Special Commission of Inquiry into Healthcare Funding

Statement of Margaret Bennett

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A. INTRODUCTION

1. I am the Chief Executive of Southern NSW Local Health District (**SNSWLHD**, **the District**).

2. I have previously provided a statement to this Inquiry dated 9 February 2024 (**MOH.9999.0007.0001**) which related to section E of the Inquiry's Terms of References (Procurement). I have nothing additional I wish to add regarding this Term of Reference.

3. This supplementary statement is provided in response to letters of 28 June 2024 and 26 July 2024 issued to the Crown Solicitor's Office and addresses the topics set out in those letters relevant to my role and to the extent not already addressed in my earlier statement. This statement made by me sets out the evidence that I would be prepared, if necessary, to give to the Special Commission of Inquiry into Healthcare Funding.

4. In my role as Chief Executive, I am proud to lead a team of approximately 2,525 full time equivalent (**FTE**) employees across the SNSWLHD. The District delivers healthcare to a geographically disperse population of approximately 220,000 and many of the 5 million visitors who come to our region each year. Notwithstanding the challenges of a large, diverse area and impacts such as the 2020 bushfires, flooding and Covid-19, along with significant workforce challenges, the District has made significant progress in service planning and development, activity performance, innovation and workplace culture.

5. SNSWLHD operates in a cross-border environment with the Canberra Hospital fulfilling the role as our main tertiary referral facility.

B. GOVERNANCE

6. The key frameworks for SNSWLHD's delivery of healthcare services are as follows:

   a. The NSW Health Performance Framework 2024 (**SCI.0001.0007.0001**); [A.11]

   b. Future Health: Strategic Framework 2022 – 2032 (**SCI.0001.0011.0001**); [A.15]

c. NSW Regional Health Strategic Plan 2022 – 2032 (**SCI.0001.0044.0001**); [B.23.24]]

d. NSW Aboriginal Mental Health and Wellbeing Strategy 2020 – 2025 (**MOH.0014.0243.0001**);

e. Corporate Governance and Accountability Compendium for NSW Health (**MOH.0010.0256.0001**); [H.2.51]

f. SNSWLHD *Service Level Agreement 2023-24* with the Secretary (**MOH.0001.0456.001**). I note the Service Agreement for 2024/2025 will be finalised shortly; [B.23.181]

g. SNSWLHD *Strategy 2026* (**MOH.0010.0431.0001**);

h. SNSWLHD *People Strategy* 2024 - 2026 (**MOH.0010.0430.0001**);

i. *Southern NSW Local Health District Aboriginal Mental Health & Wellbeing Strategy 2020 – 2025, Implementation plan* (**MOH.0010.0426.0001**);

j. *Strengthening community engagement, Southern NSWLHD Community Engagement Framework*, November 2023 (**MOH.0010.0427.0001**);

k. SNSWLHD District Clinical Services Plan 2023 – 2029 (**MOH.0014.0244.0001**);

l. NSW Health, Model By-Laws 2021 (**SCI.0001.0002.0001**); [H.2.57]

m. SNSWLHD Board Charter (**MOH.0010.0421.0001**).

Southern NSW Local Health District Board

7. The *Health Services Act 1997* sets out the roles, functions, skills and experience of SNSWLHD, including my role and that of the Board. The current SNSWLHD Board consists of a Chair and seven members, who bring expertise from financial, healthcare, health management, and community perspectives.

8. There are seven Board sub committees comprising of Health Care Quality, Performance Committee, People and Culture, Community Engagement, Aboriginal Health, Audit and Risk, and Medical and Dental Appointment Advisory Committee.

9. The District Clinical Council and the District Medical Executive Staff Council act as advisory committees for clinicians to provide clinical expertise on service development, planning, staffing requirements and policy development.

10. As the Chief Executive, I am accountable to the SNSWLHD Board, and in accordance with the Service Agreement to the Secretary, for leading the provision of equitable, safe, high quality and human centred healthcare within SNSWLHD.

11. The SNSWLHD organisation structure is exhibited (**MOH.0010.0422.0001**).

C. SNSWLHD – DEMOGRAPHICS

(i) Population Demographics

12. SNSWLHD has both an ageing and growing population, dispersed across the alpine, coastal and inland regions, of 219,353 persons in 2021 and anticipated to reach 249,393 by 2036. Of its population, 21% of residents are aged 65 and over. The proportion of people aged over 70 is projected to increase to 21% by 2036, on par with the forecasted 20-year growth prediction intended for New South Wales (**NSW**) of 1% per year.

13. The proportion of people identified as First Nations people in SNSWLHD is 4.2% or 9,146, in comparison to 3.4% of the NSW population. The First Nations population increase between 2016 and 2021 was 29.7%, with 3,024 children (0 – 14 years of age).

14. The proportion of the population that was non-English speaking in 2021 was 7.5%, with a diversity of languages spoken at home including German, Nepali, Macedonian, Thai, Spanish, French, Mandarin, Indigenous, Greek, Arabic, Malayalam, Punjabi, Italian, and Croatian.

15. Socio-Economic Indexes for Areas (**SEIFA**) indicated the socioeconomic advantages and disadvantages for the District in 2021 as set out in the table below. According to the index of Relative Socioeconomic Disadvantage in which NSW had a score of 1001, the District has three areas classified as disadvantaged. Across the District, 43% of households are low-income, and 10.3% of children live in low income, welfare-dependent homes.

