

**Submission
No 67**

HEALTH SERVICES AMENDMENT (SPLITTING OF THE HUNTER NEW ENGLAND HEALTH DISTRICT) BILL 2025

Organisation: Australian Medical Association (NSW)

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NSW Parliamentary Inquiry into the Health Services Amendment (Splitting of the Hunter New England Health District) Bill 2025

The Australian Medical Association (NSW) Limited (AMA (NSW)) is grateful for the opportunity to make a submission to the Legislative Assembly inquiry into the Health Services Amendment (Splitting of the Hunter New England Health District) Bill 2025.

Executive Summary

1. AMA (NSW) is an independent medico-legal association that represents the State's medical profession.
2. AMA (NSW) believes that the proposed split of the Hunter New England Local Health District (LHD) (HNELHD), into the *Hunter LHD* and the *New England North West LHD* would have significant consequences for the community, impacting access to health care and disrupting existing service and network pathways. With workforce and budget pressures evident across NSW, AMA (NSW) believes the proposed split would exacerbate existing challenges and result in unnecessary duplication of services and additional strain on existing resources.

AMA (NSW) as a Stakeholder

3. AMA (NSW) consulted members of its Council, who span various specialities and location, regarding the proposed split of the HNELHD. The four key issues raised are explored below.

Current healthcare crisis

4. At the end of last year, the critical maternity situation at Tamworth Hospital came to a head. The major birthing hospital was repeatedly sending pregnant and labouring women away due to critical staff shortages, forcing some to travel hundreds of kilometres to give birth. Tamworth Hospital spent more than 14 days on bypass last year, diverting birthing women to smaller hospitals.
5. Recently, it was made public that Muswellbrook Hospital Emergency Department is struggling to provide maternity services. The Member for the Hunter stated this is due to the region's inability to secure a GP-obstetrician: "As soon as we've got someone who can deliver babies, then we'll reopen." Maternity services in regional and rural areas are in crisis. AMA (NSW) acknowledges the importance of accessing care, especially maternity services, close to home and the impact recent closures are having on access to services.
6. The recent reduction in services provided by Wee Waa Hospital is also a concern, with residents calling for the hospital to return to its previous level of operation and capacity. The hospital has had a reduced emergency department since mid-2023, operating only during standard business hours (8:30am to 5:30pm). AMA (NSW) notes that an independent review into the Wee Waa health services is underway. Workforce shortages and cutbacks have been cited as reasons for the hospital's reduced operations; this unfortunately is an all-too-common story across regional NSW.

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7. Another challenged identified is both major hospitals, John Hunter Hospital and John Hunter Children's Hospital, would fall under the *Hunter LHD*, leaving the *New England North West LHD* without a level 6 tertiary hospital or children's hospital. These facilities are vital tertiary centres and form part of a larger network of hospital and community-based services for residents and families across the region. Subsequently, coordinated outpatient and outreach care, currently operated from both hospitals, would be restricted.
8. Improving healthcare within the HNELHD requires investment in infrastructure and resources, workforce recruitment and retention, long-term sustainable funding, and support to retain and bolster existing services.
9. AMA (NSW) is calling for these foundational issues to be addressed in order to improve healthcare delivery in the HNELHD. These challenges are not unique to this district – they are felt across regional and rural NSW. AMA (NSW) acknowledges ongoing efforts to address these issues but believes further support is required. AMA (NSW) does not believe the proposed split would address these core requirements. Without tackling systemic challenges first, the proposed split would result in unnecessary duplication of services and strain of existing resources.

