

## Northern Sydney Local Health District



Our ref: NSHD/24/25676

Mr Matthew Mackay  
Chief Executive Officer  
Royal Rehab Group  
By Email: [REDACTED]

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### Royal Rehab Group Service Agreement Meeting with Northern Sydney Local Health District

Dear Mr Mackay

*Matt*

Thank you for your time this afternoon (Wednesday 17 April 2024) to discuss the Service Agreement between Royal Rehab Group and Northern Sydney Local Health District (NSLHD).

I reiterate my comments that NSLHD values our relationship with Royal Rehab Group, who provide important, high quality specialty services for NSLHD and the broader community of NSW. I also acknowledge your advocacy for Royal Rehab Group and the patients you care for, and reaffirm my commitment to working with you to find a way forward to resolve the longstanding issues with the Service Agreement.

I would also like to highlight a few key points from our meeting today.

With regard to your request for additional funding, in line with financial stewardship and good governance practices, NSLHD is not in a position to consider requests for additional funding without robust justification and data to support such requests. I am advised that despite multiple requests over several years, we are yet to receive a business case from Royal Rehab Group.

I also reiterate that Royal Rehab Group is afforded multiple opportunities to provide input into the Service Agreement between our organisations, including the types and volumes of services being purchased and the funding required to provide these services.

Your proposal to retain Own Source Revenue represents a double payment for services provided by Royal Rehab Group and NSLHD is not supportive of this proposal. The quantum of Own Source Revenue you have requested to retain also exceeds your most recently stated annual funding shortfall.

The agreed next step is for Royal Rehab Group to complete a business case outlining the difference between costs and funding, justifying any increased funding requested. I am committed to supporting you in the completion of this business case and will provide any necessary input or data you may require. Once completed, I am committed to providing this business case to the NSW Ministry of Health and facilitating a meeting with Royal Rehab Group, NSLHD and NSW Ministry of Health executive representatives to explore potential ways forward.

I am hopeful that we can continue to work together in a respectful and collaborative manner as our organisations continue to support the community of NSW.

*Northern Sydney Local Health District is located on the traditional lands of the Eora Nation*

For more information, please contact me directly via [REDACTED] or on [REDACTED]

Yours sincerely

*Anthony M. Schembri*

Adjunct Professor Anthony M. Schembri AM  
Chief Executive

Date: 17.04.24

Cc: Denise Thomas, Chief Operating Officer, Royal Rehab Group  
Email: [REDACTED]