Table 1: SEIFA IRSD scores for SNSWLHD, by LGA, 2021

	Index of Relative Socio-economic Disadvantage	
LGA Name	**Score**	**Decile**
Bega Valley	986	6
Eurobodalla	985	6
Goulburn Mulwaree	972	5
Queanbeyan-Palerang Regional	1061	10
Snowy Monaro Regional	1020	8
Upper Lachlan Shire	1022	8
Yass Valley	1065	10

16. In comparison to other areas of NSW, the District has a high proportion of health determinants that require primary care or care in the community, including higher than average obesity rates, a large number of adults with inadequate exercise, higher than state average smoking rates (including during pregnancy), and high levels of alcohol consumption.

17. There is a shortfall in General Practitioners (**GP**s) in SNSWLHD compared to demand.

(ii) Geographic Demographics

18. Within SNSWLHD, the traditional custodians of the land are the Gundungurra, Ngunnawal, Ngambri, Ngarigo and Yuin people and I acknowledge and pay my respect to the Elders past, present and emerging.

19. SNSWLHD covers a region of 44,534 square kilometres of the NSW south east and tablelands, incorporating seven local Government areas of Upper Lachlan, Goulburn Mulwaree, Yass Valley, Queanbeyan-Palerang, Eurobodalla, Bega Valley, and Snowy Monaro. This area includes geographical boundary alignment with the Australian Capital Territory (**ACT**) and Victorian borders, the Snowy Monaro regions, the sea, farmlands, small towns and regional centres.

20. Adding to challenges posed by the dispersed nature of the SNSWLHD population across this geographic footprint, are the 5 million tourists visiting the region yearly with an increasing demand on services on the coast in summer and to the snow in winter.

21. The Modified Monash Model (**MMM**) defines rural, remote or very remote locations through specific measurements. Remote locations are classified as MM7 whilst Metropolitan are listed as MM1. The District has a number of MM3 – MM5 sites as listed below.

MM Level	Location
MM5	Delegate, Bombala, Crookwell, Braidwood, Moruya, Bega
MM4	Yass, Batemans Bay, Pambula, Cooma
MM3	Goulburn
MM1	Queanbeyan

D. SNSWLHD – HEALTH SERVICES

(i) facilities

22. A map of SNSWLHD facilities is exhibited (**MOH.0010.0428.0001**).

23. SNSWLHD operates 15 health services including eight acute hospitals, 3 Multi-Purpose Services (**MPS**), 3 community health centres and four mental health inpatient units.

24. SNSWLHD facilities are divided into two geographic networks, Inland and Coastal, as set out on page 21 of the District Clinical Services Plan 2023 – 2028.

25. The **Inland Network** comprises:

    a. Hospitals: Cooma Health Service, Crookwell Health Service, Goulburn Base Hospital, Queanbeyan Health Service, Yass Health Service,

    b. MPSs: Bombala MPS, Braidwood MPS, and Delegate MPS, and

    c. Jindabyne HealthOne.

26. The following table provides an overview of the Inland Network hospital and MPS facilities:

	Facility	Snapshot
1	Goulburn Base Hospital	Level 4 hospital with a 24-hour Emergency Department (**ED**) and 87 beds, intensive care, medical admissions, maternity, paediatrics, renal dialysis, medical imaging, community health, allied health, mental health, palliative care, cardiac rehabilitation, pathology, and oncology. Chisholm Ross Centre is a 32 bed acute inpatient psychiatric unit.
2	Crookwell Health Service	24 hour ED and 13 bed acute care facility providing general medicine services, outreach pharmacy, pathology and outreach medical imaging.
3	Yass Health Service	24 hour ED, 12 bed hospital with a medical ward, outreach pharmacy, pathology and medical imaging.
4	Queanbeyan Health Service	24 hour ED, 27 bed facility with an 8-chair day surgery, maternity ward, medical/surgical ward, close observation unit and a renal service unit. Community and mental health services are co-located and pharmacy, medical imaging and pathology are available.
5	Cooma Health Service	20 bed facility consisting of a medical/surgical ward, close observation unit, maternity ward, day surgery unit, ED, pharmacy, pathology, and medical imaging. A purpose-built Ambulatory Care Centre opened in December 2023, which brings together Community Nursing, Child and Family Health, Podiatry, Medical Specialist Clinics and NSW Health Pathology services. Cooma Community Health Service offers outreach services to Jindabyne, Bombala, Delegate and surrounding areas.
6	Bombala MPS	18-bed facility consisting of an ED, general ward, residential aged care ward, and outreach medical imaging. There is a co located GP service from the facility.
7	Delegate MPS	10 bed MPS. Assessment and Treatment Care Centre (**ATCC**) for minor injuries and illness, 10 permanent residential aged care beds; pathology collection and pharmacy (visiting one day per week). There is no medical imaging at Delegate MPS. There is no GP located in Delegate. The nearest is 30 minutes away.
8	Braidwood MPS	24 hour ED, and a 39-bed facility consisting of a general medical ward, residential aged care ward, pharmacy, pathology and outreach

	Facility	Snapshot
		medical imaging. Community health services are offered locally via permanent and visiting health service staff, and encompass nurse-led women, children and general services; welfare services; aged care services including aged care community packages; physiotherapy and speech pathology.

