

Consultation paper

FINANCE AND BUSINESS MANAGEMENT STRUCTURE

Northern NSW Local Health District
18 November 2021



Health

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Purpose

The purpose of this document is to provide employees with the opportunity to comment on the proposed Finance and Business Management structure. The Chief Financial Officer invites staff to provide comments and feedback on the proposed structure prior to the structure being finalised.

Background and introduction

The Northern NSW Local Health District (NNSWLHD) is supported by a centralised Finance team and Business Managers that are deployed across the District. The Business Managers do not directly report to Finance but partner with Finance to execute relevant functions and activities.

There is a high level of inconsistency in financial and business management discipline and practices across the District, resources are deployed differently, and roles and responsibilities are not as clear as they could be.

This prompted the NNSWLHD to conduct a high-level review of its finance and business management functions to identify opportunities to improve operational effectiveness and financial stewardship and drive greater consistency of practice.

A key outcome of the review has been the design of a new operating model and supporting organisational structures. Staff are now invited to provide further comments and feedback on the proposed new operating model, structures and staffing impacts.

This document provides an overview of:

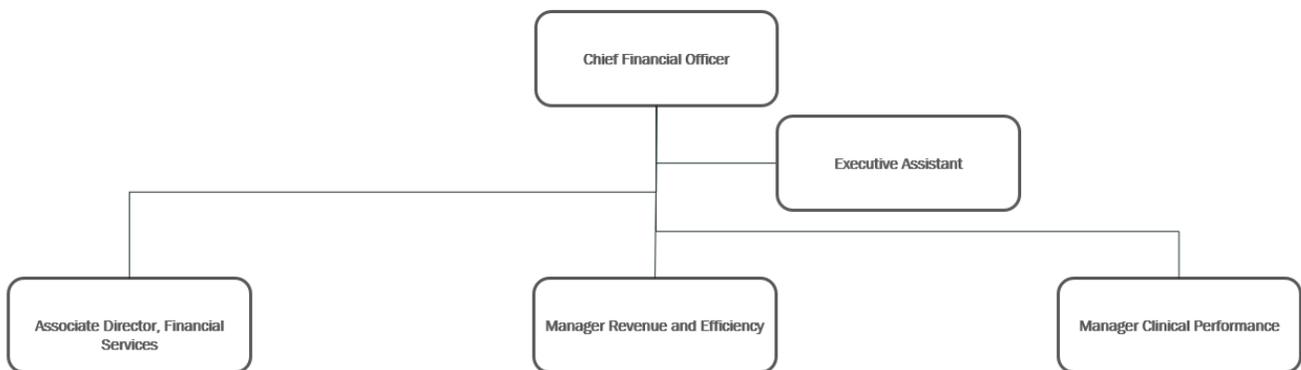
1. The current situation and structures for:
 - a. The District Finance team
 - i. Finance Services (Financial and Management Accounting)
 - ii. Revenue and Efficiency
 - iii. Clinical Performance
 - b. The business management network
 - i. Clarence
 - ii. Tweed/ Byron
 - iii. Richmond
 - iv. Community Health
 - v. Mental Health and Alcohol and Other Drugs Services
 - vi. Corporate
 2. Key issues and gaps identified by the review process
 3. Proposed future model, structure and key benefits
 4. Key changes and impacts
 5. Transition approach to the new model and structure
 6. Indicative consultation process and timeline
 7. How to provide comments and feedback
- Attachment 1 – Staff impacts and affected positions.

1. Current situation and structures

Finance

District Finance, through its three key teams (Figure 1), is responsible for the provision of support services and information to enable the LHD to plan and manage its financial performance, fulfil its statutory obligations, and operate within allocated budgets.

Figure 1 – Current Finance structure



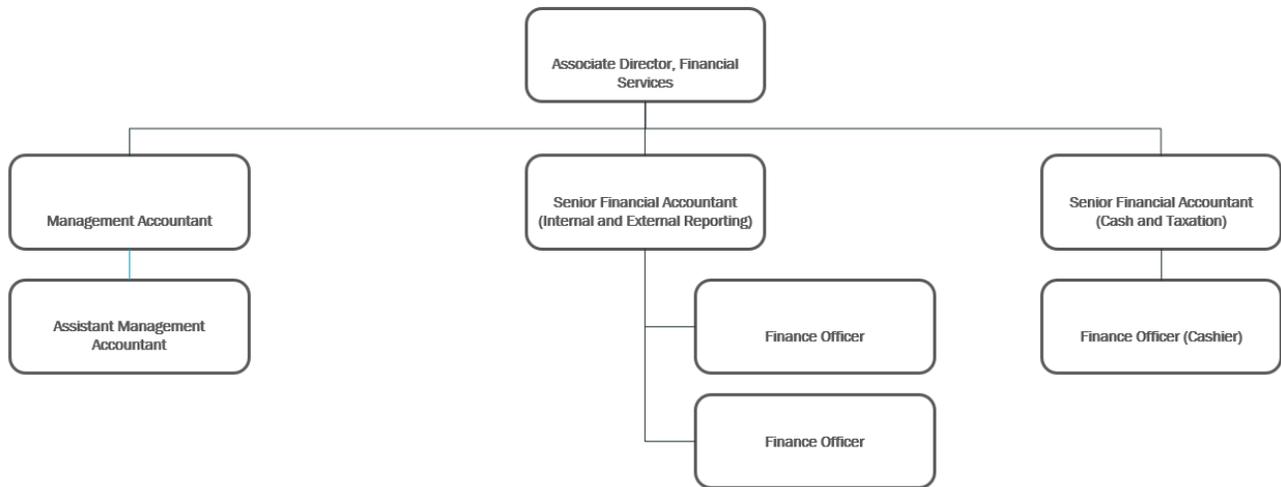
Finance Services

The current Finance Services (Financial and Management Accounting) team provides LHD wide internal and external financial reporting, analysis and advice and is responsible for:

- Conducting strategic financial planning and management reporting to support Executive, Executive and Board committees
- Allocating and managing LHD budget and monitoring and reporting budget performance
- Monitoring and reporting ABF performance
- Providing advice and coordinating input for the Ministry of Health, NSW Treasury and other external stakeholders
- Conducting financial accounting functions (GL maintenance), preparing and lodging BAS and FBT returns, conducting statutory reporting requirements, managing accounting standards, managing external audit process.

The Finance Services team structure is outlined in Figure 2.

Figure 2 – Current Finance Services



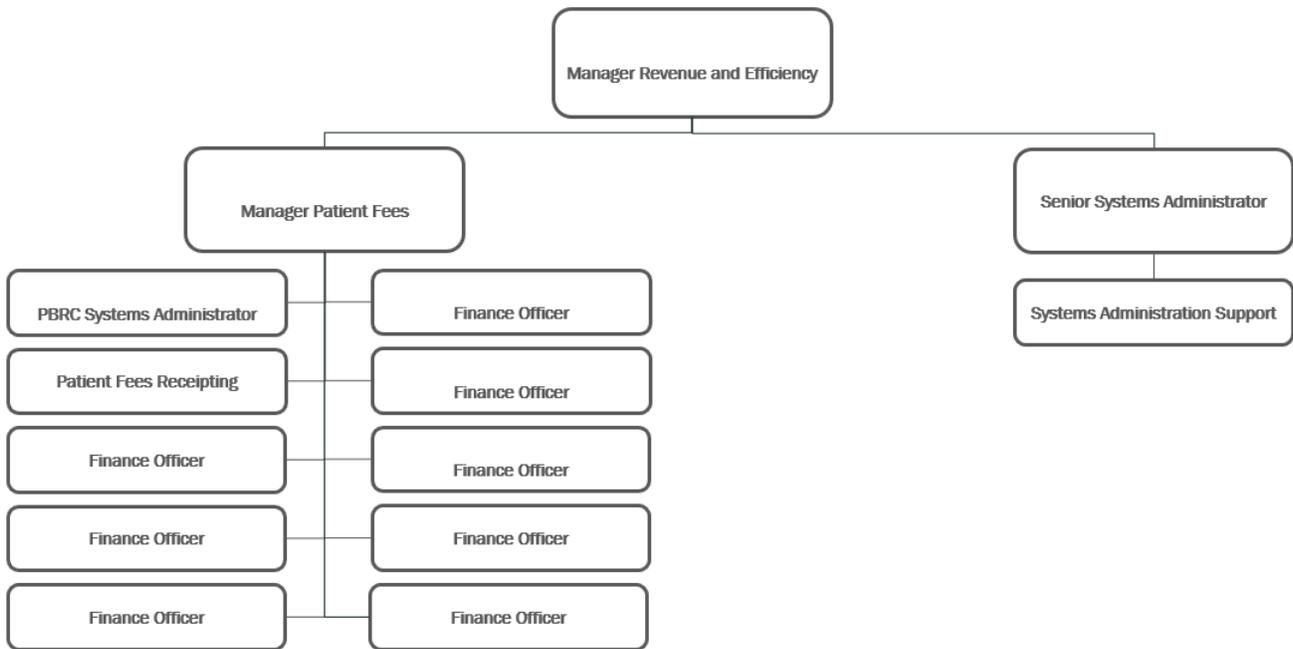
Revenue and Efficiency

The current Revenue and Efficiency team provides policy advice, accounts receivable function for the LHD and coordinates efficiency improvement programs for the LHD. The team is responsible for:

- Coordinating and processing LHD revenues/ patient fees (including hosted services for MNCLHD)
- Providing governance and oversight of purchasing systems and delegations
- Developing purchasing efficiency strategies (non-clinical products)
- Overseeing salary packaging policy and processes
- Reporting on productivity roadmap performance (includes role with the NNSWLHD Change & Innovation Network (internal/external))
- Monitoring and reporting on LHD Expense Strategy
- Providing relevant policy advice.

The Revenue and Efficiency team structure is outlined in Figure 3.

Figure 3 – Current Revenue and Efficiency



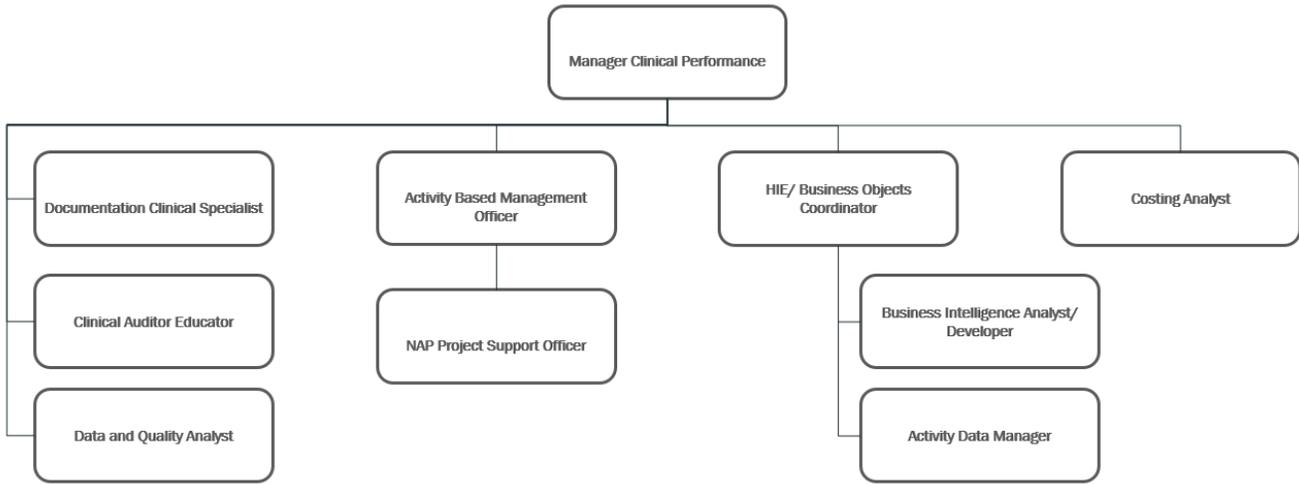
Clinical Performance

The current Clinical Performance team ensures the ongoing development and management of key reporting processes, systems and information to facilitate Activity Based Funding (ABF) and other Efficiency and Revenue Strategies within the LHD. The team is responsible for:

- Preparing and monitoring ABF budgets and analysing operations and performance
- Coordinating data collections, data file preparations, ABF, annual statements and District Network Returns (DNR)
- Developing and maintaining costing system PPM2
- Producing timely and accurate clinical costing reports, activity data and performance reports
- Maintaining clinical documentation and overseeing coding audits to support accurate ABF reporting
- Providing information to inform analysis, service planning, Financial Impact Statements, KPI assessments
- Preparing business cases to support service development and enhancement
- Providing advice and expertise to senior executives and clinicians on costing and casemix issues.

The Clinical Performance team structure is outlined in Figure 4.

Figure 4 – Current Clinical Performance

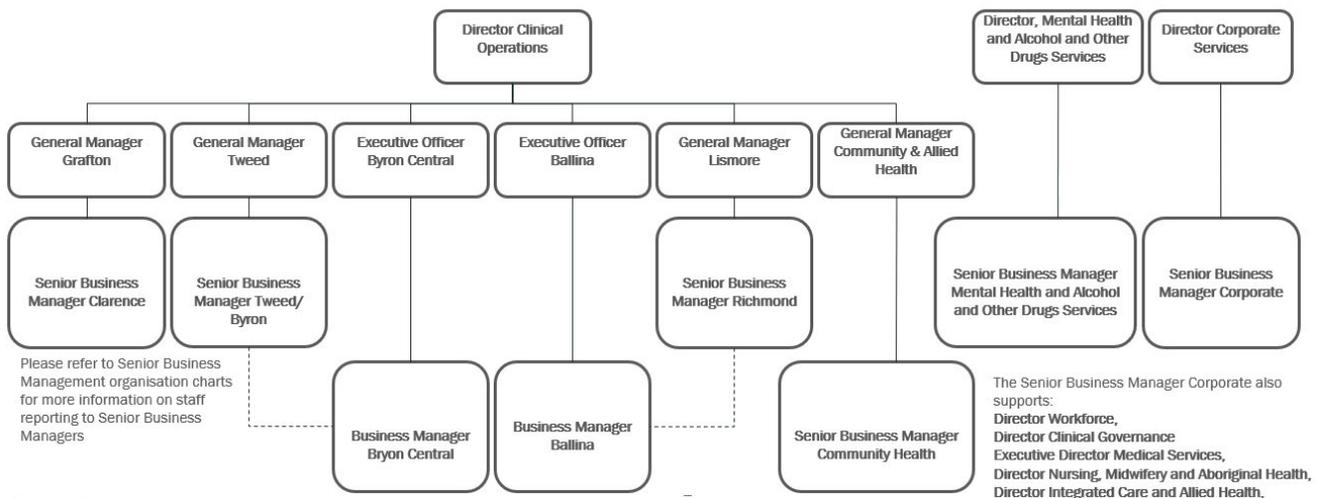


The business management network

The current business management network (Figure 5) supports both the hospital network and a range of district wide disciplines.

Reporting relationships are varied. Typically in the hospital network, Senior Business Managers and Business Managers report to the relevant hospital general manager or executive officer while district wide disciplines (such as Mental Health and Alcohol and Other Drugs Services) report to the relevant member of the Executive (with the exception of a temporary Community Health business manager role which reports to the newly created General Manager Community and Allied Health position in Clinical Operations).

Figure 5 – Current business management network



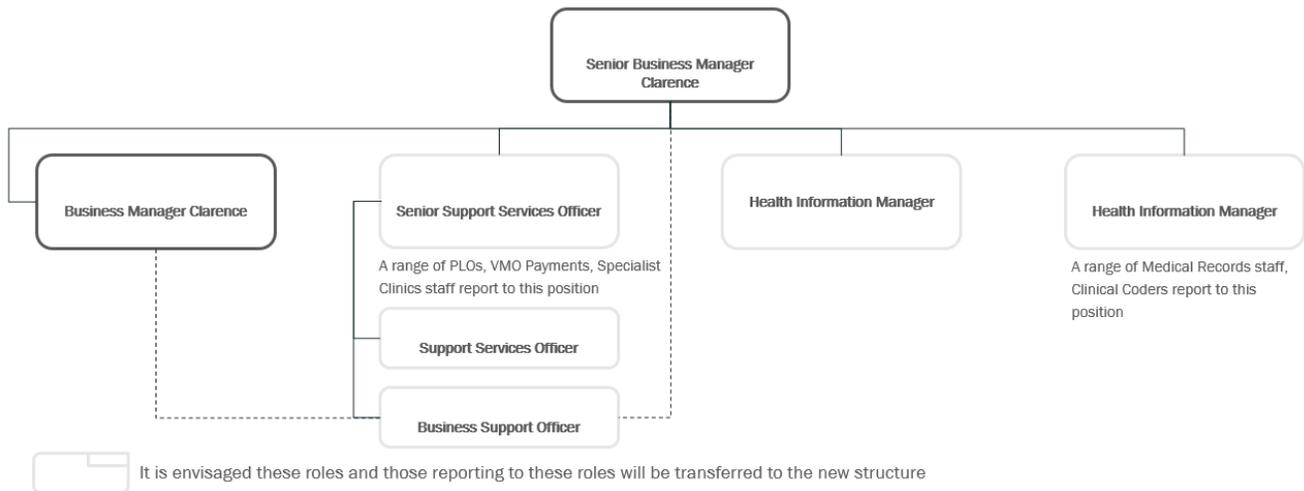
Senior Business Managers in Clinical Operations (hospital network) typically have a small team reporting to them. Some staff perform direct finance and business management functions, however there is also a diverse range of operational staff reporting to some Senior Business Managers and Business Managers across the district. It is important to highlight, the review has only focused on direct finance and business management roles across the district. Those performing operational roles have not formed part of this review and it is envisaged these roles and any roles that report to these roles will be transferred to the new structure in the interim without impact. The exception to this is Mental Health and Alcohol and Other Drugs Services, where supporting operational roles reporting to the Senior Business Manager will remain in Mental Health and Alcohol and Other Drugs Services.

