

**Submission
No 34**

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

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NSW Health submission

Inquiry into the Health Services Amendment (Splitting of the Murrumbidgee Local Health District) Bill 2025



Health

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1. Introduction

NSW Health welcomes the opportunity to make a submission to the Legislative Assembly Committee on Community Services in relation to its Inquiry into Health Services Amendment (Splitting of the Murrumbidgee Local Health District) Bill 2025.

NSW Health is committed to ensuring patients in NSW, regardless of where they live, have access to safe, timely and coordinated healthcare they need, as close to home as possible. As the largest public health system in Australia, NSW Health delivers this care through established partnerships, networks, and patient flow and referral pathways. The strength of the NSW Health public system is underpinned by our highly skilled workforce who support delivery of healthcare across the state with kindness and dedication.

Improving care for our communities in regional, rural and remote NSW is a priority of the NSW Health Secretary and is being implemented through the [NSW Regional Health Strategic Plan 2022-2032](#).

Murrumbidgee Local Health District is part of the highly coordinated and effective NSW Health system. The Report from the [Special Commission of Inquiry into Healthcare Funding](#) in 2025 found that the NSW Health system is highly efficient and well managed and did not recommend any changes to local health district boundaries.

2. Maintaining the Murrumbidgee Local Health District is efficient and cost effective

The current model in Murrumbidgee Local Health District (the District) enables operational and cost-effective delivery of inpatient, outpatient, community based, and population health services. The District uses resources efficiently and effectively to deliver appropriate, high quality, safe and timely patient care.

There are many advantages to retaining the current model for the District, including maintaining critical healthcare networks, workforce attraction and retention, optimal allocation of growth funding, and economies of scale.

Dividing the District could cause inequities and delayed access to patient care, disrupt both patient experiences and clinical workflows, and new partnerships and networks would have to be established.

The District delivers high quality patient care

The District delivers healthcare to a population of approximately 250,000 people across diverse communities including 5.8% of people who identify as Aboriginal and Torres Strait Islander people.¹

There is a well-established, integrated and collaborative network within the District to support district-wide patient flow and coordinate escalation and transfer, outreach, repatriation and follow-up care. Specialist services are supported by the major tertiary hospital in Wagga Wagga. Wagga Wagga Base Hospital is also the designated regional trauma service for the District.

Currently, the District meets 72% of its population's public healthcare demand. This is largely due to outflows to cross border services in Victoria and small outflows to Albury Wodonga Health and the Australian Capital Territory (approximately 7%).²

The local self-sufficiency for Wagga Wagga Base Hospital is 91% and similar to peer group hospitals in regional areas such as Orange (86%), Coffs Harbour (83%), and Lismore (84%).^{ibid}

¹ Data sourced from Murrumbidgee Local Health District's Exceptional rural healthcare: Strategic Plan 2021-2026

² Figures sourced from NSW Health Clinical Services Planning and Analysis (CaSPA) portal

The highly networked system with Wagga Wagga Base Hospital as the major referral hospital supports increased self-sufficiency. A proposed separate Western Riverina Local Health District could not provide the timely, safe and appropriate level of clinical services needed by the community.

Changing the District's arrangements is unlikely to improve patient flow and care. Patients would be required to travel to Wagga Wagga for tertiary services. Given the District has existing patient flow processes which have proven to successfully manage patient demand, it is not clear that the proposal to divide the District would create additional benefits. Transfer of patient care between two districts would also generate additional administrative burden for both districts and increase overheads.

Considerable investment has been made by the NSW Government to the District to support redevelopment and upgrades to healthcare services to meet healthcare demands and maintain patient flow across the region, including the \$250 million redevelopment of Griffith Base Hospital, \$95 million redevelopment of Temora Hospital and \$25 million upgrade to Finely Hospital.³

The District effectively manages surgical demand

There is a risk that splitting the District will affect timely access to patient surgeries, with negative impacts on patient flows and access for planned surgical services.

