practices across the health system. MOH notes the success of the Sustainable Health Roundtable to date	2013	resources are considered in the funding discussion paper and will need to take account of the Government's fiscal strategy and agency budgets. The future capability to be provided centrally will be finalised by October 2014 **Status:** Partially completed	– Business and Asset Services
1.3.1	– has a business plan and is well resourced	Accepted		Dec 2013	A business plan has been drafted and is under review, but will be dependent on the resources that are available. It is anticipated the review will be completed by October 2014, in parallel with funding decisions **Status:** Partially completed	Ministry of Health – Business and Asset Services
1.3.2	– delivers appropriate energy management training, guidance materials and resources including strategies to manage demand and influence behaviour	Accepted		Dec 2013	Support is provided for a range of energy saving projects. A suite of templates have been developed for energy saving projects. Further enhancement will be dependent on funding availability. All Office of Environment and Heritage (OEH) provided courses are circulated to Energy Managers. **Status:** Partially completed	Ministry of Health – Business and Asset Services
1.3.3.	– uses a systematic process for identifying and sharing better practices across the health system	Accepted		Dec 2013	NSW Health continues to identify and share better practices by : 1. Improving information flow of current projects through NSW Health Sustainable Roundtable. 2. Sharing lessons learnt and 3. Providing information sessions on new products and systems. 4. The NSW Health intranet page has been	Ministry of Health – Business and Asset Services

Audit Office comments

Action delayed
Can Health outline the options being considered and confirm the proposed implementation timetable?

Action delayed
Can Health clarify how the unit currently operates given the absence of a business plan and resources?

Partially complete
Can Health outline the enhancements being considered?

Action completed

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)	Audit Office comments
					updated and will continue to provide a source of information to the energy managers. The monthly report to the NSW Health Senior Executive now includes a high-level list of initiatives running across each LHD. *Status:* Completed		
	BY JUNE 2014:			June 2014			
1.4	• review the NSW Health Engineering Services and Sustainable Development Guidelines TS11 and include a requirement for all new and refurbished facilities to:			June 2014	The NSW Health Engineering Services and Sustainable Development Guidelines TS11 is in the final review stage. The expected completion date is end July-2014. *Status:* Partially completed	Ministry of Health – Business and Asset Services	Can Health confirm completion of this action?
1.4.1	– have their energy and emissions baselines determined	Accepted	Health Infrastructure and MOH note that this is achievable for all new facilities which have sub-metering and contemporary building management and communication systems (BMCS)	June 2014	New buildings already incorporate sub-metering and measurement of base lines. Existing buildings are now considering additional meters when looking at a retrofit program, for example Fairfield Hospital have engaged an external provider to optimise, monitor and manage Fairfield hospital prior to carrying out an Energy Performance Contract (EPC) as it ensures the correct baselines. The installation of sub meters in retrofit projects will be introduced as part of the Energy Efficiency Procurement Working Group recommendations for changes to policy. *Status:* Partially completed	Ministry of Health – Business and Asset Services	Can Health advise whether the recommendation for changes to the policy have been accepted?
1.4.2	– use the benchmarks once finalised for monitoring performance	Accepted		June 2014	NSW Health has developed a benchmarking tool. The data set relating to the use of the tool is being reviewed by Local Health Districts. The updated tool with any revisions is anticipated to be complete by 30th August 2014. This tool will be rolled out across the districts by September 2014.	Ministry of Health – Business and Asset Services	Can Health confirm that the tool has been updated and the roll out completed?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
					Status: Partially completed	
1.4.3	– be independently certified to a minimum four star Green Star rating	Not accepted	All major projects are designed to meet four star Green Star ratings, which is deemed 'best practice'. As acknowledged in the report, clinical needs have to be prioritised above investment in environmental performance. Funding for independent certification of Green Star ratings is not currently available and is unlikely to be available by June 2014	June 2014	No further action	Ministry of Health – Business and Asset Services
1.4.4	– have a budget for energy efficiency in initial project costing	Accepted	Major project budgets have an allowance for Environmentally Sustainable Development for initiatives that go beyond four star Green Star design, which can include energy efficiency.	June 2014	NSW Health Infrastructure currently incorporates Environmentally Sustainable Development (ESD) at 2.5% as part of project budget. The issue is ensuring this is not eroded as budgetary pressures build during the facility planning process. The funding discussion paper will consider any requirements for additional funding. *Status:* Partially completed	Ministry of Health – Business and Asset Services
1.4.5	– implement evaluations of thermal performance at 18 months post-occupancy	Not accepted	On the basis that there is an existing mechanism to evaluate thermal performance. All major projects have a 12 month defect liability period. Part of this period is to ensure that the building performs to design specification, including thermal performance.	June 2014	No further action	Ministry of Health – Business and Asset Services
1.5	• work with LHDs to provide energy managers with a budget for minor energy saving initiatives, as well as support and training	Partially Accepted	Providing energy managers with a budget for minor energy saving initiatives is at the discretion of the Local Health Districts through their internal budgeting arrangements. MOH acknowledges that the budget is constrained and inflexible and is working with NSW Treasury to develop flexible financing options, including recurrent to capital swap to address whole-of-lifecycle costs.	June 2014	*Status:* Partially completed	Ministry of Health – Business and Asset Services

Audit Office comments

Can Health explain how it ensures projects meet the four star rating in the absence of certification?

It is not clear what:
• safeguards are in place to prevent the erosion of funding?
• requirements for additional funding have been considered in the discussion paper?

Can Health confirm that the thermal performance of all refurbished buildings is also checked?

Action delayed
Can Health outline whether any financing options have been developed and advise next steps?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1.6	• link any budget supplementations provided to LHDs and relevant specialty health networks for increases in energy costs to their performance in managing building energy use	Not accepted	NSW Health will continue to partly supplement LHD's for price increases in electricity beyond their control. Budgets are managed in aggregate on performance and will be retained in this manner in preference to an itemised arrangement.	June 2014	No further action	Ministry of Health – Finance Branch
1.7	• have all small sites, including franchise accounts, on State Contracts or similar contracts to secure competitive energy prices and electronic access to data from providers	Accepted	In mid-2012 MOH initiated a program to transition all NSW Health accounts, large and small sites, on to State Contracts or large-scale Health contracts where possible. MOH notes that access to electronic data from providers is generally available for electricity, but not as readily available for other energy sources.	June 2014	All electricity accounts are now on State Contracts for large and small market electricity. Online data portals are available for all LHDs to access electricity data from providers. All NSW Health Energy Managers have confirmed their sites are taking advantage of the State small market gas contract and LPG contract. Where there are gaps, requests to transfer have been raised with the retailer. As part of the procurement strategy for the NSW Health Open Market Gas Contract, all eligible sites will be included when it comes up for renewal in August 2014 for implementation in January 2015. *Status:* Completed	Ministry of Health – Business and Asset Services
2	To better measure, monitor and report on performance, the Ministry of Health should:			June 2014		
2.1	• require LHDs and relevant specialty health networks to report annually to the Ministry of Health on progress against their implementation plans	Accepted	The Environmental Sustainability Strategy 2012-15 for NSW Health requires annual reporting on progress against Annual Implementation Plans, which will commence in 2012-13. The NSW Health Annual Report will expand sustainability reporting by LHD from 2012-13.	June 2014	The Ministry of Health requires Local Health Districts (LHDs) to provide their progress against their implementation plans. The 2013/14 NSW Health Annual report will summarise the LHD reports on energy cost and consumption on a rolling three year basis and provide an energy efficiency list of projects currently under the State Government Investment Program. *Status:* Partially completed	Ministry of Health – Business and Asset Services

Audit Office comments

Can Health confirm that all eligible sites have now been included in the Open Market Gas Contract?