Clarence

The Clarence business management team provides financial information, budgeting, reporting, analysis and advice to all acute and primary care services in the Clarence Valley (Grafton Base Hospital, Maclean District Hospital and Community Health Centres at Grafton, Maclean, Yamba, Iluka).

The Senior Business Manager also oversees and manages some operational, non-clinical support services and staff such as administration, reception/ admissions, cleaning, security, maintenance. The Senior Business Manager is a member of Clarence Executive team.

Figure 6 – Current business management – Clarence



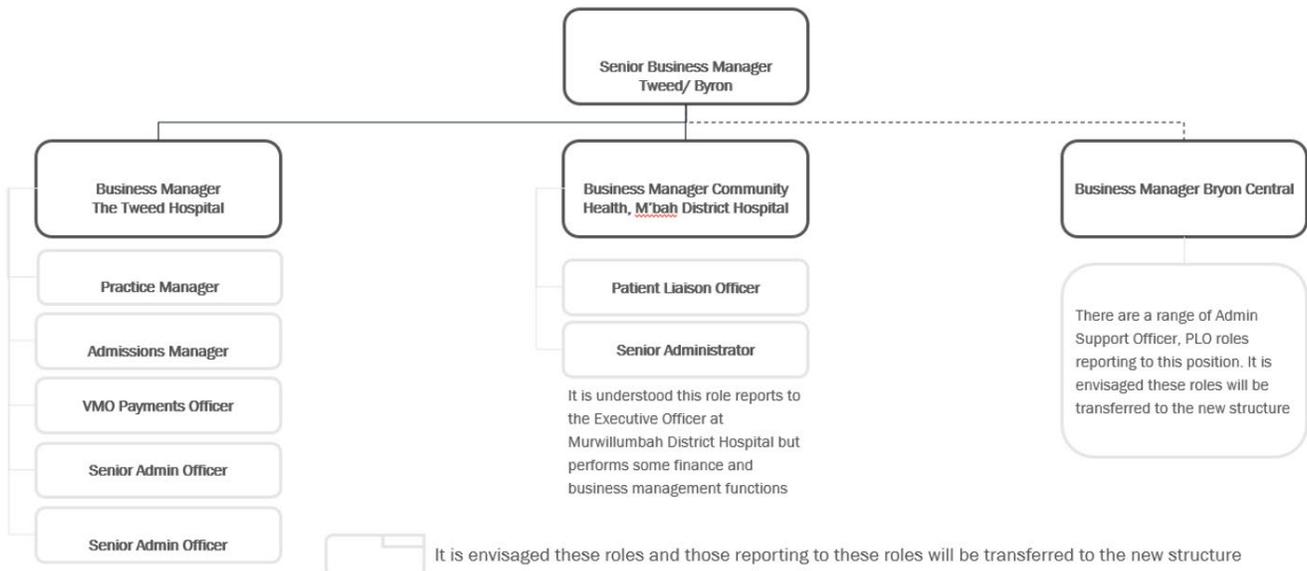
Tweed/ Byron

The Tweed/ Byron business management team provides financial information, budgeting, reporting, analysis and advice to all acute and primary care services across the Tweed Valley and Byron Shire LGA (The Tweed Hospital, Murwillumbah District Hospital, Byron Central Hospital, Community Health Centres at Tweed, Kingscliff, Murwillumbah and Byron, Health One at Pottsville).

The Senior Business Manager oversees and manages administrative staff, fleet services, stores, licenses, petty cash; reviews and assesses financial implications of proposed contracts and manages some contracts.

The Senior Business Manager is a member of The Tweed Hospital Executive team.

Figure 7 – Current business management – Tweed/ Byron



Richmond

The Richmond Business Management team provides financial information, budgeting, reporting, analysis and advice to all acute, Multiple Purpose Services (MPS) and primary care services in the Richmond and upper Clarence Valley (Lismore Base Hospital, Ballina District Hospital, Casino District Hospital, MPS at Kyogle, Nimbin, Banalbo and Urbenville, Community Health Services at Lismore, Goonellabah, Alstonville, Ballina, Evans Head, Casino and Kyogle, Health One at Coraki).

The business management team oversees and manages some operational, non-clinical support services and staff such as maintenance, fire safety, fleet services, specialist clinics, library, fundraising and patient liaison services, training calendars, vaccination registers, learning and development.

The Senior Business Manager is a member of Lismore Base Hospital Executive team.

Mental Health and Alcohol and Other Drugs Services

The Senior Business Manager provides financial information, budgeting, reporting, analysis and advice across the Mental Health and Alcohol and Other Drugs Services portfolio (district wide).

Figure 10 – Current business management – Mental Health and Alcohol and Other Drugs Services

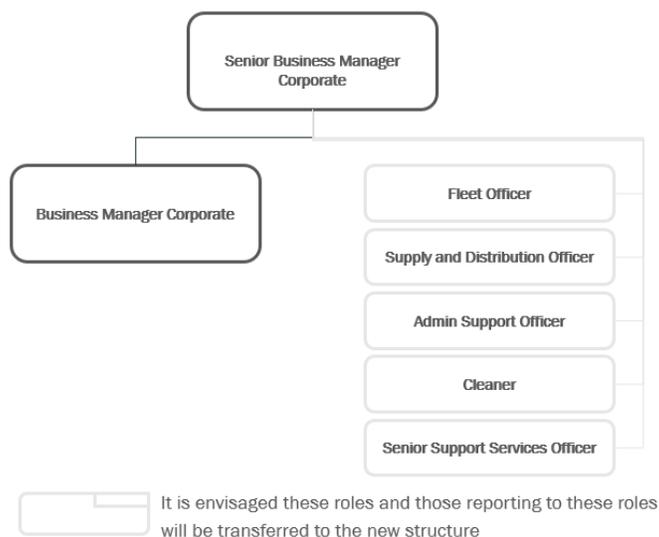


Corporate

The Corporate business management team provides financial information, budgeting, reporting, analysis and advice to members of the Executive (Chief Executive's office, Corporate Services, Workforce, Clinical Governance, Medical Services, Nursing, Midwifery and Aboriginal Health, Integrated Care and Allied Health).

The team also oversees general administration, reception, records management, fleet services, procurement, accounts payable.