27. The **Coastal Network** currently comprises:

    a. Hospitals: Batemans Bay Hospital, Moruya Hospital and Health Service, South East Regional Hospital (**SERH**), Pambula District Hospital, and

    b. Community health: Narooma Community Health, Eden Community Health Centre.

28. The following table provides an overview of the Coastal Network hospitals:

	Facility	Snapshot
1	Batemans Bay Hospital	24 hour ED, 20 beds, with surgical / medical ward, day surgery unit, pharmacy, pathology and medical imaging and community health services.
2	Bega – SERH	24 hour ED, 98 beds: medical and surgical inpatient beds, day surgery, maternity, paediatrics, intensive care / critical care unit, operating theatres, sub-acute rehabilitation, mental health, renal dialysis and oncology outpatient clinics, pathology, pharmacy and medical imaging. Community Health is co located and comprises of Aboriginal health; nurse-led women, children and general services; aged care services such as the aged care assessment team (**ACAT**), transitional aged care assessment program (**TACP**) and dementia care team; oral health; drug and alcohol; mental health for children, adolescents and adults; sexual health; cancer care; palliative care; audiology; HIV services; nurse practitioner services; and allied health services such as physiotherapy, social work, occupational therapy, speech pathology and dietetics.
3	Moruya Hospital and Health Service	24 hour ED, 45 bed acute care hospital providing surgery (urology, minor orthopaedics, gynaecology and general), general medicine, obstetrics, paediatrics, renal dialysis, close observation, inpatient palliative care, rehabilitation, maternity, pathology, pharmacy and medical imaging. Community Health is co-located and services

	Facility	Snapshot
		encompass Aboriginal health; nurse-led women, children, family and general services; aged care services such as the ACAT, TACP and dementia care team; oral health; drug and alcohol; mental health for children, adolescents and adults; cancer care; outreach renal clinic, palliative care; and allied health services such as physiotherapy, social work, occupational therapy, speech pathology and dietetics.
4	Pambula District Hospital	10-bed subacute facility with a nurse-led ATCC for walk-in patients 5 years and older to treat minor injuries and illness. Services include subacute care, palliative care, and allied health.

(ii) Virtual services

29. SNSWLHD acknowledges the limitations of smaller facilities when there is no on-site GP to provide medical coverage. In partnership with Western NSW LHD, patients are managed by the Virtual Rural Generalist Service (**VRGS**). This service was established in 2022 with the service implemented at Yass and Crookwell Hospitals and Braidwood, Bombala and Delegate MPSs.

30. The VRGS is a virtual model of care delivered by a team of Rural Generalist GPs. The VRGS Medical Officers provide comprehensive medical coverage, with the ability to admit and manage patients remotely. In additional to working virtually, a VRGS Medical Officer will also work in-person in the LHD. All VRGS medical staff are contracted to complete 25% of their rostered time face to face, shared across Western NSW and Southern NSW LHDs. Average placement is 9.5 days across the five SNSWLHD sites per month.

31. The VRGS model supports local medical and nursing staff to deliver safe and high-quality care to rural and remote communities. The service is designed to manage fatigue amongst the rural medical staff and local Visiting Medical Officers, offering alternative coverage for times when they are on leave or require a break, and supporting 24 hour medical coverage for small hospitals.

32. A **Virtually enhanced Community Care service (VeCC)** was established as an innovative way to provide a virtual patient monitoring service known as acute remote monitoring. The goal is to assist in decreasing unplanned presentations to ED and

admissions to facilities. The service operates 7 days a week, monitored by Registered Nurses with Medical Officer escalation, and the team connect with consumers through video or audio calls. Patients are safely cared for in their homes through remote in-home monitoring. Bluetooth technology and equipment is used to monitor a patient's blood pressure, arterial oxygenation per cent, pulse, weight, and temperature. Deterioration is detected early, with procedures in place for escalation to higher level care if required.

33. Patients using this service are those managing a chronic disease such as chronic obstructive pulmonary disorder (**COPD**), congestive heart failure, other lung and heart problems, and diabetes. This has also proven to be an effective way for monitoring the conditions of patients with Covid-19 without compromising consumer health.

(iii) Hospital in the Home

34. Hospital in the Home (**HiTH**) services are utilised in the District at Queanbeyan, Goulburn, Moruya and Bega, and provides care in the comfort of the consumer's home as a substitute for in-hospital care. This model of care receives high levels of patient satisfaction and provides an opportunity for strong medical engagement and a multi-disciplinary approach.

35. I look forward to further expanding HiTH to a District model. A District HiTH model will allow the model to be built as a District program that will ensure consistency in service delivery and appropriate escalation pathways are in place for patients requiring escalation or de-escalation in their care.

(iv) Specialist Outpatient care

36. In SNSWLHD the demand for specialist outpatient clinic access greatly outweighs the availability of specialists to maintain capacity.

37. There is an overwhelming need for locally based paediatric services across both the Inland and the Coastal Networks. In 2021, SERH introduced a new Coastal Paediatric Outreach Clinic for children under the age of 16, to provide equitable care for children with difficulty accessing services. This has been possible through a team-based approach to coordinate services and care provision.