Response is not clear.
Can Health confirm that all LHDs have implementation plans, and reporting in the 2013-14 is against those plans?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
2.2	• review performance in managing building energy use at each interim target	Accepted	MOH will review performance in managing building energy use. It is important to note that NSW Health will be required to review its targets in light of the revised NSW Government Sustainability Policy and the NSW Energy Efficiency Action Plan	June 2014	The imminent release of the Government Resource Efficiency Policy (GREP) will allow the Ministry of Health to update its NSW Health Sustainability Strategy 2012-15 to contain the new targets. Noting that the Energy Performance Management strategy is well progressed with 2 Local Health Districts, one Rural and one Metropolitan who are working on implementing district wide energy efficiency projects. A review will be completed within two months of the release of the GREP. _Status:_ Partially completed	Ministry of Health – Business and Asset Services
	By December 2013:			Dec 2013		
2.3	• develop quality assurance procedures for data on building energy use	Accepted	MOH will continue to develop quality assurance procedures and notes the work to date on the purpose-built Environment Information Management System and also the roll-out of the new data management system, IBM TRIRIGA	Dec 2013	The Data Quality framework procedures in final draft form awaiting management approval. These apply to both Environment Information Management System (EIMS) and to the TRIRIGA system. This will be completed by the end August 2014. _Status:_ Partially completed	Ministry of Health – Business and Asset Services
	By June 2014:			June 2014		
2.4	• work with the Office of Environment and Heritage to develop a benchmarking tool for NSW hospitals and adopt it for monitoring performance	Accepted	MOH has worked with the Office of Environment and Heritage since 2008-09 to develop the NABERS for Hospitals tool, which was not adopted for reasons outlined in the report. MOH is currently working with the Office of Environment and Heritage to develop a benchmarking tool that will address the shortcomings of the NABERS for Hospitals tool and intends adopting it to monitor performance.	June 2014	The benchmarking tool is completed. It is anticipated the data set will be confirmed by Local Health Districts by the end of August 2014 and rolled out in September 2014 _Status:_ Completed	Ministry of Health – Business and Asset Services
2.5	• give LHDs, relevant specialty health networks and hospitals	Accepted	MOH has developed the Environment Information Management System which will be	June 2014	The Ministry of Health has completed and the: • Environment Information Management System	Ministry of Health – Business and

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Audit Office comments

Action delayed
Can Health outline progress made given that the GREP was released in July 2014?

Action delayed
Can Health confirm the status of this action?

Status not clear
Can Health confirm that the benchmarking tool has been rolled out across districts?

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	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	access to performance information so they can compare their performance to others and set improvement targets in their implementation plans		made available to the LHDs, relevant specialty health networks and hospitals. This system will enable LHDs and site managers to compare their electricity use to other sites. In addition all Energy Managers are provided with monthly electricity use data for all sites on the large sites electricity contract and have access to 30 minute interval data via a web-based system. MOH will work with the Office of Environment & Heritage to develop a benchmarking tool to enable measurement of performance and target setting.		(EIMS) has been made available. • TRIRIGA system will replace EIMS in August 2014 this system has already been loaded with electricity, gas, water and waste data. The Ministry of Health will update its sustainability intranet pages to create access to league tables for electricity use by September 2014 utilising data produced from the TRIRIGA system. The Benchmarking Tool will also assist in target setting. *Status:* Partially completed	Asset Services
2.6	• start progressively to monitor and report:			June 2014		
2.6.1	– on the performance of existing, new and refurbished facilities against respective KPIs, targets and benchmarks	Accepted	MOH is committed to progressively monitor and report on the performance of existing, new and refurbished facilities.	June 2014	Once targets are set and benchmarks established, monitoring can commence. *Status:* Commencement pending	Ministry of Health – Business and Asset Services
2.6.2	– trends in energy use, cost and efficiency on a rolling three years basis, including in annual reports	Accepted	MOH is committed to continue to progressively monitor and report energy use and cost and will incorporate efficiency on a rolling three year basis. MOH will report on relevant trends in its Annual Report.	June 2014	The Environment Information Management System (EIMS) provides electricity trend, cost and consumption analysis to the LHD's. The NSW Health Energy Performance Management Strategy commits to reporting on a rolling three year basis and to provide the analysis in the Annual Report which will occur from 2013/14 Annual report. *Status:* Partially completed	Ministry of Health – Business and Asset Services
2.7	• review the extent to which sub-meters are being used for monitoring energy use in hospitals to identify gaps and develop funding options	Accepted	MOH acknowledges the importance of sub-metering to managing and monitoring energy use and will review the extent of sub-metering in hospitals. MOH is considering financing options for sub-metering as part of the Energy Performance Management Strategy.	June 2014	The Ministry of Health is looking at state contract 778 to support this. Investigation has commenced into optimisation systems as part of LHD strategies for the implementation of the Energy Performance Management Strategy (EPMS)	Ministry of Health – Business and Asset Services

Audit Office comments

Action delayed
Can Health clarify whether:
- TRIRIGA is currently in use?
- LHDs have now access to league tables?

Action Delayed
Can Health give an indicative timeframe for implementing this action?

Action Delayed
Can Health give an indicative timeframe for implementing this action?

Action Delayed
Can Health give an indicative timeframe for completion of this action?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
			MOH notes that sub-metering is a requirement of all new facilities under Section J of the Building Code of Australia.		Sub-meters for retrofit projects will be addressed by the Energy Efficiency Procurement Strategy. *Status:* Partially completed	
2.8	• include energy management in Chief Executives performance agreements with the Ministry of Health	Accepted	MOH will include energy management in Chief Executive performance agreements.	June 2014	The Ministry can advise that as part of the Chief Executive Service Agreement 2014/15 Schedule F specifies: "Ensure recommendations made by the Auditor-General arising from Financial Audits and Performance Audits are actioned in a timely manner and no repeat issues arise in the next audit". *Status:* Completed	Ministry of Health – Business and Asset Services

