NSW Health

Sustainable Futures Innovation Fund

Application Guidelines

February 2025

Call for Applications

NSW Ministry of Health invites local health districts (LHDs), specialty health networks (SHNs), pillars and support organisations to apply for innovation funding under the Sustainable Futures Innovation Fund (the Fund). These guidelines outline the application process, selection criteria and reporting requirements.

Program Outline

NSW Health understands the important role innovation must play in supporting NSW Health in achieving net zero emissions and building climate resilience. We have seen fantastic projects in previous rounds of the Fund across energy, assets, healthcare delivery and procurement, many of which are hosted on the Innovation Exchange, managed by the Agency for Clinical Innovation.

After extensive consultation with stakeholders, the Ministry of Health is finalising NSW Health's first Net Zero Roadmap content. This Roadmap will provide a blueprint for our health system to work towards the NSW Government's net zero targets: 50% emissions reduction by 2030 and net zero by 2050. In the third round of the Fund, each challenge will support action under the priority areas discussed in the Roadmap's consultation sessions, alongside activities to support NSW Health in building our climate resilience.

Funding details

Host Organisations are invited to apply to two funding streams:

- **Stream 1:** Seed funding ($20,000 and $25,000) will be provided to "kick-start" a proof-of-concept project at the local level. The Host Organisation may submit a maximum of four applications under this stream.

- **Stream 2:** A larger funding amount ($25,000-$50,000) will be provided to support sustainable innovation projects with developed business cases demonstrating cost and carbon savings and improved patient outcomes. Each Host Organisation may submit a maximum of one application under this stream, and applications with match funding or ongoing funding will be scored more highly in the evaluation process.

The Host Organisation must spend all funds and deliver the project by 30 June 2026.

Funding conditions and exclusions

Innovation funding may be used for costs associated with the initiative and/or project and implementation activities. The project should be delivered in-house, rather than by contingent workers or external organisations. Should the initiative or project cease for any reason or reporting requirements are not met, the remaining funds must be returned to the NSW Ministry of Health.

Challenge areas

1. Energy and assets

Healthcare relies on energy-intensive equipment, such as medical imaging, information and communications technology (ICT), and heating, ventilation, air conditioning, and cooling (HVAC). Carbon footprinting of NSW Health hospitals and LHDs suggests that more than 30% of NSW Health's total carbon footprint comes from electricity consumption. Both globally and nationally, we have seen an increase in the uptake of innovations that improve energy efficiency and reduce emissions, including renewable energy sources and battery energy storage systems.

These assets are often manufactured with NSW Government priority recycled materials, including plastics, materials derived from clean energy waste (e.g.: solar panels), and electronic equipment. Where possible, these assets must not be disposed of in landfills at the end of their lifespan — particularly in Greater Sydney, where landfill capacity is projected to run out by 2030.

To reduce emissions from energy consumption and improve the circularity of these assets, innovations are needed to:

a. Reduce unnecessary energy consumption through smart technologies or more energy-efficient equipment
b. Improve the circularity of assets and medical equipment at the end of life
c. Optimise the use of equipment and assets

2. Reducing supply chain emissions from medical equipment and pharmaceuticals

Over half of a health system's footprint is from Scope 3 emissions, including the supply of products used to deliver patient care and the manufacturing, supply, and disposal of pharmaceutical goods. In recent years, NSW Health sites have begun implementing programs to reduce emissions and waste from medical products. This includes removing unnecessary equipment from pre-packaged surgical trays and recycling programs for pharmaceutical blister packs.

While evidence is emerging on the life cycle emissions of different healthcare products, this needs to be embedded in decision-making processes. This will ensure that the total cost of healthcare products (including the carbon price set by the NSW Treasury) is always reflected in purchasing decisions.

Innovations are needed to:

a. Estimate and/or compare the life cycle assessment emissions of medical products and consumables to inform procurement decision-making
b. Ensure sites only purchase and store products that are needed so they don't go to waste (e.g., Just In Time systems, stock exchanges for consumables that are soon to expire)
c. Reduce waste from known low-carbon clinical interventions (e.g., Total Intravenous Anaesthesia)

3. Decarbonising medical and surgical clinical pathways

Providing high-quality healthcare to our patients is at the heart of NSW Health. We are continuing to focus on ways to reduce emissions from clinical care. The evidence — and increasingly our own experience in NSW Health — demonstrates that we can improve health outcomes and patient experience while reducing waste and carbon emissions.