Figure 11 – Current business management – Corporate



2. Key issues and gaps

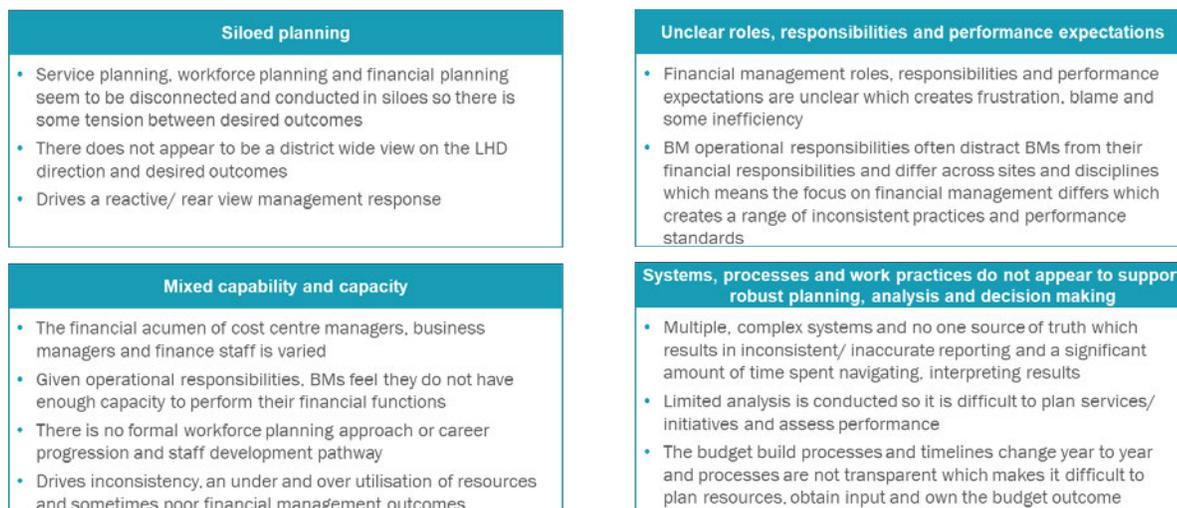
In response to some concerns expressed by staff and management and a desire to improve operational effectiveness, an independent review of the LHD's finance and business management functions was conducted.

The purpose of the review was to identify opportunities to improve operational effectiveness and financial stewardship and drive greater consistency of practice.

Interviews were held with the Executive, General Managers in Clinical Operations, Finance Managers and Senior Business Managers and Business Managers to understand the environment, key issues and opportunities for improvement.

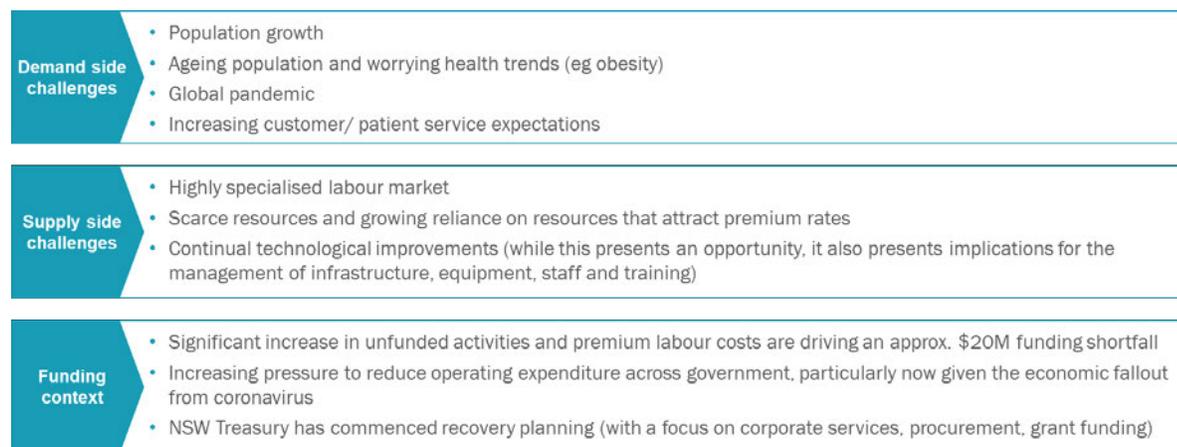
These discussions highlighted a range of key issues, gaps and observations (Figure 12).

Figure 12 – Key issues, gaps and observations



These observations, in the context of the current external environment where the demand for health services continues to increase and funding is becoming increasingly scarce, the case for change is compelling.

Figure 13 – Key challenges

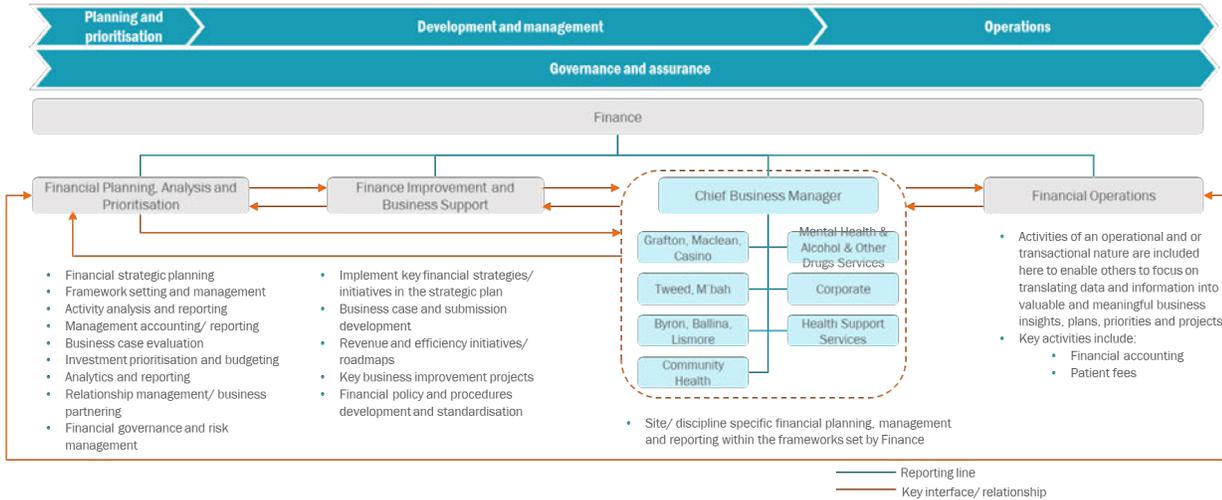


3. Proposed future model and structures

3.1. Overview

To future proof and optimise the delivery of finance and business management services and functions and to ensure teams are set up to deliver these services and functions effectively, a new finance and business management operating model has been designed (Figure 14). The proposed operating model integrates financial and business management functions to improve financial stewardship, operational effectiveness, and consistency of practice.

Figure 14 – Proposed operating model



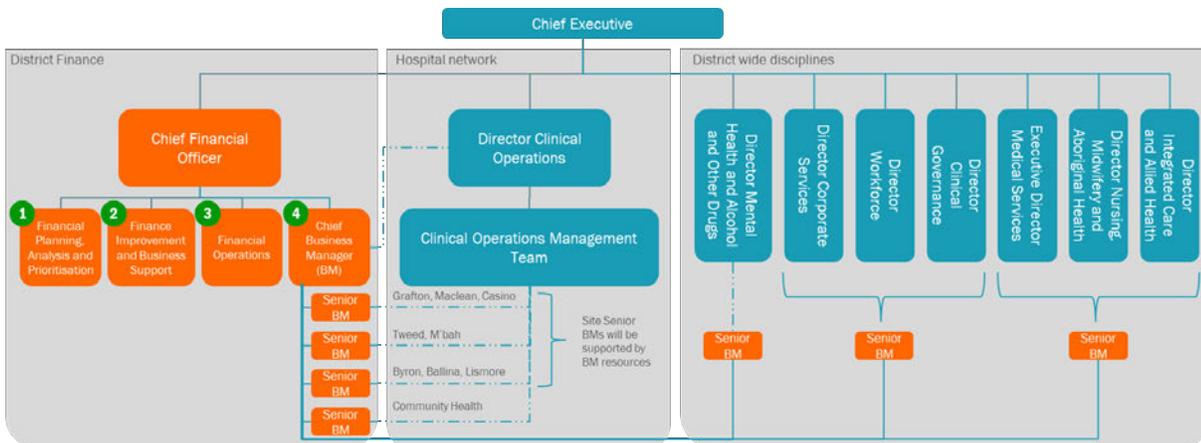
The Finance team structure has been realigned into three functional teams that clearly separate strategic planning and analysis from operations.

1. Financial Planning, Analysis and Prioritisation
2. Finance Improvement and Business Support
3. Financial Operations

For more detail, please refer to Section 3.3.

The business management network has been realigned into new portfolios to better support sites and disciplines with more consistent advice under the direction of a Chief Business Manager reporting to Finance.

Figure 15 – Proposed teams and portfolios



The size and scale of the proposed portfolios have been balanced (by considering the current and likely future size and scale of operations as well as the geographic location of sites) to help business managers serve the business more effectively. The proposed new business management portfolios are:

1. Grafton, Maclean and Casino
2. Tweed and Murwillumbah
3. Byron, Ballina and Lismore
4. Community Health
5. Mental Health and Alcohol and Other Drugs Services
6. Corporate which will serve Corporate, Workforce and Clinical Governance
7. Health Support Services which will serve Medical Services; Nursing, Midwifery and Aboriginal Health; Integrated Care and Allied Health.