Audit Office comments

Action completed

Report No 232 – Managing operating theatre efficiency for elective surgery

NSW Health – Implementation of recommendations   **PAC submission No 4**

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)	Audit Office comments
1	LHDs supported by the Ministry and the Agency for Clinical Innovation should, by 30 June 2014, develop operating theatre better practice management guides which cover:	Accepted	**Development of Guidelines/Toolkits to promote best practice** The Agency for Clinical Innovation (ACI) and Ministry of Health (MoH)are in the planning phase for the development of best practice guidelines for operating theatre management and governance – one of the key recommendations of this Audit Report.		The Ministry of Health and Agency for Clinical Innovation continue to progress the development of guidelines /toolkit to promote best practice. **Progress to date includes:** • Three 3 Working Groups -Cost, Whole of Surgery and Theatre Efficiency continue to meet as follows: • **Cost Group**: The Agency for Clinical Innovation (ACI) has partnered with the Activity Based Taskforce (ABF) and St George Hospital to undertake a pilot site for a bottom up costing exercise of the operating theatres. Wollongong University has completed work on a literature scan on current costing models for operating theatres. • **The Whole of Surgery Group** has completed their work on roles, responsibilities and structure of Operating Theatre committees and has finalised elements that make up an efficient operating system (theatre scheduling, patient flow, related stakeholder processes). • **The efficiency group** are continuing to develop Key Performance Indicators (KPIs) and measures for 3 different levels of management (Ministry of Health, Local Health Districts and Hospitals). • The external consultant group have commenced work on guideline development from the outputs from the 3 working groups. • The Surgery Efficiency Steering Committee continue to meet and will meet August 2014 to finalise the Guideline. The Guideline will then be sent to the NSW Surgical Services Taskforce for endorsement. Launch of the guideline is scheduled for September 2014.	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation	We note that the Ministry's response to actions being taken in response to the audit's recommendation was provided two months ago (in late July). At that time actions were "partially completed and ongoing". It is appropriate for the Ministry to provide an update on progress. For example: Did the Surgery Efficiency Committee launch guidelines to promote best practice for operating theatre management in September 2014? What has been the response to them by hospitals?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
					Status: Partially completed and Ongoing	
1.1	• the role and composition of the operating theatre committee	Accepted	The Agency for Clinical Innovation and Ministry of Health are in the planning phase for the development of best practice guidelines for operating theatre management and governance – one of the key recommendations of this Audit report	30 June 2014	As above in 1. *Status:* Partially completed and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation
1.2	• clearly defined operating theatre related roles and accountabilities of key positions such as the heads of surgery and anaesthetics, surgical department heads, directors of medical and nursing services, theatre managers, theatre nurse unit managers and business managers	Accepted	The ACI and Ministry of Health are in the planning phase for the development of best practice guidelines for operating theatre management and governance – one of the key recommendations of this Audit report	30 June 2014	As above in 1. *Status:* Partially completed and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation
1.3	• performance management arrangements, including regular efficiency reporting against accountabilities and targets for these key positions and clinical staff (staff specialists, visiting medical officers and nursing staff) to deliver efficiency, throughput and other measures of performance	Accepted	The ACI and Ministry of Health are in the planning phase for the development of best practice guidelines for operating theatre management and governance – one of the key recommendations of this Audit report	30 June 2014	Following the Operating Theatre Workshop in September 2013, Expression of Interests were called for clinicians to join working groups which will collaborate to develop a set of operating theatre indicators which can be used to measure efficiency and to develop operating theatre practice guidelines. The Surgery Efficiency Workshop Outcomes: • The formation of working parties specific to the issues of Operating Theatre Efficiency – Leadership & Governance • Efficiency measures & Data Inventory • Costing, including ABF Issues • Model of Care – Perioperative Services	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation

Audit Office comments

See above comment, operating theatre management guidelines to have been released in September 2014.

To what extent do the guidelines to cover the role and composition of the operating theatre committee?

In addition: To what extent do the guidelines include clearly defined roles and accountabilities for key positions/members of the operating theatre committee?

What ongoing progress has been made with the development (and implementation) of a suite of operating theatre indicators?
Audit Office regards this as crucial development in support of efficiency.

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
					The working group membership was established and the first two workshops occurred in February and March of 2014. _Status:_ Partially completed and Ongoing	
1.4	• operating theatre management committee connections to their hospital and LHD executive to support effectiveness and to other committees in order to share knowledge and experiences (page 33).	Accepted	The ACI and Ministry of Health are in the planning phase for the development of best practice guidelines for operating theatre management and governance – one of the key recommendations of this Audit report	30 June 2014	As above in 1.3 _Status:_ Partially completed and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation
2.	LHDs supported by the Ministry, the Agency for Clinical Innovation and the Surgical Services Taskforce should, by 30 June 2014, develop guidance on better practice theatre efficiency measures incorporating:	Accepted	The ACI and Ministry of Health are in the planning phase for the development of best practice guidelines for operating theatre management and governance – one of the key recommendations of this Audit report	30 June 2014	As above in 1.	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting
2.1	• a stocktake of currently available performance data and review of the capabilities of operating theatre and financial information systems	Accepted	NSW Health has made significant advances in its information management capacity and capability in recent years. This includes state-wide implementation of a range of clinical information systems, electronic medical records and operating theatre management systems. These operational, clinical systems offer a wealth of data that can be analysed and reported to clinicians and managers to guide their quality and efficiency improvement efforts. Recent developments of the state-wide Enterprise Data Warehouse, which includes daily feeds from hospitals operating theatre management systems,	30 June 2014	Requirements gathering for Operating Theatre Management Reports at the State, LHD and Facility level commenced on 26 September 2013. Completed in May 2014 Operating Theatre Dashboards and Operating Theatre Activity Summaries have been built by MoH and are undergoing testing. Once testing is completed they will be reviewed by ACI.(see attached - powerpoint presentation on Operating Theatre Dashboards) The Operating Theatre Dashboards and Operating Theatre Activity Summaries have been built and are currently undergoing testing. Key action undertaken included: • The build of the reports commenced in October 2013.	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting

Audit Office comments

Similarly: What ongoing progress has been made with connecting accountabilities between operating theatres committees and hospital and LHD executives? Also, regarded as a crucial link by the Audit Office.

Complementary to the recommendations above on operating theatre committee governance are these recommendations focusing on efficiency measures.

NSW Health state they are using enhanced systems and capabilities to develop an expanded set of dashboard indicators to monitor operating theatres performance at a high level.
Has the testing been finalised?

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)	Audit Office comments
			will enable a range of performance reports to be developed and delivered to local decision-makers. This will include an extended set of indicators as recommended in this audit report.		Data fields available in the NSW Health state-wide Enterprise Data Warehouse 'EDWARD' were reviewed against Appendix 6 of the Audit office report to determine which of the recommended measures are potentially reportable in EDWARD (Enterprise Data Warehouse for Analysis, Reporting & Decision Support) • Surginet is designed to capture information at the Local Health Districts. The Agency for Clinical Innovation together with the Ministry of Health reviewed the Key Performance Measures and Targets for Operating Theatre sourced from Surginet in accordance with the recommendations proposed by the Audit Office. • As at 31 March 2014 Operating Theatre Key Performance Indicators and Operating Theatre Efficiency Dashboards for all LHD's and facilities have been built by the Ministry using EDWARD and are currently being evaluated by the Agency for Clinical Innovation. The build of detailed Operating Theatre Efficiency Reports commenced in April of 2014 and is currently being tested. Status: Completed and ongoing		In addition, "the build of detailed operating theatre efficiency reports are currently being tested". Has this testing been completed and the reporting been implemented?
2.2	• a suite of efficiency indicators across aspects of costs, time, activity and resources which are readily accessible by managers	Accepted	Refer to above.	30 June 2014	Completed in May 2014 Operating Theatre Dashboards and operating Theatre Activity Summaries have been built by MoH and are undergoing testing. Once testing is completed they will be reviewed by ACI. Key activity to progress these dashboards and summaries has included: • Development of a range of reports by the Surginet team which addressed some of the local reporting requirements. • Within the EDWARD implementation program, requirements gathering for Operating Theatre Management Reports at the State, LHD and Facility level commenced on 26 September 2013.	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting	As above, the Audit Office notes that more specific resource indicators are in testing and are to be reviewed. See also see response to recommendation 5 for an expanded list of efficiency measures.