(v) Community services

38. The District has a Central Intake service. Central Intake is the central enquiry, referral and processing point for referrals to community health services in SNSWLHD. The Central Intake team processes all referrals for Community Health services including:

a. Aboriginal Health services

b. Aged, Chronic and Complex Care

c. Audiometry

d. Cancer Care

e. Cardiac and Pulmonary Rehabilitation

f. Care Navigation

g. Child and Family Nursing

h. Community Nursing

i. Continence Nursing

j. Diabetes Education

k. Dietician

l. Falls Prevention

m. Immunisations

n. McGrath Breast Care Nurse

o. Nurse Practitioners

p. Occupational Therapy

q. Palliative Care

r. Physiotherapy

s. Podiatry and Foot care

t. Sexual Health

u. Social Work

v. Speech Pathology

w. TACP

x. Women's Health

y. Wound Care Clinics.

(vi) Mental Health services

39. Southern NSW LHD has four Mental Health Inpatient Units (**MHIU**) located in Goulburn and Bega with a total of 74 beds. These are as follows:

a. Chisholm Ross Centre, adult acute MHIU in Goulburn with 32 beds (23 low dependency and 9 high dependency),

b. Ron Hemmings Centre, adult non-acute MHIU in Goulburn with 12 beds,

c. David Morgan Centre, older persons MHIU in Goulburn with 16 beds (8 psychogeriatric and 8 dementia support), and

d. SERH MHIU, adult acute in Bega with 14 beds (10 low dependency and 4 high dependency).

40. Children and adolescents requiring inpatient care are referred to either Orange or Shellharbour inpatient units. Children and adolescents may be admitted to a SNSWLHD acute adult MHIU for a short period while waiting for a bed in a specialist unit and are provided one to one nursing during the admission.

41. The SNSWLHD population experiences a higher rate of intentional self-harm than the NSW rate per 100,000 population with 203 hospitalisations occurring, and 19.2% of adults have high or very high psychological distress where the NSW average is 17.1%. This creates risks associated with ED presentations across the District.

42. Opportunities to further partner with organisations to improve access to mental health services would be welcome, particularly for adolescents and children, to understand the

determinants of emotional distress and suicidal thoughts, reduce waitlists in specialist services and to remove the barriers and provide timely access to treatment and care.

43. The regional location of services is challenging in attracting, recruiting and retaining the skilled, diverse and experienced workforce. Community Mental Health teams experience significant vacancies across all disciplines and the challenge also relate to the fact our District is closely located to the ACT where generally salaries are higher than NSW.

(vii) Clinical service planning

44. As set out in paragraph 6(k) above, SNSWLHD has a District Clinical Service Plan. This was released in early 2024 and establishes five key priority areas for service development and redesign across the District over the next five years. These are:

    a. Supporting health and wellbeing through primary, secondary and tertiary prevention;

    b. Provision of care closer to home;

    c. Ensuring the sustainability of services;

    d. Planning for growth and ageing in our population; and

    e. Ensuring equity of access to care.

45. Current focus areas of clinical service development include:

    a. Strengthening outpatient service capacity;

    b. Expanding Virtual Care;

    c. Decreasing outflows to Canberra for non-tertiary care that can be safely provided within SNSWLHD;

    d. Establishing a single access point to enhance access to various modalities of care and assisting patients to navigate the system;

    e. Expanding service provision in line with specialist recruitment; and

    f. Strengthening Aboriginal Health Service delivery.

46. The priorities in the District Clinical Services Plan were informed by analysis of population demographics, health status and burden of disease data, trends in health service activity including patient flows, along with consultation with over 600 staff, community and other stakeholders.

47. The plan has a strong focus on providing care as close to home as possible, where safe and sustainable to do so, with a particular focus on reversing the flow of patients from NSW to the ACT (reversal of flow). It also has a focus on improving access to and the development of public outpatient services to improve timely access to care.

48. Further, SNSWLHD is currently developing more detailed Clinical Service sub-plans in areas of growth and challenge. For example, the Snowy Mountains area due to tourists and the volume of trauma cases, and areas of population growth such as Queanbeyan and the Yass Valley.

49. The development of Clinical Service Plans involves extensive consultation across the District including facilitated community sessions across the District to discuss current and future challenges, solutions and provision of data.

50. Many SNSWLHD communities feel isolated geographically which can be compounded by a lack of public transport or minimal services to health facilities, long distances to travel to a tertiary facility (3.5 hrs) and poor telecommunication connectivity. A total of 4.1% of households do not have their own vehicle and 18% of homes have no internet access. This is particularly challenging when the population is relatively ageing. Other challenges and themes from the community consultation are set out on page 25 of the District Clinical Services Plan.

51. I am committed to improving the health outcomes for our communities through increased collaboration and flow between services, strengthening and expanding programs to reduce the impact of disease and expanding service provision to provide care closer to home.

E. CAPITAL WORKS

52. The current capital works in SNSWLHD are:

    a. Key Health Worker Accommodation;

    b. Cooma Health Service expansion;

    c. Goulburn Base Hospital redevelopment;

    d. Eurobodalla Regional Hospital;

    e. Batemans Bay Community Health Centre;

    f. Bombala MPS expansion.