Splitting the Western sector from the rest of the Murrumbidgee region would result in the new District not having a major hospital, with higher role delineation to deliver higher-level or sub-speciality care. There were 3,020 admissions to Griffith Base Hospital from April to June 2025⁴. This level of activity aligns with a medium sized Peer Group C1 hospital and does not meet the threshold required for reclassification.

Networked arrangements across local health district borders would be more difficult if there was a split of the District. It should be noted that there will be no local access for residents to cardiac, neurology or plastic surgery in the proposed Western Riverina LHD if the District were to split. The benefits of the current economies of scale would be lost and add to existing surgical workforce challenges.

Maintaining the District avoids duplication of workforce, systems and processes

Murrumbidgee Local Health District is the largest employer in the region with over 5,500 employees working across hospitals, Multipurpose Services and community health centres.

Splitting the District would divert resources from frontline care and innovation, fragment existing systems providing healthcare, and reduce economies of scale. Substantial resources would be required to implement a splitting of the District, including transition planning, staff training, and system updates.

A split of the District would also duplicate specialty emergency management functions and put ongoing projects and service delivery at risk, exacerbate workforce shortages and impact current efficiencies in resource allocation and procurement. This includes projects delivered in partnership with the Murrumbidgee Primary Health Network such as outreach cardiology and respiratory clinics, collaborative commissioning and Hospital in The Home (HiTH). The financial implications would be high and have an ongoing impact on the NSW Health budget over several years. Murrumbidgee Local Health District advises it incurs approximately \$79.5 million annually in operational, governance, and administrative costs.

Some District roles, such as the Stroke Coordinator and Surgery Services, might also need to be split into 2 roles, even if there is no additional work to justify the new positions. Because of the duplication it would be likely that the proposed new district would need to rely on premium labour to cover any critical workforce gaps as part-time roles can impede recruitment and retention.

³ Data sourced from NSW Health, Health Infrastructure projects website

⁴ Data sourced from BHI Healthcare Quarterly Report April – June 2025

NSW Health, like all NSW Government agencies, has Senior Executive Service reduction targets in place. The establishment of a new Local Health District executive leadership team will increase executive numbers at a time when the Premier's Department is requiring a reduction in the number of executives for NSW Health, with a reporting date of June 2026. If a new executive leadership team is established, NSW Health will need to remove other executive roles which have not been planned for and may have a negative operational impact on health service delivery. Ultimately, there would need to be sufficient funding to replicate the administrative, executive and clinical leadership functions in the new district.

Splitting the District would also create additional resourcing pressures within the Ministry of Health and the Pillars, Specialty Health Networks, and Agencies because the newly created districts would require additional centralised support and monitoring for asset management, financial and system performance, compliance and many other areas.

Services such as HealthShare NSW would be required to duplicate teams at additional cost, including training and orientation, onboarding costs and salaries.

Governance and administration are streamlined across the District

The District's governance model delivers system-wide benefits balanced with local autonomy. Local facilities have delegated authority for workforce planning and recruitment, operational management and service delivery. This model provides a coordinated approach to district-wide level functions and ensures consistency across the entire region.

The District Board has members who live in towns across both the eastern and western sectors of the region, including Albury, Coolamon, Finley, Griffith, Wagga Wagga and Young. The Executive Leadership Team are also regionally based across the District, with members located in Albury, Corowa, Gundagai, Griffith, Tumut and Wagga Wagga.

Two separate districts will increase duplication and complexity to administer healthcare services. Additional governance bodies further compound operational inefficiencies, as it introduces duplicated processes and administrative overheads that are currently streamlined within the existing structure of the Murrumbidgee Local Health District.

Additional governance bodies will be required if the District is split such as a Board, Risk Management and Audit Committees, and Finance and Performance Meetings.

A single District reduces duplication of infrastructure and agreements

There are cost implications that should be considered in the splitting of the District. In addition to administration, workforce and governance expense, there would be further costs associated with duplicating capital and operational infrastructure, medical and non-medical equipment, contracts, agreements, and licences. There may also be financial implications from transferring legacy asset matters between the existing and new entity such as backlog maintenance, property disposals, land contamination, and land claims.