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
					• As at 31 March 2014 Operating Theatre Key Performance Indicators and Operating Theatre Efficiency Dashboards for all LHDs and facilities have been built (see 2.1 above). _Status_ – Completed and Ongoing	
2.3	• education programs to build awareness of how efficiency indicators can be assessed and used to allow more meaningful efficiency monitoring and reporting	Accepted	**Hospital Visit Program** In early 2013, the Ministry's Surgery Team embarked on a program of planned visits to NSW hospitals that provide surgical services. The aim of this program is to provide practical advice and coaching for LHD staff to deliver best practice in processes that impact on surgical services, including utilisation of operating theatres. **Clinical Redesign Program** The ACI continues to conduct a Surgery Redesign Training Program (a one week dedicated training program) that provides LHD staff with the practical skills to implement changes in their workplace. The attendees come with a specific surgery project that is worked through during the week. Projects cover any aspect of the surgical patient journey including Operating Theatre efficiency.	30 June 2014	Both the Ministry of Health and Agency for Clinical Innovation are working together on education programs as follows: • **Hospital Visit Program** As at June 2014, approximately 33 hospitals visited and reviewed against Surgical Self Assessment Checklist. Verbal and Written feedback provided to LHD Chief Executives and local management. These hospital visits will be ongoing and well received by staff of hospitals. A survey of the MoH visits will be undertaken in September 2014. • **Clinical Redesign Program** Surgery Redesign Program conducted in May 2013 and June 2014. Support provided to project leads by local Redesign Leader and Agency for Clinical Innovation. Fifteen (15) participants attended the June 2014 Surgery Redesign Training Program. The training program has been running since 2011, previous program evaluation was undertaken in December 2013. The evaluation report is available at : http://www.aci.health.nsw.gov.au/_data/assets/pdf_file/0013/2 20711/Surgery_Redesign_Training_Program_-_Evaluation_Report.pdf A web page is to be developed on the Surgery Redesign Training Program by December 2014. • **Communication and Sharing of Best Practice and Innovation** • Surgery News continues to be published bi monthly • Surgery Managers teleconference conducted monthly • NEST workshop conducted in February 2013 (MoH)	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical innovation

Audit Office comments

We acknowledge that NSW Health has had a number of education strategies and practices in place.

An extension of them is likely to support the increased focus on operating theatre efficiency.

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)	Audit Office comments
					• Theatre Efficiency Workshop September 2013. • Redesign Newsletter published bi monthly • ACI Clinician Connect published bi monthly • ACI has presented at the 2014 Australian Confederation of Operating Room Nurses Conference and Ministry presented at the 2014 NSW Operating Theatre Association Conference _Status_ – Completed and Ongoing		
2.4	• benchmarking of selected efficiency measures across hospitals and LHDs (page 31).	Accepted	**Sharing of lessons and practice innovations between LHDs** NSW Health has a number of different resources to assist in the sharing of best practice. These include a regular surgery managers' teleconference, a bi monthly newsletter Surgery News, resources on the 'Australian Research Centre for Healthcare Innovations' (ARCHI) website and specific workshops that promote efficiency.	30 June 2014	NSW Health has a number of resources and processes for the sharing of lessons and practice innovations between Local Health Districts. These include • Surgical Services Taskforce (SST) Dashboard • Regular performance meetings with System Relationship Directors (MoH) • The MoH and the Agency for Clinical Innovation provide Ad Hoc Investigation into specific system issues that affect surgery efficiency. _Status_ – Completed and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation	NSW Health is capable of promoting benchmarks for efficient performance through use of existing communication channels.
3.	NSW Health should, by 30 June 2014, implement improved controls over data collection to ensure consistency and reliability in the collection and reporting of operating theatre efficiency measures (page 31).	Accepted	**Access to Performance Information** NSW Health has made significant advances in its information management capacity and capability in recent years. This includes state-wide implementation of a range of clinical information systems, electronic medical records and operating theatre management systems. These operational, clinical systems offer a wealth of data that can be analysed and reported to clinicians and managers to guide their quality and efficiency improvement efforts. Recent developments of the state-wide Enterprise Data Warehouse, which includes daily	30 June 2014	As at 31 March 2014 Operating Theatre Key Performance Indicators and Operating Theatre Efficiency Dashboards for all LHDs and Facilities have been built (see response in 2.1). Requirements gathering for Operating Theatre Management Reports at the State, LHD and Facility level commenced on 26 September 2013. The ACI is currently reviewing the extended set of indicators through workshops. Wherever possible, MoH shall include the agreed output of these workshops in the EDWARD Operating Theatre Reporting platform. _Status_ – Partially complete and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting	NSW Health is to improve access to performance information via its enhanced computer systems and review of indicators through workshops. However, these actions to improve the quality of data collection are only "partially complete and ongoing".

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)	Audit Office comments
			feeds from hospitals' operating theatre management system, will enable a range of performance reports to be developed and delivered to local decision-makers. This will include an extended set of indicators as recommended in this Audit Report.				
4	As part of the implementation of activity based funding, the Ministry and the LHDs, should by 30 June 2014, ensure that performance frameworks used include mechanisms to:	Accepted		June 2014			_____ This recommendation relates to the link between operating theatre efficiencies and the potential for more elective surgery procedures under of Activity Based Funding.
4.1	• monitor the relationship between additional funding and additional activity to deliver targets at LHD and hospital levels, for example, increased elective surgery activity levels	Accepted		30 June 2014	To monitor the relationship between additional funding and activity to delivery targets at LHD, regular performance meetings are conducted with System Relationship Directors of the Ministry. This Branch of the Ministry develops and maintains the NSW Health Purchasing Framework, NSW Health Performance Framework, Local Health District Service Agreements and Service Compacts with the Pillars and other health agencies. It supports and monitors the performance of Health Services by working in close partnership with health service executives, senior managers and clinicians as well as other parts of the Ministry and the Pillars. _Status:_ Completed and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting	The Audit Office accepts that this relationship can be effectively monitored by extending current service delivery agreements and processes. This recommendation also connects with recommendation 7, requiring the NSW Health to improve their understanding of the costs of individual operations and variations in costs to promote efficiency. _____
4.2	• regularly evaluate the impact of theatre efficiency initiatives on the levels of elective surgery and other efficiency measures (page 26).	Accepted		30 June 2014	NSW Health has a number of resources and processes for regularly evaluating the impact of theatre efficiency initiatives. These include • Surgical Services Taskforce (SST) Dashboard • Regular performance meetings with System Relationship Directors (MoH) • The MoH and the ACI continue provide Ad Hoc investigation into specific system issues that affect Surgery efficiency. _Status:_ Completed and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting	
5.	LHDs and their hospitals should, by	Accepted	The definition and measurement of	30 June	The Ministry of Health has developed a State Wide Reporting	Ministry of	

