

Witness Outline

Name: Robert Mills

Occupation: Chief Executive Officer, the Royal Society for the Welfare of Mothers and Babies, otherwise known as Tresillian

1. This is an outline of evidence that it is anticipated that the witness will give to the Special Commission of Inquiry into Healthcare Funding.

A. Role and organisation

2. I am the Chief Executive Officer ('CEO') of the Royal Society for the Welfare of Mothers and Babies ('Tresillian'). I have been in this role since 2013. Prior to that, I was the CEO of Karitane from 2003.
3. I am a registered nurse and midwife and have worked for over 35 years in maternal and child health and early parenting services.
4. I hold a Masters of Public Health and am an Adjunct Associate Professor (Industry) within the Faculty of Health at the University of Technology Sydney ('UTS'). I am also on the boards of the Australasian Association of Parenting and Child Health Inc.; the Dean's Advisory Board of UTS; the PREPARE Foundation (Birthing Dads); and the NSW Health Services Association ('HSA') board. I am a fellow of the Australian Institute of Company Directors and an accredited Hospital Assessor with the Australian Council on Healthcare Standards (ACHS).
2. Tresillian is Australia's largest not-for-profit early parenting service offering families guidance in the early years of their child's life. It supports new parents around issues like breastfeeding and nutrition; sleep and settling; as well as perinatal mental health.
3. Tresillian was established under an act of NSW Parliament in 1919, the *Royal Society for the Welfare of Mothers and Babies' Incorporation Act 1919* (SCI.0008.0110.0001). It was established to provide early parenting services across NSW and has been doing so with the

NSW Government for over 100 years. Tresillian continues to operate with NSW Health funding under the Act and Tresillian's By-laws were recently gazetted in NSW Parliament in 2018 (SCI.0008.0111.0001).

4. Tresillian is an affiliated health organisation ('AHO') within the meaning of the *Health Services Act 1997* ('the Act'). It is a named AHO in Column 1 of Schedule 3 to the Act ('the Schedule'). When I commenced at Tresillian, the organisation was mainly based in metropolitan Sydney at Belmore, Nepean, Willoughby and Wollstonecraft, but since 2015 it has expanded into regional parts of the state.

B. Insurance requirements

5. The Ministry of Health's 'Accounts and Audit Determination for Public Health Entities in NSW' (SCI.0008.0112.0001) mandates that AHOs must participate in the NSW Treasury Managed Fund ('TMF') insurance scheme, also known as iCare, and not enter into other contracts of insurance (at 2.4). Further, the Sydney Local Health District ('SLHD') and Tresillian 2023-24 Service Level Agreement ('SLA') (SCI.0008.0113.0001) states at 1.1.4 that the key condition of subsidy is adherence to the Accounts and Audit Determination for Public Health Organisations.

C. Issues with the Schedule and insurance

6. Around 2018, Tresillian started providing education & training services in China. Despite these services not being listed in Column 2 of the Schedule, correspondence from NSW Health confirmed that the services could be added to Tresillian's iCare Certificate of Currency (SCI.0008.0114.0001 and SCI.0008.0116.0001). These services were then included in the certificates of currency dated 4 July 2018 and 24 September 2019 (SCI.0008.0115.0001 and SCI.0008.0116.0001).

7. In 2018, Tresillian had liaised with the Ministry of Health to add its new Lismore Centre to Column 2 of the Schedule which lists recognised establishments or services of AHOs.

Tresillian also received additional NSW Health funding in 2018 to open five new centres in Broken Hill, Dubbo, Taree, Queanbeyan, and Coffs Harbour. In 2020, I wrote to the Ministry of Health requesting that these additional centres also be included in the Schedule (SCI.0008.0118.0001). This was immediately actioned by the Ministry of Health and formally endorsed by the Minister and gazetted in Parliament (SCI.0008.0117.0001). When Tresillian expanded its service to include seven further sites, however, the Ministry of Health refused to add these to the Schedule as explored below.

8. In 2021, Tresillian wrote to the Ministry of Health seeking amendments to the organisation's certificate of currency (SCI.0008.0119.0001). The certificate referred to the services in China which Tresillian was no longer involved with. It was therefore requested that this be removed and a centre in the ACT which was opened in 2019 be included in its place. As part of this chain of correspondence, Tresillian noted that iCare had confirmed coverage of Tresillian staff at the centre in the ACT in 2019 when first opened. When the Ministry of Health noted that the ACT centre was not included in the Schedule, Tresillian requested that it and other existing services be added. The Ministry of Health then stated that its Legal Branch had advised that an AHO is only recognised in respect of their services or institutions listed in Column 2 of the Schedule, and that if Tresillian wished to have additional services added, it would need to make a case for it which would be assessed through the Prevention and Response to Violence Abuse and Neglect ('PARVAN') program or the Health and Social Policy branch of the Ministry. This was the first occasion that the Ministry of Health had refused to add Tresillian services to the Schedule even though they were funded by NSW Health.