Many current projects focus on identifying and minimising low-value or harmful care, such as MNCLHD's Rational Investigation Program and removing Desflurane from the NSW Medicines

Formulary. Further work is needed to assess and implement opportunities that reduce demand for emissions-intensive, hospital-based care and decarbonise high-value care.

Innovations are needed to:

a. Drive uptake of lean service delivery models such as diagnostic hubs or day-case surgeries where clinically appropriate

b. Support ongoing management of chronic illnesses and prevent the need for more complex, carbon-intensive care in the future (e.g., quality use of medicines)

c. Reduce unnecessary pre-operative in-person appointments and/or streamline patient discharge while ensuring it is safe and clinically appropriate

4. Working Together To Achieve a High-Quality, Low-Carbon and Climate Resilient Health System

Our nurses, doctors, and allied health professionals will all play a crucial role in developing modern, high-quality, low-carbon models of care to support our transition to net zero. We need help from all our 175,000 staff to meet the NSW Government's net-zero targets. There is growing evidence that healthcare-led interventions can reduce the healthcare sector's carbon footprint whilst providing significant economic, organisational, and health benefits.

Health professionals have a unique opportunity as content experts and trusted professionals to design, deliver, scale and promote sustainable interventions that simultaneously reduce our carbon footprint and deliver economic/financial benefits while increasing time for patient care. The Net Zero Roadmap consultation indicates that most of our staff and community are concerned about the impacts of climate change on people's health, and they support NSW Health delivering high-quality healthcare in more environmentally sustainable ways.

Several projects have been undertaken to increase engagement with sustainability initiatives, including webinars, local teams developing posters as "prompts," and a suite of education packages on My Health Learning.

Innovations are needed to:

a. Increase engagement with, or uptake of, sustainability activities while increasing Time for Care (e.g.: reducing administrative burden)

b. Involve patients, families, carers, and caregivers in decision-making regarding environmentally sustainable healthcare

c. Improve staff, patients, and visitor uptake of active travel and/or shared transport solutions without impacting work-life balance (e.g.: shared travel arrangements)

5. Addressing climate risk and improving healthcare resilience

Under the NSW Climate Change Adaptation Strategy, all NSW Health agencies must undertake a climate risk assessment. These assessments will help identify and prioritise risks to be addressed at an organisational and system-wide level.

A systematic mapping review of Australian Research on Climate Change and Health Interventions indicates that research and innovation have predominantly focused on adapting to climate risk in general rather than being tailored to a specific climate hazard. Additionally, further work is needed to co-design adaptation interventions with at-risk priority populations and consider diverse perspectives (including from clinical staff). This may include training/ skill development, workforce capacity planning, or interdisciplinary collaboration.

Innovation is needed to:

a. Identify actions to support vulnerable populations most in need of assistance during climatic events

b. integrate climate resilience into Aboriginal Health initiatives

c. Improve the flexibility of medical or surgical services during climate-driven health crises

d. Prevent or minimise service disruptions during severe weather events

6. Other

Several other areas of healthcare delivery, including population health, land and building design, and food services, require innovation to reduce emissions and waste while improving climate resilience. Host Organisations are invited to submit a **maximum of two applications** under the "Other" Challenge Area and must justify how this project will drive action against the priority areas listed in the draft Net Zero Roadmap.

Eligibility Criteria

1) A NSW Health staff member must lead the application. Individuals or groups may apply.

2) The initiative or project must be hosted by and conducted within a NSW Health LHD, SHN, pillar or support organisation.

3) The Chief Executive of the Host Organisation must endorse the Application submission and certify that the initiative or project will be supported.

4) To ensure a fair distribution across NSW Health, each Host Organisation can submit a maximum of five applications as follows:

   a. **Four** applications under Funding Stream 1 and **one** application under Funding Stream 2.

   b. A maximum of **two** applications for the "Other" challenge area.

5) The Host Organisation agrees to evaluate the initiative's effectiveness and share information with the Ministry of Health for publication.

The chief executive of the Host Organisation must endorse all applications. Applicants must consult with the Sustainability Manager/Officer/Lead and Chief Executive of the Host Organisation well before drafting an Expression of Interest.

Innovations excluded from this Fund

Innovations or initiatives that are business as usual (for example, LED energy efficiency projects) are out of scope, and funding should be sought through regular channels. Please see the Selection Criteria for more information.