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	30 June 2014, improve their monitoring of the extent that the physical capacity of operating theatres is used and the constraints on greater use. Measures should allow comparison by theatre of actual hours used, booked hours and funded hours, and allow monitoring of the number of surgical procedures planned and undertaken (page 24)		operating theatre efficiency is complex and involves the analysis of many elements in the surgical patient journey. The approach by the Ministry of Health, ACI and LHDs/SHNs is to improve processes not only within operating theatres but across all other related areas that impact on the operating theatre efficiency. These include the surgical booking office, preadmission services and the models of care that a hospital has adopted to admit and discharge patients for their episode of care.	2014	Platform that includes Operating Theatre Efficiency Measures. These measures are currently being reviewed by the ACI together with MoH and include: • Elective Surgery Cancellations on Day of Surgery • Elective Surgery Day of Surgery Admissions • Elective Theatre Sessions Theatre Utilisation • Emergency Immediate Life Threatening (within 15 minutes) • Emergency Life Threatening (within 1 hour) • Emergency Non Critical , non-emergent , urgent (within 24 hours) • Emergency Organ/Limb Threatening (within 4 hours) • Emergency Semi Urgent, Not Stable for Discharge (within 72 hours) • First Case on Time Theatre Performance (Elective) • Number of Theatre Attendances **Status:** Completed and Ongoing	Health: System Purchasing and Performance – Health System Information and Reporting
6.	LHDs supported by the Ministry and the Agency for Clinical Innovation should, by 30 June 2014:	Accepted		30 June 2014		
6.1	• regularly monitor the extent to which theatres are used for non-surgical procedures	Accepted		30 June 2014	The Operating Theatre Dashboards and Operating Theatre Activity Summaries have been built by Ministry. Within the functionality of this system the Ministry and LHDs (including facilities) will be able to actively monitor non-surgical procedures performed in operating theatre units. **Status:** Partially complete and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting
6.2	• establish plans for minimising the use of operating theatres for non-surgical procedures, based on considerations such as patient safety, availability of staff and equipment, the co-location of services and	Accepted		30 June 2014	To establish plans for minimising the use of operating theatres for non-surgical procedures, the following processes have been actioned: • Is a consideration for all new build and redevelopments • Principles for assessment of non surgical load will be included in the Guidelines	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting

We note that the number of operating theatre measures has increased and that their implementation is under review.

This recommendation and response links to 2.2 above.

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We note that NSW Health's response states that revised performance reporting will support more effective monitoring of non-surgical procedures in operating theatres; and that new builds and redevelopments will seek to minimise the use of theatres for non-surgical procedures.

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	benefit cost analysis (page 25).				• A review of all sites re procedure room availability and use of theatres for non-surgical procedures • Determine options for change at each site • Discuss options with the facility planning branch. _Status:_ Completed and Ongoing	
7.	LHDs supported by the Ministry should, by 30 June 2014:	Accepted		30 June 2014		
7.1	• improve the reliability of capturing cost information for surgical procedures, including the cost of operating theatre units as a key component	Accepted	**Improvements in Costing Information** NSW Health is entering the second year of its implementation of the new Activity Based Funding (ABF) model, the aim of which is to transparently link the volume of health services provided to patients with the funding that health providers (LHDs and SHNs) receive for these services. This includes surgical services and, within that, operating theatres as one of the key inputs into the surgical activity. Progressive implementation of ABF has already resulted in improved quality of activity and costing data collected by hospitals and LHDs/SHNs. It is expected that these improvements will continue in future years, enabling a more in-depth understanding of service outputs and outcomes as well as specific cost components of each service stream. The report's recommendations are very much aligned with the general direction of NSW Health's funding reform and ABF as its key tool.	30 June 2014	The Agency for Clinical Innovation has partnered with the Activity Based Funding (ABF) Taskforce and St George Hospital to undertake a pilot site for a bottom up costing exercise of the operating theatres. The Wollongong University has completed work on a literature scan on current costing models for operating theatres. A number of specific patient journeys have been process mapped including elective and emergency journey and cancellations of surgery. Operating Theatre costs have been identified and a cost template has been completed so that Theatre managers can identify costs by equipment and staff. _Status:_ Partially complete and Ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation
7.2	• complete an initial analysis of variations in the costs of	Accepted		30 June 2014	As above in 7.1	Ministry of Health: System

Audit Office comments

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We note that NSW Health experience with the implementation of Activity Based Funding will support more detailed analysis of the costs of operating theatre units; and that the pilot site is mapping processes and costs for use by all hospitals.

We also note that this work is partially completed and stress that an understanding of the costs of theatres and the comparison of the costs of individual procedures is essential for the efficient management of operating theatres.

This recommendation & response links to 4.2 above.

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	procedures, both within and between hospitals and LHDs, to identify and address drivers of inefficiencies				*Status:* Partially complete and Ongoing	Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation
7.3	• Incorporate cost benchmarks and measures into the revised suite of efficiency indicators recommended above (page 29)	Accepted		30 June 2014	As above in 7.1

Status: Partially complete and Ongoing | Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Agency for Clinical Innovation |

NSW Health – Implementation of recommendations   **PAC submission No 6**

Audit Office comments

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1.	Regarding its performance measure for transfer of care, the Ministry of Health, in consultation with the Ambulance Service of NSW and Local Health Districts, should:					Ministry of Health: System Purchasing and Performance – Health System Information and Reporting
1a	by December 2013, clarify the tasks which should occur before transfer of care is complete (page 18)	Accepted	A review of this data definition is currently in progress to ensure the end point of transfer of care is clear to all staff. Additional information regarding this definition will be communicated to the Health System prior to December 2013.	Dec 2013	The NSW Health policy *PD2013_047 'Triage in NSW Emergency Departments'* has been revised and republished. The revised policy contains further detail on the tasks that should occur for 'Ambulance Transfer of Care' to take place. The formal definition in the Health Information Resources Directory (HIRD – NSW Health's official directory of "metadata" and data standards) has been revised to include the expanded definition of Ambulance Transfer of Care. Transfer of Care is defined as the transfer of accountability and responsibility for a patient from an ambulance paramedic to a hospital clinician. The communication to the NSW Health System on the updated definition has been completed. This included formal correspondence to Local Health District/Specialty Health Network (LHD/SHN) Chief Executives, Pillar Agencies and NSW Ambulance. Direct communication was also distributed to Emergency Department (ED) Directors and Nurse Managers, ED clinical staff and ED Data Managers. The Ambulance Transfer of Care Reporting System provides supporting information documents on use of the system – these have also been updated to reflect the expanded definition of Ambulance Transfer of Care (ToC). *Status:* Completed	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting
1b	by July 2014, consider	Noted	There is no national standard or definition	July 2014	Information from other Australian jurisdictions indicates that	Ministry of