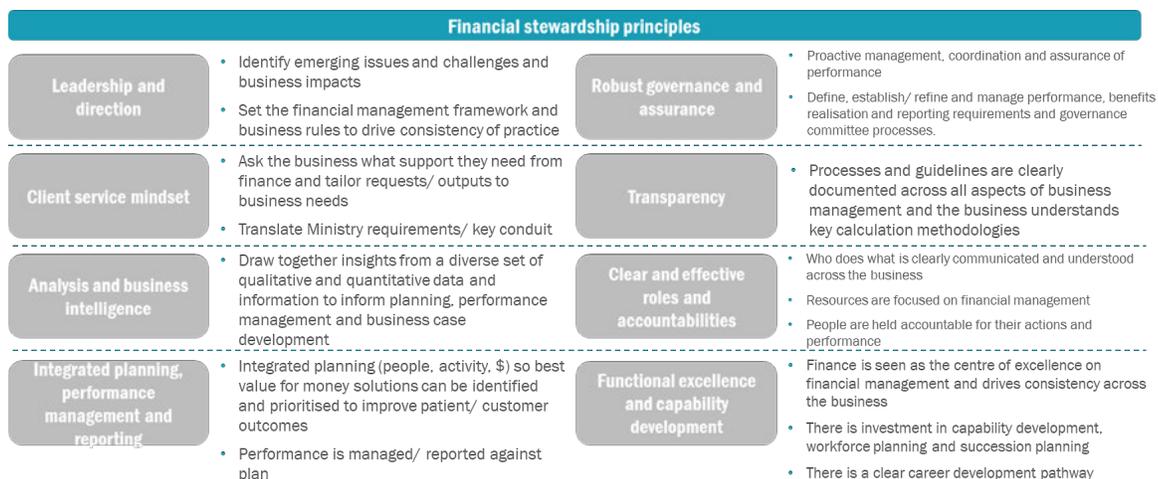
It is envisaged the three geographic/ site-based portfolios will support all acute services, Multiple Purpose Services (MPS) and primary care services in the portfolio.

For more detail, please refer to Section 3.3.

3.2. Financial and business performance stewards – How we will operate

The proposed business model is underpinned by several financial stewardship principles which seek to guide the way in which finance and business management staff need to operate.

Figure 16 – Financial stewardship principles



These principles highlight the need for Finance to be more focused on providing business insights and financial frameworks, while business managers need a stronger link to finance and a focus on the financial management of their sites or disciplines.

Finance and performance managers should be focused on:

- Providing analytics and business insights to enable the business to plan and manage and make more effective decisions
- Establishing and managing appropriate financial and performance management frameworks and controls.

This requires finance and performance managers to:

- Conduct analysis, interpret results and offer insights
- Translate Ministry requirements to the business
- Develop district financial and performance plans and strategies
- Establish clear and transparent processes and business rules
- Tailor requests/ outputs (less transactional/ data dumps)
- Ensure accurate information is distributed
- Maintain a single source of truth
- Continually review systems, processes, reports, tools to ensure they are fit for purpose and meet business needs (to enable the business to understand how it is performing).

Business managers should be responsible for the financial planning and management of their site or discipline to enable site/ discipline managers to effectively manage their business. They should also be the key site conduit for all district wide support services (such as corporate services).

This requires business managers to:

- Focus on the financial and business management aspects of their role
- Develop site/ discipline specific financial and performance plans and strategies in the context of district plans and strategies
- Interpret analytics
- Partner with site managers, discipline managers and Finance to actively plan, execute and manage financial strategies to deliver desired results and outcomes
- Act as an independent advisor and financial controller for the site/ discipline
- Ensure site managers and discipline managers have appropriate and accurate information and analysis so they can be accountable for financial performance.

3.3. The proposed Finance and Business Management teams

The proposed Finance and Business Management teams are outlined in more detail below.

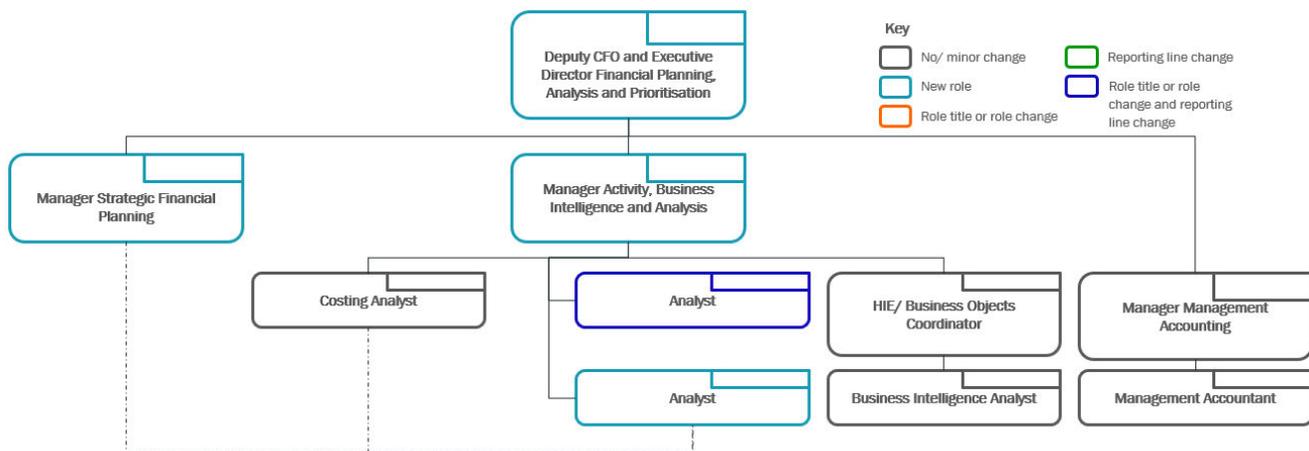
Financial Planning, Analysis and Prioritisation

The purpose of the Financial Planning, Analysis and Prioritisation team is to bring together financial planning, activity management and management accounting to enable evidence based and cohesive planning, reporting and decision making.

The Financial Planning Analysis and Prioritisation team will provide LHD wide internal and external performance reporting, analysis and advice and is responsible for:

- Establishing and managing appropriate financial, performance and risk management frameworks, controls and governance
- Developing LHD wide strategic financial and performance plans and strategies including investment prioritisation
- Providing tailored analytics and business insights to enable the business to plan and manage and make more effective decisions
- Evaluating business cases and funding submissions
- Allocating and managing the LHD budget and monitoring and reporting budget performance
- Preparing ABF budgets, analysing operations and monitoring and reporting ABF performance
- Coordinating data collections, data file preparations, ABF, annual statements and District Network Returns (DNR)
- Producing timely and accurate clinical costing reports, activity data and performance reports
- Providing advice and expertise to senior executives and clinicians on costing and casemix issues
- Providing advice and coordinating input for the Ministry of Health, NSW Treasury and other external stakeholders
- Translating Ministry requirements for the business
- Continually reviewing systems, processes, reports, tools to ensure they are fit for purpose and meet business needs (to enable the business to understand how it is performing).

Figure 17 – Proposed Financial Planning, Analysis and Prioritisation



It is proposed that five documentation and coding education, audit and quality roles (currently part of Clinical Performance) be transferred to the business management network reporting to The Chief Business Manager to work more directly with clinicians and coders and other relevant district wide disciplines (such as Mental Health and Alcohol and Other Drugs Services, Nursing and Midwifery and Medical Services) to improve revenue capture. These positions are:

- Documentation Clinical Specialist
- Clinical Audit Educator
- Data and Quality Analyst
- Activity Based Management Officer
- NAP Project Support Officer (temporary 12-month contract)

While their activities have an important financial impact/ outcome, there is merit in aligning these resources with the Chief Business Manager to uplift documentation and coding practice across the LHD. This enables the remaining part of the former Clinical Performance team to focus on activity management to enable evidence based and cohesive planning, reporting and decision making. It is envisaged there would still be a strong connection and interface with the revised Clinical Performance team (proposed Activity, Business Intelligence and Analysis).

