



South Australia Health Supply Chain Reform

Paul Broadbridge
Acting Chief Procurement Officer, SA Health
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**Government
of South Australia**

SA Health

Background to SA Health

- > South Australia (SA) is one of Australia's six states and two territories
- > It has a land area of 983,482 square kilometers, and a population of 1.6 million, with 1.2 million centered around the capital city, Adelaide
- > SA Health delivers health services to all South Australian's including public hospital, mental health, pathology, ambulance and dental services
- > We have approximately 35,000 employees, an operating budget of AU\$4.63 billion and capital expenditure of AU\$497.8 million





So why Reform?

- > In 2008, SA Health undertook a strategic review of its procurement, contracting and supply chain operations
- > Identified:
 - Fragmentation and duplication leading to inefficient use of resources and inconsistent services
 - Development and investment required in people, processes and systems
 - A common state-wide strategy needed to be established for the service
 - Significant opportunities for financial savings, and service improvements to end users



So what does the new model look like?

- > State-wide strategy, structure and service delivery model for procurement, contracting and supply chain management services
- > Now tendering and managing contracts at a 'whole of Health' level
- > A central Distribution Centre with satellite stores, enabling us to manage our supply chain
- > Far greater investment and utilisation of technology (Oracle R12, imprest management, procurement and contract management)



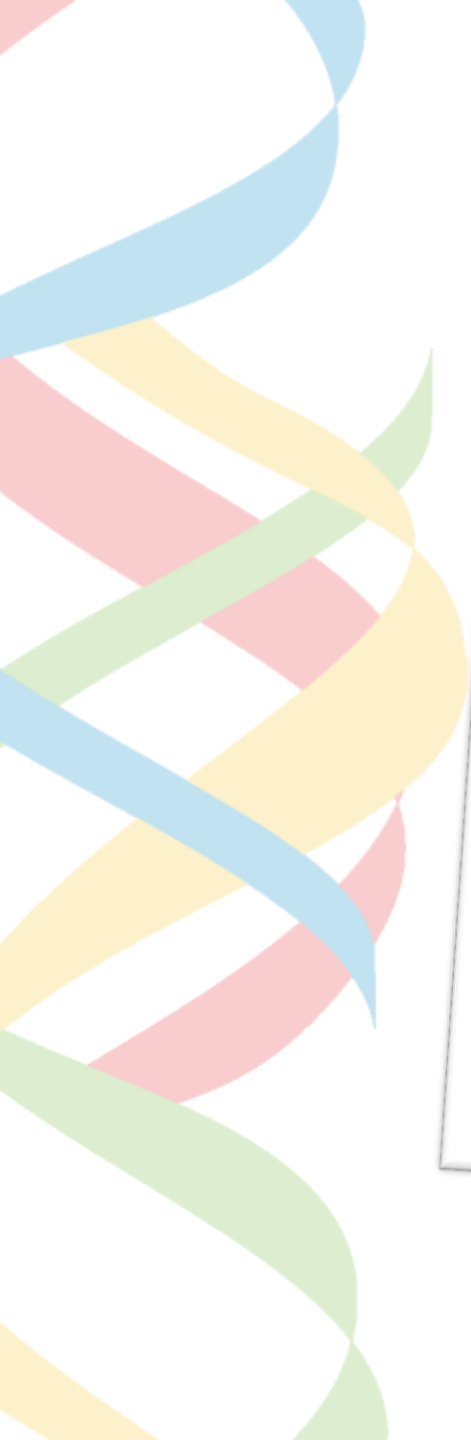
So how has GS1 enabled this?

- > Healthcare is global, and our supply chains cross many verticals
- > GS1 as a global organisation is a partner with standards that apply globally and across the various verticals we work in
- > Adopted GS1 standards and systems include:
 - GS1net/National Product Catalogue (NPC)
 - Locatenet
 - GS1xml messaging
- > Reduced costs, saved time, reduced errors
- > Achieved through collaboration with the NEHTA and GS1 Australia



Lessons learned?

- > Executive support has been critical
- > Ensuring the implementation is based on standards is fundamental
- > Data quality is imperative, and is the achilles' heel
- > You need the right resources and the right focus
- > Training and change management cannot be under estimated
- > 'Herding cats'
- > It is not a smooth journey, but the long term benefits are well worth it



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paul.broadbridge@health.sa.gov.au



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