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	reducing the benchmark for transfer of care from 30 to 20 minutes in line with most other Australian state and territories (page 30).		for the Transfer of Care indicator. As the Audit report states, transfer of care benchmarks vary greatly across Australian jurisdictions, ranging from 15-40 minutes and the indicator itself varies from measuring a "transfer of care" concept to measuring total turn-around time. NSW Health will review what other jurisdictions are currently doing in relation to performance measurement in this area to compare NSW Health's approach to measurement and reporting to those used in other jurisdictions.		there is no agreed standard for this indicator – Victoria utilises a 40 minute Key Performance Indicator (KPI), Queensland utilises a 30 minute KPI. NSW Ministry of Health's(MoH) approach to revision of the ToC KPI is that sustained performance to the target for a period of time (e.g. 6-12 months) would firstly have to be achieved. This may indicate a review of the KPI is required. If so, modelling of the impact of decreasing the target to 20 minutes would occur, with negotiations with LHD/SHNs to follow. At this stage, no revision of the ToC KPI is required. _Status:_ Completed	Health: System Purchasing and Performance – Health System Information and Reporting
2.	By July 2014, the Ministry of Health and Agency of Clinical Innovation, in consultation with Local Health Districts, should provide guidance and advice on the development of hospital escalation plans to ensure they include:	Accepted	This recommendation is supported and reflects the current operational framework already implemented in NSW. Demand Escalation and the use of escalation plans within hospitals form one of the 7 essential elements of NSW health's current Patient Flow Systems framework for achieving effective patient flow in our hospitals. Continued implementation of the patient Flow Systems framework is one of the key strategies of NSW Health's "Whole of Hospital Program".	July 2014	Communication was sent to all LHD/SHNs requesting review of their existing hospital escalation plans. Request was made for LHDs/SHN to detail if the plans met the elements as described in this recommendation (2a), b) and c), as well as other essential elements of effective and robust hospital escalation plans. 13 LHDs/SHNs provided a response to the request and confirmed that their plans met the requirements of this recommendation. The NSW Agency for Clinical Innovation and MoH are continuing to work with the 4 other LHDs to update their existing plans to ensure compliance with the guidelines. _Status:_ Completed	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting
2a	ambulance delays as a response trigger	Accepted	See above	July 2014	See 2.	
2b	a whole-of-hospital response involving wards and other hospital services	Accepted	See above	July 2014	See 2.	
2c	what actions should occur, who is responsible for them,	Accepted	See above	July 2014	See 2.	

The committee may wish to inquire as to the progress of updating plans for the remaining 4 LHDs (includes 2 a, b and c)

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	and within what timeframe (pg 19).					
3	By July 2014, Local Health Districts should evaluate the effectiveness of strategies to move emergency department patients to hospital wards, i.e. in line with National Emergency Access Targets, in reducing transfer of care time (page 24).	Accepted	The evaluation of these strategies is supported and ongoing evaluation is an integral part of the "Whole of Hospital Program". As part of the program, hospitals and Local Health Districts are required to identify issues related to performance in line with the National Emergency Access Target; develop local solutions to address these issues and then evaluate the effectiveness of the implementation of solutions.	July 2014	The National Emergency Access Target (NEAT) is a Tier 1 KPI within the NSW Health Performance Framework. As part of the Service Agreements between MoH and the LHDs/SHNs, KPIs including NEAT set out the expected performance of Hospitals with accountability for performance residing with each LHD/SHN. The 'Whole of Hospital Program' is designed to support LHDs/SHNs in driving the strategic change needed to improve access to care and patient flow in NSW. It seeks to connect or streamline existing work and processes, striving to improve efficiencies, which will in turn contribute to achieving KPIs such as NEAT and ToC. An integral part of this process is evaluation of strategies implemented. This recommendation is 'complete', however achievement of NEAT will remain an ongoing process for LHDs/SHNs. Ongoing evaluation of strategies is an integral part of health reform associated with NEAT performance and a particular focus of the 'Whole of Hospital Program'. NEAT at a state level has improved from 61.1% for 2012 to 70.8% for 2013. Up until April 2014 the NSW NEAT had further improved to 76.2%. All LHDs have improved NEAT performance for the first quarter of 2014 compared with the same time in 2013. The improvements range from 2.7% (SCHN) through to 21.8% (WNSWLHD). _Status:_ Completed and ongoing	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting
4	By December 2014 NSW Health should make hospitals more responsive to ambulance delays by:			Dec 2014		
4a	determining the maximum time paramedics should wait	Noted	Recommendation 4 a is noted; however, as this is based on a strategy in operation in	Dec 2014	The revised NSW Health policy 'PD 2013_047 - Triage in NSW Emergency Departments' details the focus for NSW (as per the	Ministry of Health: System

The Committee may wish to inquire about performance against NEAT since April 2014 as it was still well below the 90% target.

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	with patients at emergency departments before hospitals must move patients from the ambulance stretcher and into their care		the ACT, a very different system to NSW, detailed investigation will be required to determine a possible application of this exact model in NSW hospitals. The priority for NSW in this regard is the implementation of Low Acuity Pathways for patients, as indicated in Strategic Direction 3 of the Reform Plan for NSW Ambulance. This will provide a greater range of alternate pathway options for ambulance patients.		Reform Plan for NSW Ambulance) on the offload of patients from Ambulance stretchers and release from the care of Paramedics. In particular, this includes patients suitable to be offloaded to the waiting room. _Status:_ Completed	Purchasing and Performance – Health System Information and Reporting
4b	phasing out Ambulance Release Teams and redirecting resources to patient flow strategies in the hospital that help reduce transfer of care time (page 25).	Accepted	This recommendation is already part of the strategic direction outlined in the Reform Plan for NSW Ambulance. NSW Ambulance, with the Agency for Clinical Innovation, is leading the continued implementation of new models of care to improve the release of ambulance crews. Implementation of the Whole of Hospital Program specifically aims to improve the flow of patients through our hospitals – therefore reducing the need for solutions such as Ambulance Release Teams in emergency departments.	Dec 2014	This recommendation is currently in the data analysis phase which seeks information from NSW Ambulance on the volume, incidence and distribution of Ambulance Release Team (ART) usage by hospital and LHD for 2012-2014. Data is also being analysed in relation to ToC performance. Early data analysis demonstrates (as expected) that as access to EDs and hospital improves, ambulances are able to be offloaded more readily on arrival to ED, decreasing the need for ART. Several LHDs with high usage of ART in 2012 have shown decreased use in 2013 and little to no usage of ART in the first 6 months of 2014. NEAT at a state level has improved from 61.1% for 2012 to 70.8% for 2013. Up until April 2014 the NSW NEAT had further improved to 76.2%. All Metropolitan LHDs have improved NEAT performance for the first quarter of 2014 compared with the same time in 2013. The improvements range from 2.7% (SCHN) through to 21.5% (WSLHD and 14.1% (SLHD). ACI is currently leading a piece of work in response to the NSW Ambulance Reform Plan which addresses continued implementation of models of care to support cessation of ART. Further planning for implementation of this recommendation will	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting

The committee may wish to inquire what improvement has been made to ambulances being held up at emergency departments waiting to off load patients (in 2011-12 almost 1 in ten waited more than an hour)

The committee may wish to inquire as to current usage of Ambulance Release Teams (ARTs) over all LHDs and when the new models of care to support the cessation of ART are expected to occur.

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
					occur once the data analysis phase is complete.