Finance Improvement and Business Support

Finance Improvement and Business Support will:

- Drive the execution of the key initiatives specified in the strategic financial plan produced by the Financial Planning, Analysis and Prioritisation team
- Report on productivity roadmap performance
- Facilitate key changes to systems, processes and behaviours required to support the transition to the new business model
- Work closely with Business Managers to develop business cases and funding submissions
- Oversee financial policy and procedures development, standardisation and governance

Figure 18 – Proposed Finance Improvement and Business Support

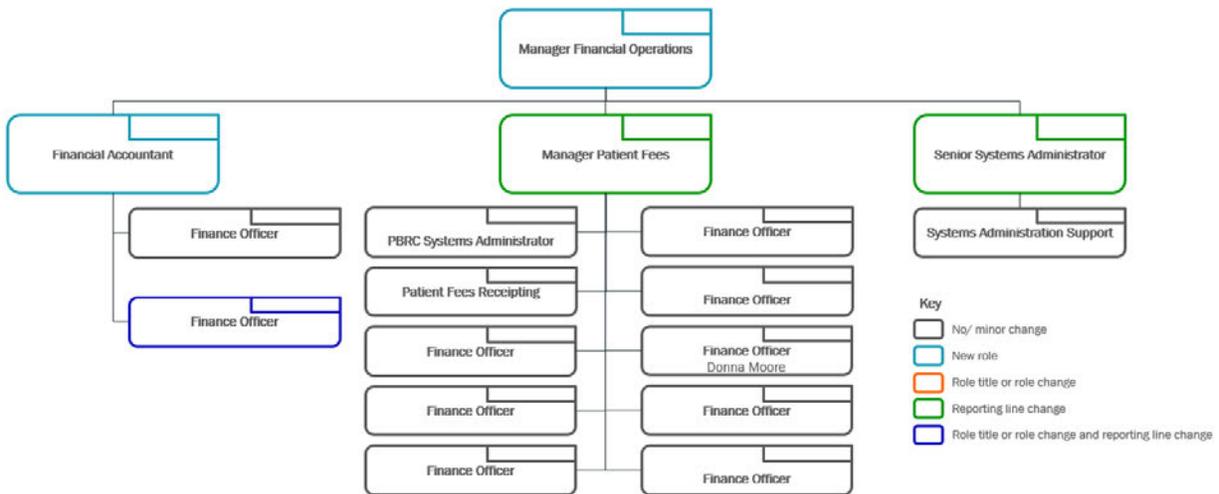


Financial Operations

Financial Operations will focus on the important day of operations activities to enable others to focus their efforts on planning, analysis and reporting. Financial Operations will:

- Conduct financial accounting functions (GL maintenance)
- Work closely with and provide accurate budget performance (budget vs actual) reporting to the Financial Planning, Analysis and Prioritisation team and Business Managers to enable them to analyse and interpret results
- Prepare and lodge BAS and FBT returns
- Conduct statutory reporting requirements
- Manage accounting standards
- Manage external audit processes
- Coordinate and process LHD revenues/ patient fees.

Figure 19 – Proposed Financial Operations



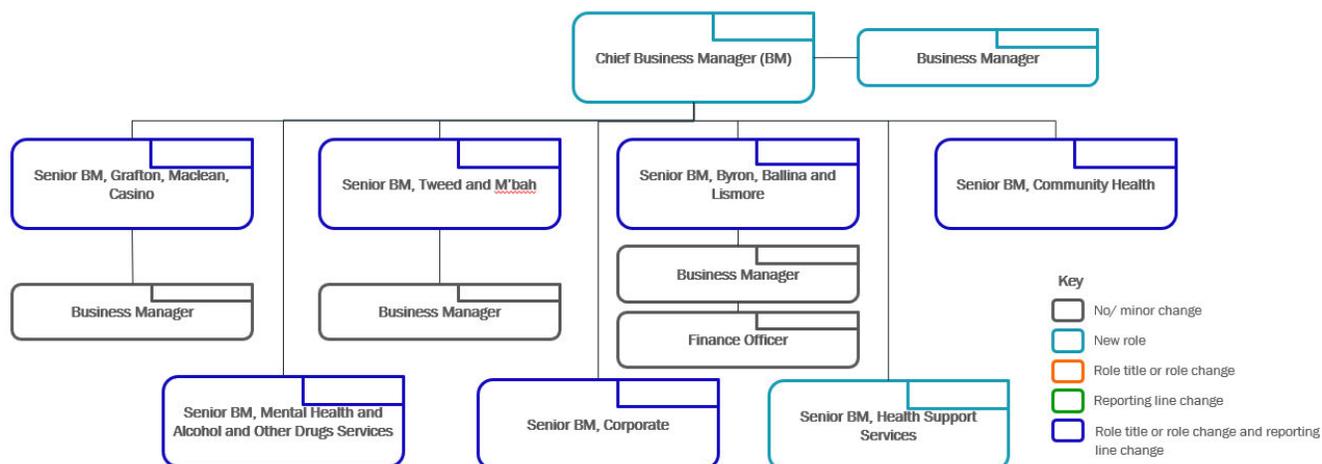
Business Management

Business Managers will continue to partner and work closely with their sites and disciplines with some realignment proposed to provide more consistent support and advice.

Business managers will:

- Develop site/ discipline specific financial and performance plans and strategies in the context of district plans and strategies
- Act as the key site conduit for all district wide support services
- Partner with site managers, discipline managers and Finance to actively plan, execute and manage financial strategies to deliver desired results and outcomes
- Act as an independent advisor and financial controller for the site/ discipline
- Provide accurate financial information, analysis and advice to all acute and primary care services in the portfolio
- Ensure site managers and discipline managers have appropriate and accurate information and analysis so they can be accountable for financial performance.

Figure 20 – Proposed Business Management portfolios and structure



3.4. Benefits of the proposed structure

It is anticipated the integration of Finance and Business Management will help to create an environment where:

- Finance and business managers have a greater level of support and technical guidance
- Resource allocation and management is conducted across the finance and business management network which will also improve leave management and access to career progression and development opportunities
- Service delivery is much more consistent and effective driven by clear and consistent responsibilities and accountabilities, frameworks and controls which will in turn enhance financial governance and stewardship
- Operational silos are broken down and teams can work more collectively together to analyse and assess business needs and imperatives to better serve the LHD.

4. Proposed changes

4.1. Overview

To minimise and manage the impacts on staff and to create as much job certainty and security as possible, the review team has directly matched and appointed staff to positions within the context of current industrial policies and frameworks.

For redesigned, new or vacant roles where a direct appointment cannot be made, and to provide opportunities for career progression and or development, it is proposed that staff be invited to express interest in a position while that position is advertised for permanency. This approach will enable the new business model and structure to be in place by the new financial year.

The proposed method for filling the positions is described in more detail in Section 5 Transitioning to the new model and structure.

4.2. New and redesigned positions

Several positions have been created or redesigned in Finance and across the business management network which are described below and outlined in Tables 1 and 2.

The **Deputy CFO and Executive Director Financial Planning, Analysis and Prioritisation** will be responsible for:

- Leading the Financial Planning, Analysis and Prioritisation team
- Facilitating the development of frameworks, processes and systems to bring together financial planning, activity management and management accounting to enable evidence based and cohesive planning, reporting and decision making
- Overseeing medium to long term strategic financial planning
- Overseeing activity analysis and reporting
- Overseeing management accounting and reporting
- Leading business case evaluation, investment prioritisation and budgeting
- Establishing and overseeing financial governance and risk management frameworks and practices
- Working closely with and facilitating productive relationships with key stakeholders and partners (particularly the CFO, the Executive, the Chief Business Manager and business managers, The Ministry of Health).

The **Manager Strategic Financial Planning** will develop LHD wide strategic financial plans and strategies by drawing together analysis and insights from management accountants, activity managers, business managers and other relevant stakeholders. The goal is to develop financial plans that balance the demand for services and the available funding envelope to ensure investment prioritisation and decision making are optimised and evidence based.

The **Manager Activity, Business Intelligence and Analysis** will report to the Deputy CFO and Executive Director Financial Planning, Analysis and Prioritisation and will be responsible for:

- Preparing and monitoring ABF budgets and analysing operations and performance
- Coordinating data collections, data file preparations, ABF, annual statements and District Network Returns (DNR)
- Producing timely and accurate clinical costing reports, activity data and performance reports
- Working closely with those responsible for maintaining clinical documentation and overseeing coding audits (in Clinical Operations) to support accurate ABF reporting
- Working closely with the Deputy CFO to ensure activity data and analysis drives the development of plans and strategies (such as service plans)
- Providing advice and expertise to senior executives and clinicians on costing and casemix issues.

