NSW Health

2026-27 Funding and Performance Supplement

A Supplementary Agreement between the Secretary, NSW Health and NSW Health Pathology

for the period 1 July 2026 to 30 June 2027

www.health.nsw.gov.au

2026-27 Funding and Performance Supplement

Principal purpose

The principal purpose of the Funding and Performance Supplement is to set out the performance expectations for funding and other support provided to NSW Health Pathology **(the Organisation),** and to ensure 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 Funding and Performance Supplement specifies the service delivery and performance requirements expected of the Organisation that will be monitored in line with the *NSW Health Performance Framework*.

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 Funding and Performance Supplement, the Secretary agrees to provide the funding and other support to the Organisation as outlined in this Funding and Performance Supplement.

This Funding and Performance Supplement forms part of the NSW Health 2026-29 Statement of Service which has been executed by the Secretary, NSW Health and the Organisation.

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 3/8/26 Signed

Contents

1 Budget

1.1 Budget Schedule

	NSW Pathology	2026-2027 Allocation in BTS ($'000)
A	**Expenditure Budget by Account Group (General Fund)**	
	Employee Related	$596,928
	VMO Payments	$37
	Goods & Services	$308,501
	Repairs, Maintenance & Renewals	$30,101
	Grants & Subsidies	$276
	Finance Costs	$117
	Depreciation and Amortisation	$35,372
	Sub-total	**$971,334**
B	**Other items not included above**	
	Additional Escalation to be allocated	$32,229
	Service Demand and Volume Growth	$10,512
	Time Limited Initiatives	
	Medical Imaging Model	$1,287
	Translational Research Grant Scheme	$192
	Rural Health Workforce Incentive Scheme	-$163
	Annualised Initiatives	
	Nursing & Midwives Award Increase	$660
	Budget for Co-Locating Agencies to 1RR	$566
	Respecting the Difference Model Redesign	$179
	St George Mortuary Transfer NSWHP to SESLHD	-$103
	Savings Initiatives	
	Savings Allocation	-$13,000
	IntraHealth and TMF Adjustments	
	IntraHealth - eHealth Adjustment	$1,096
	IntraHealth - HealthShare Adjustment	-$154
	Funding for Pathology IntraHealth Adjustments	$21,319
	Treasury Managed Fund	
	TMF Adjustment - Workers Compensation	-$272
	TMF Adjustment - Property	$86
	TMF Adjustment - Motor Vehicle	-$106.00

	NSW Pathology	2026-2027 Allocation in BTS ($'000)
	Sub-total	**$54,326**
C	**RFA Expenses**	**$17,519**
D	**Total Expenses (D=A+B+C)**	**$1,043,178**
E	**Other - Gain/Loss on disposal of assets etc**	**$602**
F	**Revenue**	**-$1,023,604**
G	**Net Result (G=D+E+F)**	**$20,176**

1.2 Funding Allocation Schedule

	NSW Pathology	2026-2027 Allocation in BTS ($'000)
	Government Grants	
A	Recurrent Subsidy	-$81,550
B	Capital Subsidy	-$8,235
C	Crown Acceptance (Super, LSL)	-$16,311
D	***Total Government Contribution (D=A+B+C)***	**-$106,096**
	Own Source revenue	
E	Revenue Budget - General Funds	-$893,468
F	Revenue Budget - Restricted Financial Asset	-$24,040
G	***Total Own Source Revenue (G=E+F)***	**-$917,507**
H	**Total Revenue Budget (H=D+G)**	**-$1,023,604**
	Expenses	
I	Expense Budget - General Funds	$1,025,660
J	Expense Budget - Restricted Financial Asset	$17,519
K	Other Expense Budget	$602
L	**Total Expense Budget (L=I+J+K)**	**$1,043,780**
M	**Net Result (M=H+L)**	**$20,176**
	Net Result Represented by:	
N	Asset Movements	-$20,193
O	Liability Movements	$17
P	Entity Transfers	
Q	**Total (Q=N+O+P)**	**-$20,176**

Note:

As all banking has moved to being centrally managed, any local bank accounts remaining will be swept regularly and no funds should be held locally anymore.

