

An Agreement between the Secretary, NSW Health and NSW Health Pathology for the period 1 July 2026 to 30 June 2029



NSW Health 2026-29 Statement of Service

Principal purpose

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

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

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

Objectives

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

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

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

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

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

Parties to the agreement

The Organisation

Dr Nigel Lyons
Chair
On behalf of the
NSW Health Pathology Board

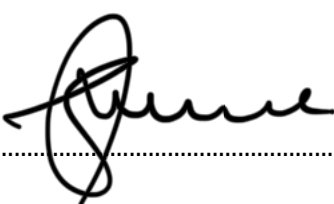
Date 31 July 2026 Signed 

Ms Vanessa Janissen
Chief Executive
NSW Health Pathology

Date 31 July 2026 Signed 

NSW Health

Ms Susan Pearce AM
Secretary
NSW Health

Date 31/8/26 Signed 

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1 Legislation and governance

1.1 Legislation

The Health Services Act 1997 (the Act) provides a legislative framework for the public health system, including the provision of health support services (s.126B).

NSW Health Pathology is an Administrative Division of the Health Administration Corporation, established on 31 May 2012, vested with certain of the Secretary's service provider functions under section 126B of the Act.

The Secretary established the NSW Health Pathology Board as an appointed body under section 126C of the Act in November 2012.

NSW Health Pathology ensures it meets the requirements of the regulatory framework for Medicare Australia under the Health Insurance Act (1973). All NSW public pathology services are accredited to standards defined by the National Pathology Accreditation Advisory Council (NPAAC).

1.1.1 Ministerial determination of functions

The Statement of Service recognises the functions established for NSW Health Pathology pursuant to Section 126B of the *Health Services Act 1997*, signed by the Secretary, NSW Health on 06 June 2019.

NSW Health Pathology is established to provide specialist pathology and forensic services, including clinically integrated diagnostic, disease monitoring and forensic and scientific analysis expertise.

NSW Health Pathology shall comprise of the following two Units:

- i) NSW Health Pathology Operations
- ii) NSW Forensic Analytical Science Service

The functions of NSW Health Pathology are to:

1. Operate on behalf of the Health Secretary as the preferred provider and commissioner of pathology, forensic and analytical science services for the NSW Health system, with the responsibility to:
 - a. Deliver better health and justice systems through an integrated whole of state model of service
 - b. Develop and implement rigorous clinical and corporate governance frameworks that provide sustainable, responsive, efficient, high quality pathology, forensic and analytical science services
 - c. Operate services with transparency and clear accountabilities, ensuring that organisational performance and financial management meet the requirements of the Health Secretary
 - d. Provide teaching and training and undertake research and development relevant to the provision of pathology, forensic and analytical science services
 - e. Build strong relationships with NSW Health agencies, the Department of Family and Community Services and Justice, NSW Police and other key stakeholders and contribute to the achievement of NSW Government priorities.
2. Undertake pathology, forensic and analytical science services for such other persons or entities outside the NSW Health system as approved by the Minister for Health under s126B(2) of the *Health Services Act 1997* (NSW).
3. Undertake other functions as the Health Secretary may request from time to time.

Functions of NSW Health Pathology Board as delegated under Section 126B(4) of the *Health Services Act 1997*:

1. To provide effective and ethical governance of NSW Health Pathology in relation to the provision of sustainable, responsive, efficient and high quality pathology, forensic and analytical science services.
2. To endorse the strategic direction and plan for NSW Health Pathology and make decisions regarding pathology, forensic and analytical science services that are for the collective benefit of the NSW health and justice systems, and approve and monitor compliance with the Strategic Plans of NSW Health Pathology.
3. To ensure effective and comprehensive corporate and clinical governance frameworks are established and approved by the Board to support the maintenance and improvement of standards and quality of services provided by NSW Health Pathology.
4. To provide strategic oversight of and monitor NSW Health Pathology's performance (clinical, operational and financial) in accordance with the objectives and measures set by the Health Secretary.
5. To ensure appropriate internal controls and robust systems are in place including:
 - a. Financial and other internal reporting mechanisms which provide adequate, accurate and timely information about the performance of NSW Health Pathology to the Board, the NSW Ministry of Health and the Health Secretary.
 - b. Risk management framework, including ongoing monitoring of the effectiveness of risk management systems for NSW Health Pathology.
 - c. Clinical governance and quality frameworks to monitor quality of care and service delivered across NSW Health Pathology.
 - d. Effective compliance frameworks and quality standards for accreditation of pathology laboratories and forensic facilities.
6. To ensure effective clinical and capital planning by NSW Health Pathology which also aligns with the NSW Health system's strategic goals.
7. To champion a strong values-driven culture with a focus on staff engagement within NSW Health Pathology.
8. To champion innovation to achieve best practice across NSW Health Pathology services.
9. To review and evaluate present and future opportunities, threats and risks in the external environment and identify appropriate responses to maximise the position of NSW Health Pathology and the NSW Health system.
10. To ensure that the needs of all stakeholders (internal and external) are appropriately considered, and to confer with the Chief Executive about how best to support, encourage and facilitate stakeholder and clinician involvement, in the planning of NSW Health Pathology services.
11. To establish and oversee the work of Board sub-committees and consider any recommendations of those sub-committees including endorse and oversee the implementation of annual audit plans via the Audit and Risk Management Committee.
12. To provide such advice to the Health Secretary on the provision and integration of pathology, forensic and analytical science services within the NSW health and justice systems as requested from time to time.

1.2 Structure of the Statements of Service

The Agreement consists of the following:

- (a) this document;

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

1.3 Variation of the agreement

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

The Agreement may also be varied by the Secretary or the Minister in the exercise of their general powers under the Act, including determination of the role, functions and activities of support organisations.

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

1.4 Conditions of subsidy

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

1.5 National Agreement

The Australian and all state and territory governments reaffirmed their commitment to providing healthcare accessible under the Medicare principles to all Australians through a long term agreement on health funding and reform reached at National Cabinet on 30 January 2026. This commitment, alongside funding and system reform agreements are detailed in the Addendum to the National Health Reform Agreement (NHRA) 2026-2031, which takes effect from 1 July 2026 at the endpoint of existing agreement.

1.6 Governance

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

1.6.1 Clinical governance

NSW public health services are accredited against the National Safety and Quality Health Service Standards.

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

The NSW Health Clinical Governance in NSW policy (PD2025_032) provides an important framework for improvements to clinical safety.

1.6.2 Corporate governance

The Organisation must ensure services are delivered in a manner consistent with the NSW Health

1.6.3 Procurement governance

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

1.6.4 Performance Framework

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

2 Strategic context

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

2.1 Future Health Strategic Framework

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

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

2.2 Regional Health Strategic Plan

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

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

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

2.3 NSW Aboriginal Health Plan

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

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

The NSW Aboriginal Health Plan is supported by the *NSW Aboriginal Health Governance, Shared*

Decision Making and Accountability Framework which promotes partnership and shared decision making and is operationalised through the NSW Aboriginal Health Transformation Agenda which NSW Health Organisations have responsibility for actioning.

2.4 NSW Health Workforce Plan 2022-2032

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

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

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

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

2.5 NSW Government priorities

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

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