53. Further detail is set out below.

(i) Key Health Worker Accommodation

54. SNSWLHD has received $15 million from the NSW Government for Key Health Worker Accommodation.

55. Cooma Hospital will be the first in the District to receive 12 modular constructed self-contained units, with onsite works commencing in August 2024. Planning is underway for similar accommodation at Crookwell Hospital, and a recent NSW Government announcement has committed funding for staff accommodation at the new Eurobodalla Regional Hospital.

56. This is a great initiative to stabilise retention rates and reduce long term accommodation costs.

57. Further investment in key health worker accommodation is required to address the shortage of short to long-term housing in regional and rural areas, which is impacting on the District's ability to recruit and retain staff. A recent NSW Government announcement committed to funding for key worker accommodation in Eurobodalla, but housing shortages continue to be a challenge especially in Bombala, Braidwood and Yass.

(ii) Cooma Health Service - expansion

58. This project was initiated in March 2015 with a $10 million NSW Government funding commitment to enhance the ED, ambulatory care, maternity, radiology services and inpatient unit.

59. SNSWLHD undertook comprehensive clinical services planning to develop the Monaro Regional Health Services Clinical Services Plan 2015 – 2019 (**MOH.0014.0248.0001**), followed by a Cooma Health Services Clinical Services Plan 2016 (**MOH.0014.0247.0001**) to determine the future range of health services required for the communities in the Snowy Monaro Local Government Area.

60. The process included significant stakeholder consultation to inform the planning. Community consultation sessions were held at critical points in the development of both plans, and throughout the planning and design phase of the Cooma Hospital redevelopment. The Cooma Hospital Community Consultation Committee worked closely with SNSWLHD and Health Infrastructure throughout the redevelopment project.

61. Ultimately, SNSWLHD received $24.2 million from the NSW Government to expand Cooma Health Service. To date an expanded ED was completed in July 2022, a new Maternity Unit was completed in March 2023, and ambulatory care centre has been refurbished.

62. The final milestone for Cooma is the upgrade of medical imaging and fire safety compliance works. Currently the District is scoping the priorities with the remaining budget allocation.

(iii) Goulburn Base Hospital Redevelopment

63. Redevelopment of the Clinical Services Building was operational in December 2022 including the launch of an MRI service in May 2023. This involved $165 million from the NSW Government.

(iv) Eurobodalla Regional Hospital

64. Community and local government advocacy for a new, single Eurobodalla Regional Hospital began in 2006.

65. On 31 October 2018, the NSW Government announced a $150 million to build a new single hospital in the Eurobodalla region.

66. SNSWLHD undertook comprehensive clinical services planning in 2018 - 2019 to determine the future range of health services required for the communities in the Eurobodalla Local Government Area. The process included significant stakeholder consultation to inform the planning. The Eurobodalla Health Service Clinical Services Plan was endorsed by the NSW Ministry of Health in May 2020. A copy of the Eurobodalla Health Service Clinical Services Plan is exhibited (**the 2020 Eurobodalla CSP**, **MOH.0014.0245.0001**).

67. The Eurobodalla Regional Hospital planning was informed by the 2020 Eurobodalla CSP, created based on population data and forecasts at that time.

68. While Clinical Services Plans are not updated during a hospital's construction phase, the scope of the Eurobodalla Regional Hospital has changed since the 2020 Eurobodalla CSP was published, to respond to changes in population modelling, and a range of other factors.

69. The 2020 CSP was developed from a Eurobodalla population forecast of 40,517 in 2031 but current forecasts predict a population of 42,559 in 2031.

70. The new Eurobodalla Regional Hospital construction commenced on 12 July 2024.

71. This new regional hospital will replace the two current District hospitals at Batemans Bay and Moruya. The related processes undertaken by SNSWLHD and NSW Health were regular community consultation and information forums to enable effective community engagement throughout this major change for the Eurobodalla communities. These include pop-up information stalls, town hall information events, surveys, newsletters, media releases and website updates at each critical phase of planning and development including: clinical services planning, site selection, design, building and model of care development.

72. This significant project will create a state-of-the-art hospital for the Eurobodalla region at a level four delineation, and the build will also support 600 direct jobs in the community. The hospital will include an ED, Intensive Care Unit (**ICU**), surgical and operating theatres, short stay surgical unit, expanded medical imaging and renal dialysis access, paediatric and maternity services, special care nursery, Mental health short term stay

beds, ambulatory care, and enhanced education and training facilities with a simulation laboratory.

73. The escalation in building costs has challenged this project which has been allocated an additional $70 million in the recent budget, bringing the capital budget to $330 million.

74. The need to attract and retain workers in rural and regional NSW is critical to maintaining current services and enabling the expansion of services. If we can accommodate our workforce in a safe, comfortable and affordable environment, we have an increased opportunity to retain our workforce.

(v) Batemans Bay Community Health centre

75. On 19 August 2021, the NSW Government announced $300,000 funding for planning for a new Batemans Bay Community Health centre, with a subsequent announcement on 21 January 2022 that $20 million would be allocated to build the facility. Construction for the new Batemans Bay Community Health facility will start once the project receives planning approvals and a building contractor is appointed. The Community Health Care centre will be on the site of the current Batemans Bay Hospital. A copy of the Batemans Bay Community Health Clinical Services Plan dated May 2023 is exhibited (**MOH.0014.0246.0001**).