1.3 Budget Schedule: Capital program ($000)

Project Description	Project Code	Silo	Estimated Total Cost	PY Spend 30 June 26	2026-27	Balance to Complete
Project managed by health entity						
Works in Progress						
Minor Works & Equipment - Local	P57600	MW	-	-	**5,000**	10,000
Critical Asset Maintenance Program (CAMP)	P57290	AM	3,000	-	**3,000**	-
Westmead ICT Solution Pathogen Genomics Cloud Service	P57141	LFI	672	555	**117**	-
Chemistry Equipment Replacement (East and South)	P57224	LFI	16,798	14,978	**1,821**	-
Chemistry Equipment Replacement (North)	P57246	LFI	24,789	12,551	**12,238**	-
Haematology Digital Morphology	P57413	LFI	5,907	3,407	**685**	1,815
PathWorks App - Phase 2	P57469	LFI	2,182	365	**896**	921
Single Digital Patient Records - End User Device Replacements	P57471	LFI	7,503	2,037	**5,182**	283
JHH Illumina NextSeq 2000	P57569	LFI	420	-	**420**	-
Westmead Hospital Genexus Integrated Sequencer	P57570	LFI	375	-	**375**	-
JHH Chromosome Harvester - HANABI P2N Replacement	P57603	LFI	563	-	**563**	-
FASS LC QToF MS System	P57604	LFI	608	-	**608**	-
FASS LC-MS MS System	P57616	LFI	679	-	**679**	-
NSWPATH Hamilton NGS STAR - RPAH	P57617	LFI	542	-	**542**	-
Single Digital Patient Record - LIMS (Fusion)	P57445	ICT	69,092	44,272	**7,763**	17,057
Northern Beaches Hospital - Transition Impacts	P57558	Other	5,300	65	**5,235**	-
Total Works in Progress			**138,430**	**78,230**	**45,124**	**30,076**
Total Capital Expenditure Authorisation Limit managed by Health Entity			**138,430**	**78,230**	**45,124**	**30,076**
Project managed by Health Infrastructure						
Works in Progress						
NSW Health Pathology Statewide Hub	P57461	HI	492,000	3,000	**1,000**	488,000
Total Works in Progress			**492,000**	**3,000**	**1,000**	**488,000**
Total Capital Expenditure Authorisation Limit managed by Health Infrastructure			**492,000**	**3,000**	**1,000**	**488,000**
Total Capital Expenditure Authorisation Limit			**630,430**	**81,230**	**46,124**	**518,076**

Notes:
Expenditure should not exceed to the approved limit without prior authorisation by Ministry of Health.

2 Performance

The performance of the Organisation is assessed in terms of whether it is meeting key performance indicator targets for NSW Health strategic priorities. Some key performance indicators have been categorised as those that relate to the delivery of Future Health. Detailed specifications for the key performance indicators are provided in the *KPI and Monitoring Measures Data Supplement Part 1 of 2 - KPIs*.