Joint applications

If an innovation or initiative is being conducted in multiple sites, the lead host and partner organisation/s should be identified. The lead host organisation should be the LHD, SHN, pillar or support organisation driving the innovation project. Partner organisations enable the project.

Program Objectives

The objectives of the Fund are to resource projects that:

1) Support NSW Health's progress in achieving the NSW Government's net zero emissions targets and climate risk requirements.

2) Reduce health inequalities, enhance equity of access, and ensure that all innovations/initiatives do not perpetuate existing inequities.

3) Improve patient care and contribute to a positive human experience.

Selection Criteria

Applications will be assessed against the following criteria:

Criteria	Evidence examples
Improve patient outcomes (/5)	Reduced readmissions, reduced length of stay, improved safety of care, more timely service delivery, and/or efficient use of medical technologies.
Reduce carbon emissions and/or waste (/5)	Reduced carbon dioxide equivalent (CO2e) and/or will divert waste from landfill through one of the 10 Rs (refuse, rethink, reduce, reuse, repair, refurbish, remanufacture, repurpose, recycle or recover).
Improve climate resilience (/5)	Prepare patients, staff and NSW Health teams for climate impacts and/or provide education and training on climate resilience.
Elevate the human experience (/5)	Patient or staff surveys demonstrate improvements in care delivery, job satisfaction, reduced unnecessary travel or appointments, and/or patient involvement in their care.
Cost-effectiveness (/5)	Predicted cost savings and/or the relative costs of the benefits (e.g.: reduced length of stay or improvements in patient morbidity/ mortality) are significant. For Funding Stream 2, match funding or ongoing funding has been secured.
Has a clear approach to monitoring and evaluation of outcomes (/5)	Straightforward study design, detailed plan to capture and measure data from the outset of the project where feasible, and identified risks and/or benefits.
Improve health inequalities (Y/N)	Addresses one or more of the social determinants of health.
Is innovative and scalable (Y/N)	This project has yet to be undertaken at another site in NSW Health, or it has been completed at a metropolitan site but not a rural/ regional site (and vice versa).

All criteria are equally weighted; however, any projects that are not innovative or without a plan for monitoring and evaluation are automatically ineligible.

The application should justify how the project under investigation is a key priority for the Host Organisation. The proposed project should also be able to provide evidence of effectiveness and/or be translated into policy and practice. The application should be succinct and written in plain English.

Timelines

The timeline for the Fund is below. Dates are subject to change.

Dates	Stage
w/c 17 Feb	Applications open
4 April 2025	Submission deadline
April 2025	Application review period by Evaluation Panel
May 2025	Application outcomes confirmed, feedback provided, and successful applications announced
May 2025	Funding to be included in Service Agreements 2025-26 FY

All applications must be discussed with your local sustainability lead before being approved by your Chief Executive. Applications must be submitted by **COB 4 April 2025**, to the Climate Risk and Net Zero (CRNZ) Unit at the NSW Ministry of Health at: MOH-NetZero@health.nsw.gov.au.

Queries regarding the Fund should be directed through the CRNZ Unit. The Unit contacts are:

- Julia Farrington, Principal Policy Officer
- Timothy Chan, Policy Officer

Review Process

Applications will be reviewed against the selection criteria by the Review Panel, which comprises experts from all challenge areas and includes representatives from the Agency for Clinical Innovation, Health Infrastructure, HealthShare NSW, NSW Health Pathology, eHealth, the Ministry of Health Population and Public Health Division, Infrastructure and Asset Management Division, and the Climate Risk & Net Zero Unit. The panel may contact applicants to clarify or confirm information in the application.

Applicants must meet all eligibility criteria. All applicants and their host organisations will be informed as to whether they have been awarded funding. The Review Panel decision is final and may not be appealed. General feedback on applications will be made available upon request.

The NSW Ministry of Health will contact the Host Organisation (LHD, SHN, pillar or support organisation or Ministry branch) for each successful applicant to establish budget supplementation between the Host Organisation and NSW Ministry of Health.

Upon announcement of successful applicants, the Host Organisation's Chief Executive is expected to review and certify the budget supplementation and support fund dissemination to the administering department.

Reporting Requirements

Fund recipients must submit a report on their interim innovation/initiative outcomes by end of 2025 and final innovation/initiative outcomes by June 2026. Fund recipients may be required to present to the NSW Health Environmental Sustainability Steering Committee, NSW Health Sustainability Network, other Ministry and/or state-wide agency forums at the end of their project.