(vi) Bombala MPS

76. In early July 2024, a combined State and Federal Government allocation of $15 million and $25 million respectively, was announced for the expansion of the Bombala MPS. This investment will assist to develop a long-term solution for aged care after circumstances caused the local private aged care provider to close. Tenders are currently being assessed by Health Infrastructure for the project.

(vi) Batemans Bay Urgent Care Centre

77. In 2023 the Australian Government announced a commitment to establish 58 Medicare Urgent Care Clinics (**UCC**s) across Australia, funded through Primary Health Networks. Batemans Bay was selected by the Australian Government as one of 14 UCC sites to be established across NSW. The District was not involved in the decision to select Batemans Bay as one of the UCC sites, although it did submit its own proposal to host such a site at Batemans Bay.

78. The ForHealth Group was selected as the provider for the Batemans Bay UCC in September 2023. Subsequently a licence agreement was entered into for SNSWLHD to host the UCC operating out of the Batemans Bay Hospital. A newly established partnership between ForHealth, SNSWLHD and the Primary Health Network (Coordinare) has been formed to support this service initiation and ongoing collaboration.

79. The Batemans Bay UCC opened in December 2023 and operates 7 days a week. Almost 7,000 patients were treated at the UCC between 4 December 2023 and 21 July 2024. Early data indicates a small reduction in category 4 and 5 ED presentations. The Batemans UCC will be co-located with Batemans Bay Community Health after the building opens.

F. SNSWLHD PARTNERSHIPS AND COLLABORATIONS

80. Establishing and enhancing effective partnerships is central to SNSWLHD's current and future endeavours. Key partnerships are set out below. SNSWLHD's Strategy 2026 sets out the following opportunities that are being actively pursued regarding partnerships and collaborations:

    a. Developing a regional approach to health and wellbeing in partnership with other healthcare organisations,

    b. Supporting a high performing primary care sector by building stronger partnerships with the community, GPs, the PHN, Aboriginal Community Controlled Health Organisation, and other service providers.

81. **Katungul Aboriginal Corporation Regional Health and Community Services** provides culturally appropriate health care to Aboriginal and Torres Strait Islander communities on the Far South Coast of NSW. Katungul's facilities include general practice and medical and dental clinics. Allied health programs are in place for eye health, otitis media and maternity care. SNSWLHD works closely with Katungul's many outreach programs including vaccination clinics, and local public health responses.

82. **The Canberra Hospital serves SNSWLHD as the closest tertiary hospital.** During the 2023/24 financial year, 3,206 patients were transferred to Canberra (2,567 by NSW Ambulance and 639 by a SNSWLHD Patient Transport Vehicle). Over that same period 672 patients were transferred back to SNSWLHD by way of interhospital transfer, 5 by NSW Ambulance and 667 by SNSWLHD Patient Transport Vehicle.

83. A Memorandum of Understanding was established to assist Canberra Health Services (**CHS**), operator of Canberra Hospital, and SNSWLHD to establish a flow reversal (patients are treated within NSW rather than being sent to Canberra) for elective procedures for patients on the CHS elective surgery and medical procedure waitlist, allowing consumers access to timely care, closer to home.

84. **South Eastern PHN (Coordinare Primary Health Network)** and **Illawarra Shoalhaven Local Health District (ISLHD)**. SNSWLHD has a Strategic Alliance with ISLHD and the South Eastern PHN – Coordinare. Governed by 10 principles for joint working and a Collaborative Commissioning Agreement, the Alliance undertakes joint regional planning, data analytics, research, models of care development and workforce initiatives. Examples of this work are the Link My Care – COPD initiative, the establishment of Urgent Care Centres, and the expansion of Chronic Care Practice Nurses in General Practice Surgeries.

85. **Western NSW LHD** - the successful partnership and establishment of the VRGS.

86. During the winter months for the Snowy Mountains, we work in partnership with **NSW Ambulance, Coordinare, ski fields management** and **primary care providers**, to manage demand and flow, create supportive, collaborative approaches and substitute in hospital care through care close to home. NSW Ambulance has opened an additional Ambulance station in Perisher with additional crew operating out of Jindabyne to meet an increased demand.

87. **Australian National University, University of Canberra** and **Wollongong University** SNSWLHD works closely with a range of university partners for education, research and training. Currently SNSWLHD is working with University of Canberra, Australian National University, and the University of Wollongong to advocate for the establishment of the Southern NSW University Department of Rural Health. In addition, SNSWLHD is working with these universities and a range of other health organisations to sustain and grow the HealthANSWERS Translational Research Partnership. HealthANSWERS is a collective partnership alliance of 13 health and academic organisations across Southern NSW and ACT promoting and supporting collaboration between health services, communities / consumers and researchers to optimise health and wellbeing through supporting research and evidence development, promoting service, academic and consumer collaboration, capacity development and knowledge sharing for translational researchers. I am privileged to Chair the HealthANSWERS Partners

Council and in 2025 the council is seeking to launch its forward direction and updated strategic vision.

88. A **Clinical Trial Support Unit** in partnership with ISLHD and Murrumbidgee Local Health District (**MLHD**) has recently been established, funded by the Australian Government Medical Research Future Fund, supported by ACT Health and CHS – to develop clinical trials capacity and infrastructure as part of the Rural, Regional and Remote Clinical Trial Enabling Program which will enable rural patients to receive the latest therapies closer to home.