2.1 Key Performance Indicators

2.1.1 Key performance indicators – Future Health Priority Projects

Key performance indicator	Target	Performance Thresholds		
		Not performing ✗	Underperforming ↘	Performing ✓
Improve workforce culture				
Compensable Workplace Injury Claims (% of change over rolling 12 month period)	5% decrease	Increase	≥ 0 and < 5% decrease	≥ 5% decrease or maintain at 0 claims
People Matter Employee Survey (PMES): Increase in Overall Engagement Index Score (Number)	Improvement on previous year	Decrease from previous year	No change from previous year	Improvement on previous year
Agreed Composite Diversity Targets (Aboriginal participation, Women in leadership, Disability, CALD) - Increase in Overall Score for Diversity Index (Number)	Improvement on previous year	Decrease from previous year	No change from previous year	Improvement on previous year
Implement modern employment arrangements				
Average Sick Leave Taken per FTE (hours)	60	> 68	≥ 60 and ≤ 68	< 60
Deliver a new funding model				
Expenditure Matched to Budget – General Fund – Year to date variance (%)	On budget or favourable	< -0.25	< 0 and ≥ -0.25	≥ 0
Own Source Revenue Matched to Budget – General Fund – Year to date variance (%)	On budget or favourable	< -0.25	< 0 and ≥ -0.25	≥ 0
Net Cost of Service (NCOS) Matched to Budget – General Fund – Year to date variance (%)	On budget or favourable	< -0.25	< 0 and ≥ -0.25	≥ 0

2.1.2 Organisation key performance indicators

Key performance indicator	Target	Performance Thresholds		
		Not performing ✗	Underperforming ↘	Performing ✓
Collection Centres - Customer and community satisfaction (%)	≥ 85	< 75	75 and < 85	≥ 85

Key performance indicator	Target	Performance Thresholds		
		Not performing ✗	Underperforming ↘	Performing ✓
Forensic Medicine - Number of incomplete coronial post mortem reports >12 months	> 0% decrease	> 5% increase	≥ 0% and ≤5% increase	> 0% decrease
Forensic Medicine - Number of incomplete coronial post mortem reports >6 months	> 0% decrease	> 5% increase	≥ 0% and ≤5% increase	> 0% decrease
Harm Score 2,3,4s complete in ≤ 45 days of incident notification (%)	≥ 80	< 70	≥ 70 and < 80	≥ 80
ACHS Pathology Turnaround Time Compliance (%)	≥ 0% increase	> 5% decrease	≤ 5% and > 0% decrease	≥ 0% increase
Troponin for ED in lab to validated time Compliance (%)	≥ 0% increase	> 5% decrease	≤ 5% and > 0% decrease	≥ 0% increase
Combined Surveillance and Monitoring of Seized Samples (CoSMoSS) – results reported in less than or equal to 36 calendar days of sample receipt (%)	≥ 95	< 90	≥ 90 and < 95	≥ 95
Prescription, Recreational and Illicit Substance Evaluation (PRISE) – Preliminary results from high priority triage category samples (M1) reported within 2 business days of sample receipt (%)	≥ 95	< 90	≥ 90 and < 95	≥ 95
Research Governance Application Authorisations – Site specific within 60 calendar days - Involving greater than low risk to participants - (%)	75	< 55	≥ 55 and < 75	≥ 75
Number of Research Projects Approved by NSW Health Pathology in REGIS (Per Annum)	≥ 40	< 30	≥ 30 and < 40	≥ 40
Quarterly Executive engagement meetings with Local Health Districts	1 for each LHD	> 5 LHDs without a meeting	> 2 and ≤ 5 LHDs without a meeting	≤ 2 LHDs without a meeting
Overheads % in Cost Base	On budget or favourable	> 3% increase	≤ 3% and > 0% increase	≥ 0% decrease
Productivity – Activity / Hours Worked (Number)	4.67	> 5 below target	≤ 5 and > 0 below target	≥ 0 increase
Goods & Services Spend / Activity (% variance from target)	$6.82	> 3% above target	≤ 3% and > 0% above target	≥ 0% decrease
Total Charges - Charges / Activity (% variance from target)	$22.25	> 3% above target	≤ 3% and > 0% above target	≥ 0% decrease
Total Costs / Activity (% variance from target)	$23.34	> 3% above target	≤ 3% and > 0% above target	≥ 0% decrease

2.2 Performance Deliverables

Key deliverables will be monitored, noting that indicators and milestones are held in detailed program operational plans. The Organisation is expected to support the delivery of Future Health through deliverables agreed from time to time between the Secretary, NSW Health and the Chief Executive of the Organisation.