D. Requested amendments to the Schedule

9. In February 2022, Tresillian wrote to Brad Hazzard, then Minister for Health, proposing a solution to this issue and requesting that the Schedule be amended so that the reference to Tresillian's state-wide services was aligned with that of the NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors ('STARTTS') and Royal Rehab. That is, to have Column 2 of the Schedule amended to remove all of Tresillian's locations and instead to replace this with 'Tresillian Family Care Centres' (SCI.0008.0122.0001).
10. Minister Hazzard responded to Tresillian later that month. This letter stated that iCare had confirmed that unified coverage of Tresillian's services would only be possible if all of the services were listed in Column 2 of the Schedule. Minister Hazzard noted that iCare had advised there was a legislative limit to what the TMF Scheme could cover, and that there was no possibility of providing iCare insurance cover temporarily during the life of a two year funding agreement for the additional regional centres. Further, that it was not proposed to amend the Act to cover all Tresillian Family Care Services (SCI.0008.0123.0001).
11. I understand that the Ministry's position was based on a view that for services to be included in the schedule they should have ongoing recurrent funding rather than short-term two year funding. I also note that all AHOs only receive funding within a one-year Service Level Agreement ('SLA'). Furthermore, I note that there are services listed in Column 2 to the Schedule which remain there even when they have ceased operations, such as Karitane's Liverpool Centre.
12. In September 2022, Tresillian then wrote to the Ministry of Health suggesting an alternative solution to the issue; that Column 2 of the Schedule be amended to include "Tresillian Family Cares services in NSW conducted under written agreements with the NSW Ministry of Health, the Health Administration Corporation or a Local Health District" (SCI.0008.0120.0001). The HSA also raised this issue and the proposed amendment with

Minister Hazzard's Chief of Staff (Leonie Lamont) in November 2022, and provided a proposed form of amendment (SCI.0008.0124.0001 and SCI.0008.0125.0001).

13. In December 2022, Minister Hazzard responded to the HSA, confirming that the Ministry would not amend the Schedule as requested (SCI.0008.0126.0001 and SCI.0008.0127.0001). The letter stated that it was not proposed to amend the Act due to inherent issues with the proposal, and because Parliament would not be sitting again for usual legislative processes prior to the March 2023 election.

14. The letter further stated that Minister Hazzard was advised that the proposed amendment:

... would, if implemented, create funding uncertainty for Tresillian, as it would mean Tresillian would lose the assurance of ongoing funding of its existing recognised services. Instead, those services would become recognised services only where time-limited funding agreements are in place in respect of those services. Accordingly it would not be in the long-term interest of those existing Schedule 3 services, or consistent with their status as recognised public health services under the Act.

15. The letter continued, stating that funding for Tresillian was not confirmed from 1 July 2023 as the Ministry was finalising outcomes arising from a Strategic Review of Tresillian and Karitane seeking to align child and family services more closely with the First 2000 Days Framework. This is a review which began in 2019. While I have been provided a draft copy of this review on a confidential basis in October 2023 by the Ministry (the covering email, but not the draft report, is SCI.0008.0133.0001). I attended a meeting on 6 November 2023 with representatives of the Ministry. Following this discussion, I advised that I was content for the report to be circulated, subject to one minor amendment. I was told that the Ministry still had to meet with representatives of Karitane to see if they were also happy with the report. I have not received a final copy of the report or been advised about whether I can distribute or otherwise use it.

16. Finally, Mr Hazzard confirmed that Tresillian's iCare coverage did not extend to services not listed in the Schedule, and that additional insurance costs were a matter to raise with the relevant funding entities as part of funding negotiations.

E. Ongoing relationship with the Ministry of Health

17. In May 2023, following the change in Government, Tresillian wrote to the new Minister for Health, Ryan Park, seeking to meet with the Minister to discuss amending the Schedule. I met with Minister Park on 19 June 2023 to discuss the concerns raised in this letter and was advised that the matter would be referred to the Ministry to liaise directly with Tresillian and the HSA on the Schedule issues, and other AHO related matters.