89. SNSWLHD partners with **major Sydney hospitals** to support local patients who require high-level specialist care. For example, ICU specialist support from Liverpool Hospital (SWSLHD) to enable the safe provision of an ICU at Goulburn Hospital, and the provision of paediatric cardiology outreach clinics from Sydney Children's Network to SERH.

90. The SNSWLHD Transformation Unit, established in 2023, brings together a range of portfolios focussed on creating future sustainability for the organisation. The unit manages our strategic partnerships, research, clinical trials and innovation as well as building our joint analytics capacity and capability to further collaboration and commissioning across health agencies. The Unit also leads the District's key complex change and improvement projects (such as medical workforce and establishment) and is working to building the capacity and capability of the LHD to consistently deliver projects and maximise return on investment.

G. FUNDING

91. The 2023 – 2024 Service Agreement referred to at paragraph 6(f) sets out SNSWLHD's budget for the period 1 July 2023 to 30 June 2024.

92. SNSWLHD's expenditure for the 2023-24 was $621 million, which was $59.3 million over expense budget allocation, and includes:

    a. 59.5% spent on salary and wages,

    b. 8.5% spent on Visiting Medical Officers,

    c. 27% spend on other operating expenses,

    d. 4.6% spent on depreciation and amortisation, and

e. 0.4% spent on grants and affiliated health organisations.

93. Own-source revenue generated in 2023-24 was $53.6 million and included patient fees and private health insurance.

94. At SNSWLHD, facilities are funded as follows:

a. six facilities receive activity-based funding (**ABF**): Goulburn Health Service, SERH, Cooma Health Service, Moruya Health Service, Queanbeyan Health Service and Batemans Bay Hospital;

b. three sites funded through the small hospital funding mechanism: Crookwell Health Service, Yass Health Service, and Pambula District Hospital;

c. three multipurpose service (**MPS**) facilities funded in partnership with Australian Government, Department of Health and Aged Care; and

d. one stand-alone psychiatric hospital which is block funded: Ron Hemmings Unit, Goulburn

95. SNSWLHD funding **challenges** are set out below. These include that ABF is not a fit for purpose funding model for low activity hospitals within SNSWLHD that have to maintain services, such as 24-hour maternity services, due to geographical circumstances and local needs. This includes facilities such as Cooma where there may only be three births a week. The low volume does not attract appropriate sufficient ABF to provide a financially sustainable service. The ABF model/pricing structure does not adequately cater for rurality or for low volume services in rural areas that are clinically necessary but inefficient due to minimum staffing levels given relatively low population demand (for example ICUs/maternity/acute paediatrics).

96. The expense of transferring patients for higher level acute and specialist care including trauma, to the tertiary services in ACT Health (as set out above) is a significant cost to the LHD.

97. There is an ACT/NSW cross border agreement managed by the Ministry of Health with their counterparts in the ACT, not by SNSWLHD.

98. As set out in paragraph 51 of my prior statement, there is not sufficient SNSWLHD capital budget to replace clinical equipment and information communication technology (**ICT**).

The liability continues to increase as assets reach their end of useful life and the asset backlog currently includes $86 million of medical, building, non-medical equipment and ICT equipment in need of replacement.

99. The MPS model is funded through the Australian Government, Department of Health and Aged Care methodology, which is a flexible funding model that enables pooling of state and federal funding to deliver local health services in regional areas. However, SNSWLHD would benefit from funding to improve care for higher acuity patients in MPS facilities where primary health/private aged care is not available. This includes Allied Health services (for example, podiatry and diversional therapy) and lifestyle and wellbeing infrastructure.

100. In addition, funding for aged care home packages is not equitable based on rurality. For example, patients spend their allocation on transport rather than home care.

101. In my view, the **opportunities** in relation to funding are:

    a. Re-define the 'recognised structural cost' funding allocation to regional/rural LHDs where there is a recognised fixed cost of minimum staffing levels in low volume services (for example ICUs/maternity/acute paediatrics). This should also consider the cost of fly-in fly-out medical and nursing/midwifery staff where permanent relocation is not an attractive option.

    b. Investment in capital infrastructure that enables innovation including virtual care, electric vehicles and environmental sustainability.

    c. Recommend an opportunity to negotiate a rural loading for aged care home packages.

H. WORKFORCE

102. In the 2023/2024 financial year, SNSWLHD employed 3,167 individuals (2,525 FTE). Workforce recruitment and wellbeing are major focus areas for SNSWLHD. There are currently 178 nursing FTE vacancies, and 60 FTE Allied health/oral health practitioners and support workers vacancies.

103. **Workforce challenges** centre on challenges recruiting and retaining staff in rural and regional areas, which has contributed to an increase in workforce vacancies. SNSWLHD continues to rely on premium labour however this reliance is being reduced through close

management. In the Financial Year ending 2024 the District spent $62.4 million on premium labour (this comprises both locum doctor costs and agency nursing costs, and includes agency fees) which was 15% of the cost of the workforce with total employee costs 16% over budget.

104. Locum doctor costs (including agency fee) increased $2.4 million in FY24 to $42.4 million compared to the prior year, or a 6% increase. While the full year average FTE locum usage increased from 83.3 FTE prior year to 89.8 FTE in FY24 (8% increase), the full year average cost per locum has decreased from $17,932 per FTE to $17,903 per FTE.