Status: In progress | |
| 5 | By July 2014, to reduce ambulance turnaround time, the Ambulance Service of NSW: | | | July 2014 | | |
| 5a | review the main reasons for delays that occur after a patient has been off-loaded at hospital and introduce strategies to address these | Accepted | | July 2014 | An analysis of key reasons for Make Ready Time (MRT) delays strongly demonstrated linkages with the Electronic Medical Record (eMR), Environmental Cleaning for the most critical incidents, and frontline performance issues.

In relation to eMR, NSW Ambulance: (a) has enhanced its procedures for paramedics to access timely eMR technical support, (b) is conducting trials on the feasibility to install suitable printers in emergency departments to significantly improve printing times, and; (c) is undertaking a system upgrade from Windows XP to Windows 7 which will potentially support multiple printing options for the eMR.

In relation to Environmental Cleaning and other factors which may appropriately extend MRT for the most critical incidents attended by paramedics, at this stage the focus of performance improvement action will be toward less critical incidents which comprise approx. 90% of frontline ambulance case workload.

In relation to performance and benchmarking, (a) NSW Ambulance has introduced a daily MRT performance report which frontline managers use to follow-up individual cases where MRT is greater than 30 minutes; (b) following the success of this strategy which resulted in fewer incidents where MRT was greater than 30 minutes, on 1 June 2014 the time benchmark in this report was reduced to 25 minutes, (c) an internal MRT benchmark has been established for within NSW Ambulance (see 5b).

Status: Completed | Ambulance Service of NSW |

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
5b	introduce benchmarks for make-ready time and monitor performance against these (page 25)	Accepted			Further analysis for reasons for MRT delays and historical MRT performance has been undertaken as outlined in section 5a. Following analysis of these data, NSW Ambulance has concluded that an immediate MRT benchmark of 90% within 25 minutes will be adopted as an internal NSW Ambulance measure of reporting in the first instance. The exact wording of the Benchmark will be: 90% of P1-3 incidents that are transported to an Emergency Department will have a Make Ready Time of less than 25 minutes. It is intended that the 25 minute MRT benchmark will be progressively revised downwards with the implementation of other longer term strategies to reduce MRT (as outlined in 5a). _Status:_ Completed	Ambulance Service of NSW
	Improving the patient flow of booked ambulances					
6.	By December 2013, the Ministry of Health should re-enforce compliance with its policy on inter-facility transfers for patients requiring special care, to ensure Local Health Districts admit patients direct to inpatient beds and not through the emergency department (page 32).	Accepted	This recommendation is supported as it reflects current NSW Health policy and will be re-enforced as part of the Whole of Hospital Program.	Dec 2013	The NSW Health Clinical Risk Advisory Group (CRAG) has tasked the Critical Care Networking Advice Line Working Group with investigating the process of inter-hospital transfers. The Working Group will review this in relation to: • Policy • Data, volume and distribution • Governance required • Performance measures • Training and education • Communication • Escalation The group has deemed that the policy itself (**PD2011_031 _Inter-facility Transfer Process for Adults_**) is appropriate for NSW Health system use. The issue of LHD/SHN compliance with PD2011_031 was raised at the NSW Health Senior Executive Forum on 31 January 2014 with agreement that LHD/SHN responsibility for	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting

The committee may wish to inquire what the new completion date is and how implementation of the policy is progressing

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
					implementation of the policy be a priority. A draft letter to be co-signed by MoH and CEC to LHD/SHN Chief Executives requesting renewed focus on implementation of the policy is currently undergoing minor adjustments prior to being delivered. _Status_: In progress – timeline has been extended beyond December 2013 due to the very large piece of work involved.	
7.	By December 2014, NSW Health improve the patient flow of booked emergency ambulances, especially inter-hospital transfers and bookings made by health staff in the community, by:	Supported in principle	This recommendation is supported in principle, however is a significant body of work and will be addressed as part of the review of demand management strategies within the Reform Plan for NSW Ambulance. In particular, the Reform Plan focuses on a range of methods aimed at reducing bookings for emergency ambulances from residential aged care facilities. Four Local Health Districts already had programs in place to address this issue, and based on the success of those programs, a further 10 hospitals were given funding in 2012/13 to establish outreach services to Residential Aged Care Facilities. Going forward, more Local Health Districts are implementing similar programs based on this model. Building on these successes, further work will involve a significant number of stakeholders, including the Agency for Clinical Innovation, Medicare Locals, General Practitioners and Medical Specialists, and will require considerable analysis of a range of patient flow issues and alternate patient pathways especially	Dec 2014	See below for specific detail:	Ministry of Health: System Purchasing and Performance – Health System Information and Reporting and Ambulance Service of NSW

The committee may wish to inquire how this is going and whether there are any problems (includes 7 a, b and c)

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
			between general medical practices and hospitals. By December 2014, NSW Health will have analysed this data which will inform further clear strategies for implementation.			
7a	reviewing the volume, type, and distribution of booked ambulance patients presenting to NSW hospitals	Supported in principle	See above	Dec 2014	NSW Ambulance is currently collecting this data for analysis. On implementation of MPDS protocol 33 the ability to further review the volume and nature of time critical medical requests will be enhanced. Testing of the protocol functionality and integration within CAD is in progress which will inform the project plan and executive briefing. _Status:_ In progress	Ambulance Service of NSW
7b	reviewing the process for booking ambulance patients by hospitals or health staff in the community to identify any problems which may need to be addressed	Supported in principle	See above	Dec 2014	This portion of the recommendation will be progressed once data analysis is complete. _Status:_ In progress	Ambulance Service of NSW
7c	introduce strategies to address any gaps and improve patient flow of booked ambulance patients (page 32)	Supported in principle	See above	Dec 2014	This portion of the recommendation will be addressed once data analysis is complete (see 7a). Strategies to address the flow of booked inter-hospital transfers will also be addressed through the CRAG's Critical Care Networking Advice Line Working Group which is reviewing the need for an implementation guideline to support implementation of **PD2011_031 Inter-facility Transfer Process for Adults Requiring Specialist Care.** _Status:_ In progress	Ambulance Service of NSW
	Reducing unnecessary hospital transports					
	We recommend that the Ambulance Service of New South Wales:					
8	By December 2014, reduce	Accepted	These recommendations are supported	Dec 2014		Ambulance

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	unnecessary ambulance responses by:		and reflect those detailed in Strategic Direction 3 of the Reform Plan for NSW Ambulance. Ambulance has undertaken considerable work to enhance the referral of calls to *healthdirect* and has implemented a "no send" policy to calls that have been referred for secondary triage.			Service of NSW
8a	increasing the proportion of eligible calls referred to the telephone advice line *healthdirect*	Accepted	See response to rec 8	Dec 2014	This recommendation will be partially progressed in accordance with SD3.3 in the Reform Plan, "Health Access Coordination Centre (HAC) and *healthdirect*", however further work will need to be undertaken to increase the portion of eligible calls referred to the telephone advice line *healthdirect*, as per the Audit Office recommendation. The Reform Plan states that NSW Ambulance fully transition to *healthdirect* Australia for the provision of secondary triaging services and this occurred in April 2013. NSW Ambulance has set up regular performance meetings with *healthdirect* and the Ministry of Health to monitor trends in relation to calls transferred to *healthdirect* for secondary triage. These meetings will provide the framework for regular review of data with the aim of increasing the proportion of eligible calls. The Response Grid Quality Committee (RGQC) has reviewed a range of determinants and endorsed as suitable for Secondary Triage. A process to review these determinants, their nature and potential impact by *healthdirect* has been agreed. Following which any enhancement will be formalised through respective CEs and the MoH. A further review of the Medical Priority Despatch System (MPDS) determinants has identified 6 determinants from the sick person and poisoning / overdose protocols subsequently endorsed by the RGQC to be eligible for secondary triage. The volume of which will increase the total volume of referrals by approximately 80%.	Ambulance Service of NSW