Medical workforce pressures

10. It is well documented that NSW is currently experiencing a health workforce crisis. Demand on health workers is increasing. Deloitte reports that health workers in NSW will need to deliver 40 per cent more activity per worker relative to current service levels to meet forecasted needs. The medical workforce has played an extraordinary role in managing the pressures of the pandemic and its aftermath. However, this has not been without increased fatigue, burnout and mental health challenges driven by greater workload and demand.
11. Growth in the medical workforce has lagged behind service growth over the past decade in NSW. The supply of medical workforce in rural and remote areas remains small relative to the population. Rural and remote areas comprise 22 per cent of the state's general practitioner (GP) full time equivalents (FTE) and 14 per cent of non-GP specialists, despite containing 25 per cent of the state's population.
12. The growing demand on the medical workforce, combined with declining rates of GPs, is reflected in current workforce shortages - which are projected to worsen. The workforce gap is currently estimated at 5,533 practitioners and is expected to grow to 25,000 by 2032. According to the Department of Health, Australia is estimated to have a shortfall of 8,900 GPs by 2048, which will likely disproportionately affect rural, regional, and remote areas.
13. Recruitment and retention outside of metropolitan areas face additional challenges that exacerbate general workforce pressures. While AMA (NSW) notes that NSW Health is actively working to address these challenges through initiatives like the Rural Health Workforce Incentive Scheme, the effectiveness of these efforts is still to be determined.
14. As the major trauma and teaching hospital outside Sydney, John Hunter Hospital offers a diverse training experience for medical graduates. Within the HNELHD, there are several pre-vocational and vocational training programs offered to support medical graduates on their professional journey. Notably, comprehensive obstetrics and gynaecology training for the LHD is exclusively offered at John Hunter Hospital.

15. For these reasons, AMA (NSW) is concerned that the proposed split of the HNELHD would further exacerbate the workforce crisis. A split in management structure alone will not resolve workforce issues. Additionally, AMA (NSW) is concerned about the impact on medical graduates and junior doctors and how training and teaching opportunities would be managed if the district were to split.

Financial crisis

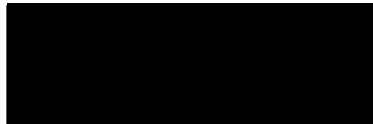
16. The NSW Health system is currently under significant financial stress. Public hospital doctors across NSW are calling on the government to urgently increase hospital budgets, as rising demand and cost cutting measures put patients at risk. The 2024 NSW Health Budget of \$31.873 billion was a mere 2.97 per cent increase on the previous year's budget – despite soaring demand on emergency departments, ambulance services and surgical services. Inflation, sitting at around 3.8 per cent, has made it increasingly difficult for hospitals to purchase vital supplies, equipment and food.
17. AMA (NSW) recently surveyed Medical Staff Council Chairs from twelve Local Health Districts and two Speciality Networks. Doctors reported that their LHDs were between \$6 million and \$100 million over budget, leading to recruitment freezes, lack of funding for new services and bed closures. While many hospitals have grown in infrastructure under the previous government, doctors report that the workforce has not expanded to meet increased bed numbers and activity levels.
18. AMA (NSW) is alarmed at how the proposed split of the LHD into two would be funded, given the current budget constraints facing existing LHDs. The medical workforce is already experiencing surgical list cancellations, service reductions, administrative staff cuts, and recruitment freezes. An additional LHD would require adequate funding to be viable, but with existing LHDs struggling, it is unclear where that funding would come from.

Disruption to services and network pathways

19. As a major trauma centre, John Hunter Hospital plays a critical role in delivering a considerable amount of the regions outreach programs, community health services, outpatient services, and virtual care.
20. Currently, thirteen hospitals across the HNELHD provide maternity services. For women requiring specialists or high-level care, referrals are made to the high-risk clinic. This operates virtually via telehealth through the M3Team at John Hunter Hospital Antenatal Clinic - one example of a vital service coordinated across the LHD by John Hunter Hospital.
21. Splitting the LHD risks disrupting existing services arrangements, outreach care, and coordination of care. Underserved areas risk losing current service and resource arrangements. This would exacerbate existing challenges, creating a system where smaller, more isolated communities are further disadvantaged. Fragmentation would strain resources and undermine efforts to deliver comprehensive care – ultimately impacting health outcomes for patients.

Conclusion

22. As the Committee on Community Services is inquiring into the Health Services Amendment Bill 2025, AMA (NSW) believes it is essential to provide input from the medical profession. AMA (NSW) believes the proposed split of the HNELHD would exacerbate existing challenges and lead to unnecessary duplication of services and strain on current resources. AMA (NSW) urges the Committee to focus on addressing systemic issues instead.
23. AMA (NSW) is happy to provide further comment should the Inquiry request.



Fiona Davies
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17 April 2025