105. Agency nurse costs decreased to $20 million in FY24, compared to prior year of $21.9 million. The full year average FTE use of agency nurses decreased from 87 FTE in FY23 to 80 FTE in FY24 (8% decrease).

106. Overtime costs increased to $9.8 million in FY24 compared to the prior year of $9 million or an 8% increase ($760,130 increase). The full year average overtime FTE has increased from 56.3 FTE in FY23 to 58.4 FTE in FY24 (4% increase).

107. The challenges in recruiting and retaining staff in rural and regional areas is contributing to workforce instability, which continues to increase the reliance on premium labour driving up the unfavourable financial result.

108. There are limited opportunities in the District for specialist Medical Officers to establish and sustain viable private practices, given our small catchment populations and an absence of private facilities. As a small rural LHD our activity levels are unable to support full-time employment for the number of medical specialists we require to sustain a workable medical roster. This presents a significant recruitment and retention challenge, and requires us to support Medical Officers on a visiting basis with travel and accommodation as they are unable to relocate full time to our District.

109. **Strategies** utilised by or benefiting SNSWLHD include recruitment strategies, and retention strategies to enhance the skills of our staff.

110. Recruitment strategies include:

    a. Implementation of the Rural Workforce Incentive Scheme (with more than 600 employees receiving incentives under this scheme as at June 2024);

    b. Graduate Nursing Intake included 90 new graduate nurses as part of a strategy to increase intake;

c. Promotion of SNSWLHD jobs – this includes a LinkedIn Partnership with SNSWLHD, a Come to Southern marketing campaign, and attending recruitment fair stalls;

d. Overseas Nursing Campaign in early 2023 – to date 105 international nurses have been onboarded across the District;

e. The partnership with the Department of Regional NSW, Welcome Experience, which has supported employment in Goulburn and Bega through concierge services for new employees relocating to the region;

f. NSW Health Central Resource Unit, which has supported 20 short term deployments since August 2023 in areas of critical need;

g. In 2023, the District streamlined its recruitment process and launched a Centralised Recruitment Team. As a result, the average time to recruit has reduced from 57.5 days in 2023 to 31.39 in June 2024 (well below the NSW Health recommendation of 40 days), ensuring the District is proactive in attracting and retaining the interest of skilled workers.

111. Enhancing the skills of our staff includes through:

a. Investing in their professional development – in the first half of 2024, there were approximately 60,000, course completions (a combination of online, virtual classroom and face to face modules).

b. Continued roll out of leadership development programs at SNSWLHD through the Elevate culture and performance framework. These leadership programs have supported a total of 206 leaders (Elevate Leadership Program, **ELP**) and 76 leaders (Advanced Leadership Program, **ALP**) since their introduction in 2022. The current ELP cohort includes 65 participants, and the current ALP intake is 33.

c. Several initiatives underway including a Nursing & Midwifery Unit Manager Pathway, (62 nurse managers currently enrolled, 15 graduates to date). Nursing & Midwifery continue to run highly successful training and simulation days.

d. Medical Services run annual Trauma Training Days which are multi-service and multi-disciplinary.

e. Clinical pathways have been introduced into varied streams to build skills (referred to as clinical ladders).

f. Encouraging all staff to use PAT System (Performance and Talent) to input their learning goals as part of regular check-ins with their managers.

112. SNSWLHD has seen a remarkable turnaround of culture within teams, which have responded to the worst of circumstances in a short period of time including horrific bushfires where our team members and communities experienced lifelong psychological and emotional impacts, floods and Covid-19. SNSWLHD's participation in the NSW Public Service Commission's People Matter Employee Survey increased from 25% in 2021 to 70% in 2023, with marked increases in the Culture Index, measured for NSW Health entities, from 50% in 2021 to 58% in 2023. Together our teams have grown stronger, built lifelong connections and enhanced wellbeing.

113. There is an opportunity to review and refresh medical awards and related policies at the state level to address some of the recruitment/remuneration challenges and improve the attractiveness of employment/contracts as opposed to "locuming". Further benefit would be gained from the introduction of State Medical Employment Agency contract arrangements to reduce market forces and cap rate escalations.

114. I am also of the view that university training models should be reviewed and there should be consideration for rural terms for both nursing and medical students to study, gain experience and increase their scope of practice.

I. CONCLUSION

115. I thank the Commissioner for his consideration of the complexities of establishing reform to meet the needs of our diverse rural communities, across a vast geographic area.

116. Issues in regional and rural communities will compound and become profound if effective funding models are not established. Our community members are living longer and needing more support for healthy ageing and managing chronic disease.

117. SNSWLHD is excited to be a part of any reform strategies for the community and is willing to partner more broadly across the state to achieve equity in investment in rural communities and our staff to create efficiency, increase productivity and customer service, be innovative and evolve.

118. I acknowledge reform will be hard. SNSWLHD has strong visible leadership with effective community and consumer engagement to guide the way and lead the District to provide

strengthened patient centred care and service provision to our rural and regional communities.

Margaret Bennett

Margaret Bennett

Witness: Vanessa Barratt

AUG 6 2024

Date

6/8/24

Date