The purpose of bringing together planning, activity management and financial management/ management accounting is to ensure these activities are conducted cohesively together and analysis is brought together to drive LHD insights which will inform medium to long term plans.

An additional **Analyst** role will be created to provide greater capacity to undertake LHD wide performance analytics to inform financial strategic planning and performance management.

The Manager, Finance Improvement and Business Support will:

- Implement key financial strategies/ initiatives in the strategic plan
- Facilitate the preparation of, or prepare business cases and funding submissions
- Oversee and facilitate the execution of key business improvement initiatives and roadmaps

-
- Develop, standardise and manage relevant financial policy and procedures.

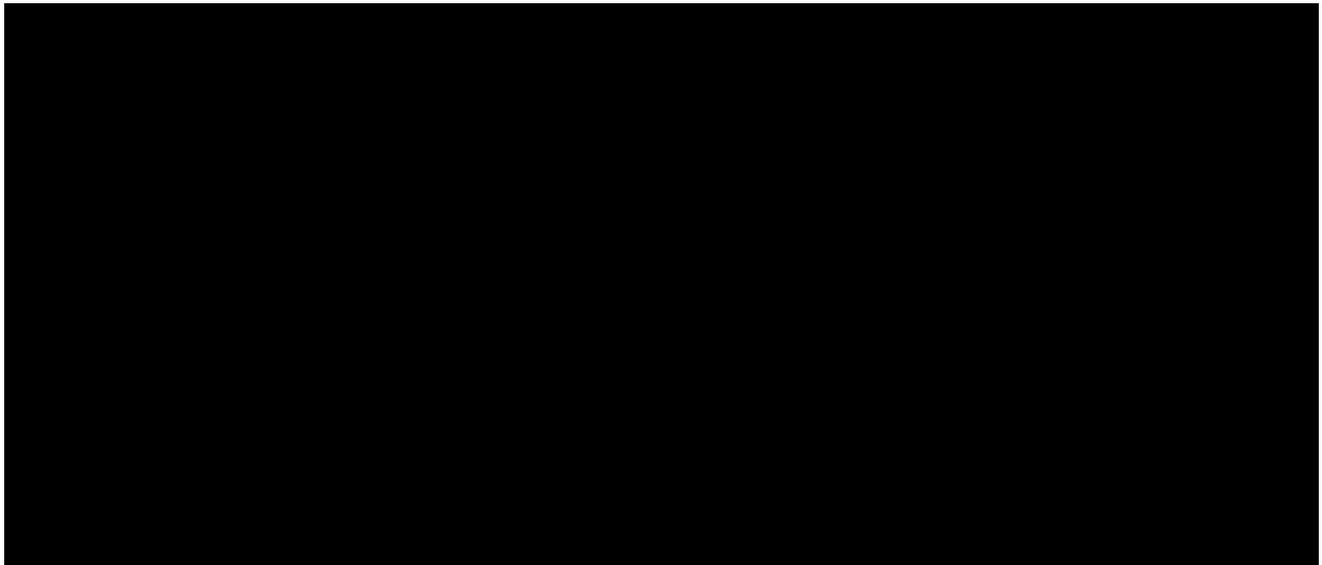
This position will be supported by a **Business Support Officer**.

To lead the new Financial Operations team, a new **Manager Financial Operations** position will be created which will oversee and manage activities of an operational and or transactional nature to enable others to focus on translating data and information into valuable and meaningful business insights, plans, priorities and projects. This role will:

- Oversee financial accounting functions (GL maintenance)
- Work closely with the Financial Planning, Analysis and Prioritisation team and Business Managers and ensure the Financial Operations team provides accurate budget performance (budget vs actual) reporting
- Oversee the preparation and lodgement of BAS and FBT returns
- Conduct statutory reporting requirements
- Manage accounting standards
- Manage external audit processes
- Oversee the coordination and processing of LHD revenues/ patient fees.

This role will be supported by a new **Financial Accountant role**.

Table 1 – New and redesigned positions in Finance



It is proposed that a new **Chief Business Manager** position will be created to oversee the business management network. The Chief Business Manager will report to the Chief Financial Officer. Senior Business Managers will report to the Chief Business Manager who will set the direction for business management services and functions across the LHD in the context of the frameworks and controls set by the Financial Planning, Analysis and Prioritisation team and Finance Improvement and Business Support team. This will drive greater consistency of practice across the sites and disciplines, provide a district wide approach to resource allocation and management (particularly for leave relief and career

development opportunities) and provide Senior Business Managers with a greater level of support and direction.

In the interim, it is envisaged the Chief Business Manager will review the diverse range of operational activities and staff reporting to business managers and propose the most appropriate and consistent management approach.

It is proposed that five documentation and coding education, audit and quality roles (currently part of Clinical Performance) be transferred to the business management network reporting to the Chief Business Manager to work more directly with clinicians and coders and other relevant district wide disciplines (such as Mental Health and Alcohol and Other Drugs Services, Nursing and Midwifery and Medical Services) to improve revenue capture. These positions are:

- Documentation Clinical Specialist
- Clinical Audit Educator
- Data and Quality Analyst
- Activity Based Management Officer
- NAP Project Support Officer (temporary 12-month contract)

It is envisaged the Chief Business Manager will work closely with relevant members of the Executive, particularly the Director, Clinical Operations and will be an important part of the Clinical Operations Executive team.

The Chief Business Manager will be supported by a **Business Manager**. It is envisaged the Business Manager supporting the Chief Business Manager would work closely with the Chief Business Manager and Senior Business Managers to oversee the performance of the network, conduct work for Senior Business Managers when they have periods of high workload or as required, work closely with the finance teams to deliver financial and business management functions.

The **Senior Business Manager, Health Support Services** will oversee financial and business management services and functions for the Medical Services, Nursing, Midwifery and Aboriginal Health as well as Integrated Care and Allied Health divisions. The creation of this new position will increase the level of support to these divisions (which were formerly part of the Corporate business management portfolio). This will be particularly important for those divisions where demand for services is expected to grow.

Table 2 – New and redesigned positions in the business management network



Please note the development of position descriptions is currently underway and it is envisaged the position descriptions and the subsequent grading review will incorporate the feedback gathered during this consultation process.

4.3. Affected positions

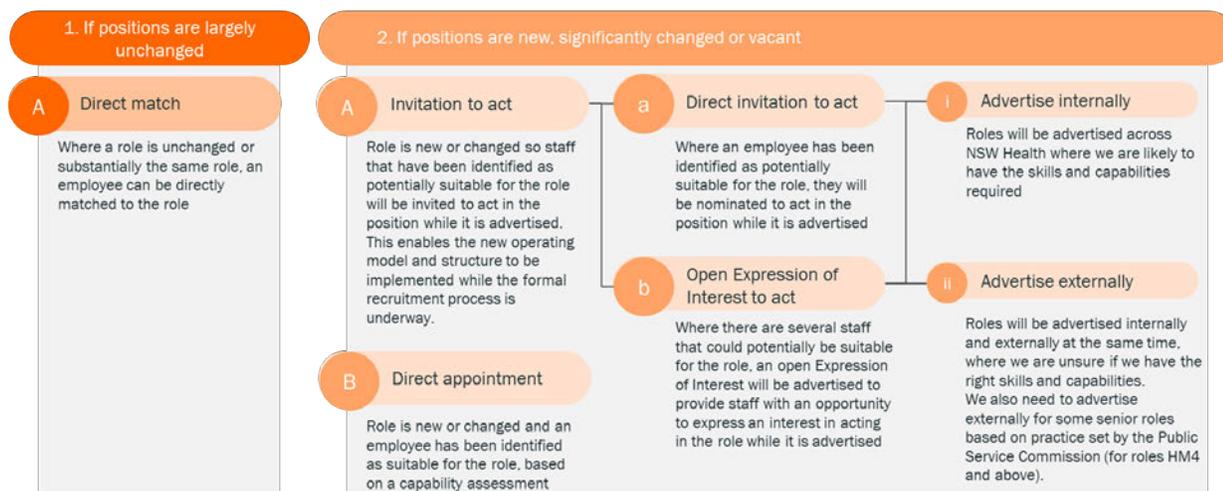
As a result of the proposed changes, some staff may be affected directly or indirectly. Staff directly affected may be those where their current position has been abolished, their role has changed and or their reporting relationship has changed.

Indirectly affected staff may be those where their role is largely unchanged but the role of the position they report to has been amended or their team has been realigned to one of the new teams or portfolios.

