

**Submission
No 29**

**HEALTH SERVICES AMENDMENT (SPLITTING OF THE MURRUMBIDGEE
LOCAL HEALTH DISTRICT) BILL 2025**

Organisation: Health Services Union

Date Received: 16 December 2025



15 December 2025

Legislative Assembly
Committee on Community Services
Parliament of New South Wales
6 Macquarie St, Sydney NSW 2000

Dear Legislative Committee Members,

**Re: Health Services Amendment (Splitting of the Murrumbidgee Local Health District) Bill
2025**

The Health Services Union (HSU) writes to the Legislative Assembly Committee on Community Services in response to the proposed dissolution of the Murrumbidgee Local Health District (LHD) as it operates today, and the establishment of separate entities: the Murrumbidgee LHD and the Western Riverina LHD.

Before any such proposal advances, it's important to understand the history and rationale behind the establishment of Local Health Districts in New South Wales. The LHD's were established in January 2011, replacing the area health services to decentralise healthcare management. The state health service restructure aimed to reduce duplication in management and administration, with projected savings of \$100 million annually redirected to improve clinical services and staffing.

In their second reading speech, Mrs Helen Dalton MP cited chronic under-resourcing of rural health services within the Murrumbidgee LHD and a lack of collaboration with rural networks as key reasons behind the bill. Concerns were raised about increasing centralisation of services and

a perceived disconnection between Murrumbidgee LHD's Wagga Wagga-based administration and Western Riverina's rural communities.

The HSU acknowledges the pressing need for rural communities to have responsive, accessible healthcare, particularly given the ongoing challenges of attracting and retaining health professionals, vast geographical distances, and the unique health profiles of rural populations. However, these challenges are not unique to the Western Riverina but are shared across rural and remote regions of New South Wales.

The central issue raised by the member for Murray appears to be the accessibility of specialist services and health funding of the Western Riverina region. While transformative action is certainly required to address the rural and remote health crisis, splitting the LHD risks not addressing the underlying issues. Such a move would recreate inefficiencies, duplicate administrative structures, and increase overall expenditure without necessarily improving outcomes. This is evidenced by the findings of the Health Services Amendment (Splitting of the Hunter New England Health District) Bill 2025, which stated that the duplication of administration would take \$111 million annually from frontline health delivery, and will fragment healthcare, reduce availability of specialist services and leave regional communities worse off.

The challenge lies not in boundaries but in leadership, workforce support, and meaningful rural health planning. Funds that would be consumed by administrative restructuring would be far better directed into workforce expansion, infrastructure and rural service innovation. Establishing a new LHD does not guarantee more responsive management, particularly if it is created without adequate resourcing, increased funding and clear accountability.

Addressing the root cause of rural workforce shortages requires tailored strategies:

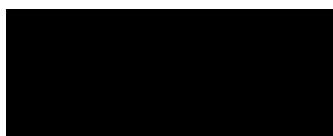
- **Workforce Incentives:** Expanded incentive schemes to account for the social and geographic isolation from regional families. Measures such as increased wages, additional leave entitlements for travel to visit family, and subsidised internet and mobile services to stay connected.
- **Investing in Local Training Pipelines:** Evidence shows that health professionals who train in rural areas are more likely to remain there. Western Riverina would benefit from extending programs such as:
 - o the Rural Allied Health Educator model: facilitates rural placements for students and improves the likelihood they will work in rural settings

- School-Based Apprenticeship and Traineeship program: successful at guiding students toward healthcare careers in their communities
 - Far West Metro-Rural GradStart Exchange Program: utilised in the Far West to provide rural new graduates with valuable training experiences in larger hospitals to take back to rural communities.
- **Affordable Housing:** Workforce attraction is tied lack of affordable housing in rural communities. Building on programs like the \$5.1 million health worker housing investment in Far West NSW, and a targeted “help to build” scheme for health workers, aimed at boosting both housing supply and workforce retention in the New England region.

Tailored incentives for senior health professionals would structure around the desire for career satisfaction, access to teaching opportunities, research engagement, and an expanded scope of practice.

Rather than dividing the LHD, a more sustainable model would involve senior clinicians, health professionals, consumers, and community representatives in the Western Riverina to play a more active role in shaping service delivery. Their input should be embedded in the governance of the LHD, particularly in setting strategic priorities for rural health services, addressing the rural need for a more flexible, community-focused model of care.

Yours sincerely,



GERARD HAYES AM
Secretary
NSW/ACT/QLD