The committee may wish to inquire into the success of healthdirect to date, including whether the proportion of calls transferred to healthdirect has increased and those transferred back to NSW Ambulance to respond has decreased (this applies to 8 a, b and c)

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
					Implementation is pending. *Status:* Partially completed	
8b	stop assigning ambulances to calls transferred to healthdirect	Accepted	See response to rec 8	Dec 2014	As at April 2013 NSW Ambulance has discontinued assigning an ambulance to incidents that have been referred to *healthdirect*. An ambulance is now only assigned to a *healthdirect* incident if – after consultation between the patient and healthdirect – it is determined than an ambulance is required for the condition being suffered. In addition to this, systems are being reviewed to ensure that calls referred back to NSW Ambulance from *healthdirect* are given the appropriate response category (for example, a cold Extended Care Paramedic response) so that these calls continue to be subject to appropriate resource utilisation. *Status:* Completed	Ambulance Service of NSW
8c	in conjunction with NSW Health, review the impact of telephone advice referrals on ambulance and emergency department activity (page 36).	Accepted	See response to rec 8	Dec 2014	This is a shared responsibility between NSW Ambulance and the Ministry of Health. NSW Ambulance has set up regular performance meetings with *healthdirect* and the Ministry of Health to monitor trends in relation to calls transferred to *healthdirect* for secondary triage. These meetings provide the framework for regular review of data and will consider the impact of telephone advice referrals on ambulance and emergency department activity. Also related to 8a. The regular performance meetings include a clinical review of the call from end to end including paramedic assessment where relevant; ultimately discussions evolve on trends identified. *Status:* Completed	Ambulance Service of NSW
9	By December 2014, increase the non-transport rate by enabling paramedics to treat	Accepted	These recommendations are supported and form part of the development of new models of care detailed in Strategic	December 2014	Work to increase the non-transport rate by enabling paramedics to treat more patients at the scene will be progressed in accordance with Strategic Direction 3 of the reform Plan for NSW	Ambulance Service of NSW

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
	more patients at the scene by:		Direction 3 of the reform Plan for NSW Ambulance. There will need to be further analysis on the current Low Acquity pathway protocols to identify improvement opportunities while avoiding risks to patients and their clinical safety.		Ambulance as indicated below:	
9a	optimising the use Low Acuity Pathway protocols by removing any barriers that prevent paramedics from using them	Accepted	See above	December 2014	A survey of paramedic perceptions of the Low Acuity Pathway (LAP) program has been completed. This resulted in strengthening of protocol P5 Non Transport Recommended, the following statement has been removed, "Any patient or person responsible who requests ambulance transport must be transported" and will be included in the 2014 Protocol amendments. _Status:_ Completed	Ambulance Service of NSW
9b	improving the tasking arrangements of Extended Care Paramedics to ensure they are not automatically used for high priority emergency work (page 38).	Accepted	See above	December 2014	NSW Ambulance is currently establishing a position in the Sydney Control centre that will be responsible for tasking Extended Care Paramedics (ECPs) to the most appropriate ECP "E Suffix" work. In addition to this, a trial with ECPs is occurring in Western Sydney where an ECP and Nurse Practitioner are tasked to mental health determinant cases. This trial commenced in January 2014. One of the key features of this trial is that the ECP vehicle is not tasked for non-ECP specific emergency workload, except only in circumstances where the ECP is the closest resource to an unconscious patient or patient in cardiac arrest. _Status:_ Partially completed	Ambulance Service of NSW
10	Enable paramedics to determine, based on their clinical assessment, that hospital transport is not required. This may include:	Noted	Recommendations 10 a and b are noted. The focus for NSW Health is the continued implementation of Strategic direction 3 of the reform Plan for NSW Ambulance. The recommendations identified in this audit report should be addressed with caution due to previous instances of adverse		This body of work is being progressed in accordance with Strategic Direction 3 of the Reform Plan for NSW Ambulance as indicated below:	Ambulance Service of NSW

The committee may wish to inquire as to the results (or progress) of the trial

Audit Office comments

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
			events and subsequent Coroner's investigations; however ensuring patients are directed to the most appropriate place for their care is an area of continuing development. Ongoing consultation with stakeholders such as medicare Locals, General Practitioners, Medical Specialists and other community based care organisations is also required to achieve these recommendations.			
10 a	by December 2014, introducing a process where paramedics can refuse to transport a patient to a hospital emergency department where it is clear that transport is not warranted	Noted	See above	December 2014	Clinical Governance has implemented a proof of concept to enable Intensive Care Paramedics (ICPs) to determine, based on their clinical assessment, that hospital transport is not required. See narrative in section below. Final evaluation report and recommendations from the proof of concept are being compiled. Following this, feasibility for full implementation will be assessed with all stakeholders. **Status:** Partially completed	Ambulance Service of NSW
10 b	by July 2015, in consultation with relevant stakeholders, investigating alternate referral options or transport destinations, such as outpatient clinics and medical centres (page 39).	Noted	See above	July 2015	The Regional Division of NSW Ambulance has established linkages with the Southern NSW Medicare Local to enable care plans to be shared between GPs, LHD and Paramedics, to prevent unnecessary transfer of patients with chronic conditions to Emergency Departments. This initiative commenced in January 2014 and is initially targeted at palliative care patients in the community. NSW Ambulance, in collaboration with Central Coast NSW Medicare Local, are undertaking a six month proof of concept which involves Intensive care paramedics (ICPs), where appropriate, referring and/or transporting 'low acuity' patients to their regular General Practitioner (GP). Evaluation of this program will occur in July 2014. **Status:** Partially completed	Ambulance Service of NSW

The committee may wish to inquire as to the progress of this initiative

The committee may wish to inquire as to the results of the evaluation of the evaluation

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
11	By July 2014, regularly monitor and report on the non-transport rate of its demand management initiatives to determine the success of its strategies to reduce unnecessary hospital transports (page 41).	Accepted	This recommendation is supported – NSW Ambulance has already implemented regular monitoring and reporting of non-transport rates in line with the development of new demand management strategies and models of care. This is line with Strategic Direction 3 of the Reform Plan for NSW Ambulance.	July 2014	NSW Ambulance is developing and deriving a method to monitor and report on the non-transport rate. Testing of alternative compilation methods is underway. A recommendation on the appropriate methodology to be provided to NSW Ambulance Executive for consideration. It is expected that the ongoing compilation of non-transports rates will commence in July 2014. Back time series information will be available at this time. **Status:** Partially completed	Ambulance Service of NSW