It is important to note that while there are a number of positions that have been directly affected, in most cases the staff member will be directly matched to a position, directly appointed to a new position or has the opportunity to express interest in a new or vacant position. The overall impact of the proposed changes is expected to be relatively low and is likely to be offset by the anticipated productivity benefits associated with the realignment.

The proposed method for filling roles in the new structure is outlined in Figure 21 and described in more detail below.

Figure 21 – Proposed methods for filling roles



For positions that are largely unchanged, staff will be directly matched to these positions.

To ensure the structure is in place for the new financial year, new, significantly changed or vacant positions will be temporarily filled via an invitation to act while advertised or by direct appointment.

It is envisaged the EOI process will be simple, where applicants prepare a brief letter outlining their suitability for the role. Applicants are welcome to express interest in multiple roles at the same time. Panels will be established to evaluate letter applications and appoint candidates to the roles.

This process enables the new structure to be operational while relevant positions are formally advertised.

A cascading approach will be adopted to fill positions during the formal advertisement process to ensure staff have the opportunity to apply for a new or vacant role. The process will fill senior roles first and then move down the hierarchy.

It is envisaged that the suitability of any displaced staff will be assessed prior to advertising the positions in accordance with the LHD's policy for managing displaced staff.

The review team does not anticipate any changes to working conditions (such as non-shift work status Monday – Friday) and is open to discussing any ideas or suggestions about part-time arrangements, job share opportunities and flexible work practices.

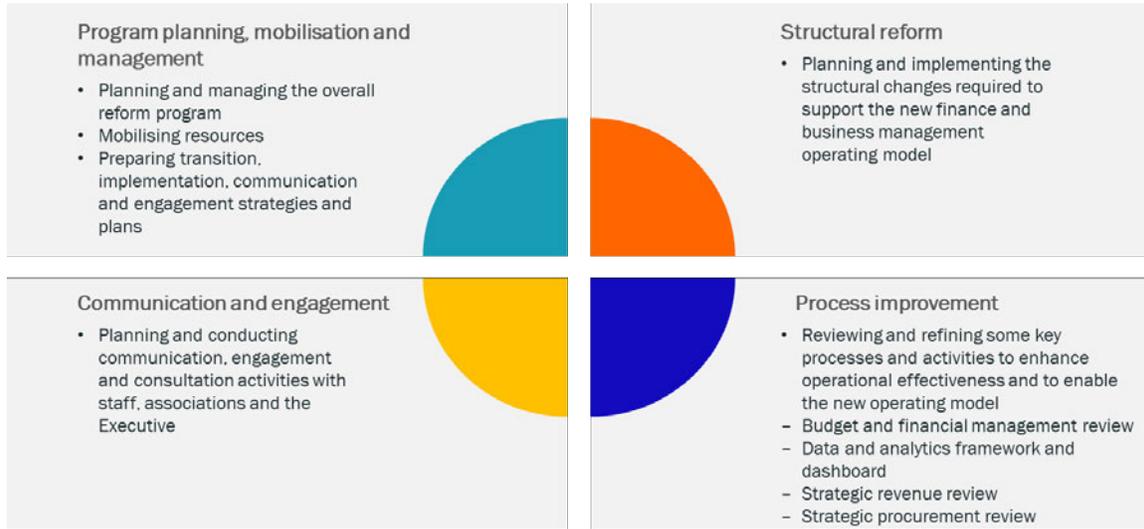
All notification processes will occur as per NSW Health policy requirements while the consultation process is underway.

For more information on managing excess employees, please use link: [Managing Excess Staff of the NSW Health Service](#)

5. Transitioning to the new model and structure

To guide the transition to the new operating model, a finance and business management improvement program has been developed which focuses on four key elements (Figure 22).

Figure 22 – Finance and business management improvement program elements



The program will be implemented between now and June 2022 to enable the new operating model to be in place by the new financial year.

It is important to recognise, the improvement program is much more than structural change. The structural changes proposed in this consultation paper will be supported by key process improvement initiatives to enable the new business model and structure to function effectively as well as important communication and engagement activities to ensure staff stay connected, informed and supported.

The **program planning, mobilisation and management** element involves the planning and tracking of key program activities, deliverables, and milestones.

The **structural reform** element will focus on planning and implementing the structural changes required to support the new operating model.

The **process improvement** element involves reviewing and refining some key processes and activities to enable and support the new operating model. Four key improvement initiatives have been identified and are outlined in Figure 23.

Figure 23 – Process improvement priorities

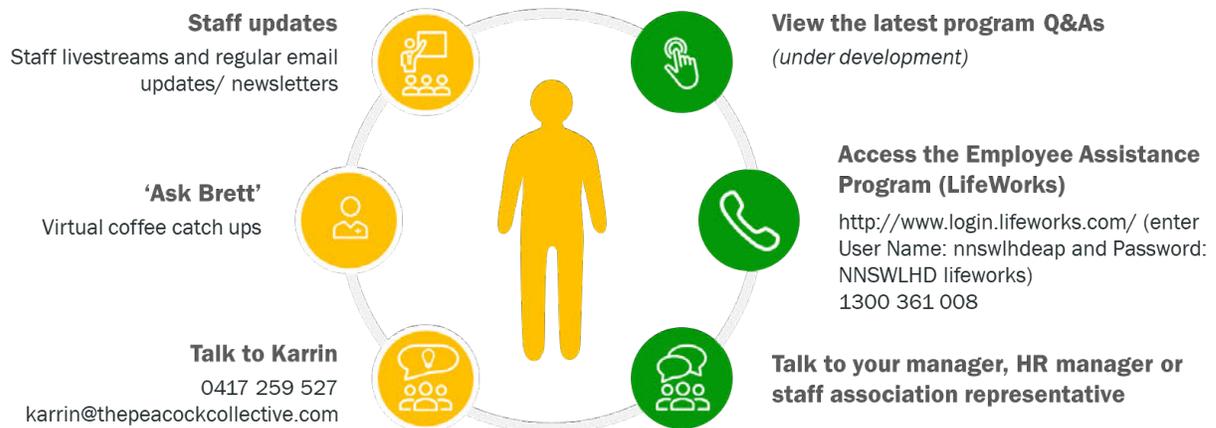
The enabling processes element is focused on four key improvement priorities

- 1 **Budget and financial management review**
To understand current budgeting and resource planning processes and practices across the LHD, identify improvement opportunities and propose a revised approach
- 2 **Data and analytics framework and dashboard**
To develop a data and analytics framework and executive style reporting dashboard to enable the LHD to develop an appropriate, accurate, meaningful and reliable evidence base to manage its financial and business performance and to inform policy development, planning and expenditure decisions
- 3 **Strategic revenue review**
To understand and map key LHD revenue streams and sources of funding and to identify (and where possible quantify) missed revenue capture and access to funding opportunities
- 4 **Strategic procurement review**
To understand and document current LHD procurement practices and identify opportunities for improvement, synergies and savings across the LHD

The **communication and engagement** element involves planning and conducting all relevant communication, consultation and engagement activities with staff, associations and management.

There will be many communication and engagement opportunities in the coming months and several ways for staff to stay connected, informed and supported (Figure 24).

Figure 24 – Communication and engagement opportunities



Employee Assistance Program (EAP)

As times of change can be stressful, we remind staff of the Employee Assistance Program, available to you online via <http://www.login.lifeworks.com/> (enter User Name: nswlhdeap and Password: NNSWLHD lifeworks) or by telephone 1300 361 008

6. Indicative consultation process and timetable

Consultation paper provided to Health Services Union	18 Nov 2021
Consultation paper provided to staff and management	18 Nov 2021
Staff briefing	18 Nov 2021
Staff comments and feedback due	2 Dec 2021
Proposed Union Specific Consultation meeting/s	TBD
Notification of outcome of consultation to staff	10 Dec 2021
Invitation to act/ EOI process commencement	10 Jan 2022
Evaluation of EOI applications and candidate selection	31 Jan 2022
New structure comes into effect	31 Jan 2022
Recruitment	Feb to Apr 2022

7. Staff comments and feedback

We invite any comments, queries or feedback to Trish McKinnon on the proposed structure by 2nd December 2021, via email to: trish.mckinnon@health.nsw.gov.au

Approval

Supported/Recommended by:
Brett Skinner, Chief Finance Officer

Signed: _____

Date: _____

Approved by:
Wayne Jones – Chief Executive NNSWLHD

Signed: _____

Date: _____