18. The Ministry commenced a NSW HSA Working Group quarterly meeting chaired by Deb Willcox AM and other nominated NSW Health representatives. The first meeting was held on 15 August 2023 (SCI.0008.0129.0001). The issue of iCare insurance was on the agenda for the first meeting, however, due to time constraints this was not discussed.

19. The next meeting of the Working Group was held on 24 January 2024 (SCI.0008.0130.0001). 'Insurance issue – iCare' was once again included on the agenda. I provided an update on the recent history of Tresillian's attempts to have NSW Health funded service locations added to the Schedule and also highlighted the significant concerns of having AHO Hospital beds funded by NSW Health, those being Tresillian's four beds at Macksville Hospital and Karitane's 19 beds at Campbelltown Hospital, not listed as recognised services in Column 2 of the Schedule. Deb Willcox AM asked the NSW Health Legal Branch representative for the reasons for not adding these services to Column 2 of the Schedule. The Legal Branch representative advised that Legal Branch had no issues with adding these services to Column 2, that it was a policy decision and that Legal Branch would then action the policy directive. I have not received a copy of any minutes of that meeting.

F. Position today

20. As it stands, Tresillian has had to pay for workers compensation, public liability and property insurance for the NSW Health funded services which are not listed in Column 2 of the Schedule. The total amount paid for these in 2023 was \$80,397 (SCI.0008.0131.0001).
21. I also note that Tresillian's Certificate of Currency from iCare specifies that we are only insured for recognised services as listed in Column 2 as per the statement below and that Karitane's Certificate of Currency from iCare doesn't include this statement. This means that Karitane has full insurance coverage from iCare right across NSW, whether or not their services are listed in Column 2 (including the beds at Campbelltown Hospital) and not for the recognised services in Column 2, which is what iCare enforce for Tresillian insurance cover.

The certificate states:

*This Certificate of Currency is provided to **Royal Society for the Welfare of Mothers and Babies, an Affiliated Health Organisation** under Schedule 3 of the Health Services Act as evidence of insurances held under Treasury Managed Fund in respect of its recognized establishments and services - Tresillian Family Care Centres at Belmore, Broken Hill, Coffs Harbour, Dubbo, Lismore, Penrith, Queanbeyan, Taree, Willoughby and Wollstonecraft.*

22. Tresillian operates four beds in Macksville Hospital. When constructing this hospital, NSW Health Infrastructure was required to work closely with Tresillian to design the room layouts for the four new Tresillian beds. NSW Health Infrastructure have standard room templates for all patient rooms, but Tresillian early parenting service rooms required new layout sheets and were designed from scratch. Additionally, the Ministry funds the use of these beds. Despite this, Tresillian is required to pay for separate insurance for this service; which raises serious concerns as to how Tresillian can operate NSW Health funded hospital beds, not listed in Column 2 as a recognised service, inside a public hospital.

23. In a discussion at a recent HSA Board meeting, the representative of St Vincent's commented on my update about separate insurances and advised that the *Work Health and Safety Act 2011* specifies that one organisation cannot have two different workers compensation insurance policies and that St Vincent's has had to remove workers compensation from iCare and arrange separate coverage. Noting that St Vincent's still use iCare for public liability and property insurance, but they operate other services that are not included in Column 2 of Schedule 3, which currently only has listed Sacred Heart Health Service; St Joseph's Hospital (Auburn) and St Vincent's Hospital, Darlinghurst.

G. Funding

24. Tresillian's services are primarily funded by the Sydney Local Health District ('SLHD'). I have a good working relationship with the LHD's Chief Executive, Teresa Anderson AM.

25. When I proposed expansion of our services to Lismore, Ms Anderson was very supportive and the LHD agreed to assist in funding this program with NNSWLHD and provide IT support. Other services, such as our Wagga Wagga day service, have been negotiated with and funded by the MLHD in which the service is located. In other instances, I have approached the previous Minister for Mental Health & Regional Health and local MPs directly to discuss additional funding for new or existing programs. This has not been received well within the Ministry, but did result in the granting of further financial support, which included the 7 new regional family care centres, 6 Tresillian 2U mobile Vans and the 4 residential beds at Macksville Hospital.

26. The split funding arrangements have led to inconsistencies and issues around security for staff. When the separate contracts with the Ministry are due for renewal, funding is paused until a new Agreement and new indexation can be agreed upon. This has left Tresillian to pay at least \$2 million out of its own reserves to pay staff wages at the beginning of every new financial year. This is contrasted with SLHD, which gives Tresillian a weekly subsidy that is

adjusted as needed as the budget is finalised, rather than a bulk quarterly payment from the Ministry, which doesn't commence until an Agreement is signed with a new indexation agreed to.

11 April 2024