Initial setup costs for the proposed new district will require additional funding to redistribute IT resources between the proposed new entities. An expanded ICT workforce would be required to fill any resource gaps, which may involve duplicating resources for the day-to-day management of critical IT systems such as Healthroster, Patient Billing, Records Management, Stafflink, Oracle suites, Service Now and Amazon Connect Interactive Voice Response.

Ongoing costs to maintain and manage separate infrastructure, agreements and IT systems will lead to higher long-term expenses. Capital expenditure would be required to support splitting and updating ICT systems. Additionally, coding changes will be necessary to adjust the underlying conditional logic, enabling IT systems to reference each district as separate entities.

Cross-border processes and relationships are well established in the District

Murrumbidgee Local Health District works closely with the Victorian Department of Health to ensure patients in border towns receive timely and appropriate care. In the Western sector of the District approximately one third of service delivery outflows to Albury-Wodonga Health or other Victorian facilities as these are geographically closer for these communities.⁵

This cross-border relationship is well established and dividing the District could interrupt patient flow across the border, delay decision making in relation to patient care, reduce efficiencies in managing shared health priorities and would require additional collaboration with the Victorian Department of Health.

Additional funding would be needed to establish and maintain two separate districts

Creating a new Local Health District would require either duplicating or redistributing functions, estimated at an additional recurrent cost of \$26 million. In addition, it is estimated services currently cross-subsidised from Murrumbidgee to the Western sector would require at least \$13 million to replicate.⁶

3. Maintaining Murrumbidgee Local Health District will mitigate staffing challenges

NSW Health acknowledges the challenges associated with attracting, recruiting and retaining staff, particularly in rural and remote locations. Many strategies and incentives have been implemented to attract more people to healthcare positions to support regional communities.

A single District reduces reliance on agencies and locums

The current networked and outreach models of care across facilities in the District result in high quality care with a flow of clinicians from the larger sites and many medical practitioners delivering outpatient services across various facilities in the District. Healthcare in the Western sector is also supported by transporting clinicians to clinics when needed.

If the District is split, clinical staffing challenges will likely be exacerbated, particularly in relation to medical and allied health specialisations which are already experiencing supply challenges in the Western sector of the District. These workforce supply issues are resulting in reliance on premium cost contingent labour, including medical locums and agency nurses. Reliance on these services is currently higher in the Western sector than in the Wagga Wagga based services.

The splitting of the District could fracture service arrangements and subsequently lead to a reduction in service provision for rural and remote communities in the District. It may also increase reliance on agencies and locums to fill hard-to-recruit positions impacting premium labour costs, staff turnover and dependence on a transient workforce.

The District's structure allows for more clinical service opportunities, assisting with attraction and retention of clinical staff

The District's current established structure enables safe and timely delivery of clinical services with local facilities able to draw on networked clinical services across the region, shared referral and escalation pathways and coordinated outreach models of care. This is further supported by sharing some corporate and clinical services with Southern NSW Local Health District.

Splitting the District would result in reduced networked clinical service opportunities for patients and staff in the Western sector area.

⁵ Finance and Performance Data supplied by Murrumbidgee Local Health District

⁶ Data provided by Finance and Corporate Services

NSW Health is supporting the District to grow and maintain the current workforce

NSW Health acknowledges there is always more to be done to ensure that regional, rural and remote patients can access high quality healthcare as close to home as possible. To support this, NSW Health continues to invest in healthcare in regional, rural and remote NSW.

Splitting the District will reduce the scale and flexibility of the District to respond to workforce shortages. Distribution of the workforce across two districts will increase workforce demands with the districts competing for the same talent in a limited pool.

Strategies NSW Health is using to address workforce challenges include:

The Rural Health Workforce Incentive Scheme

The Rural Health Workforce Incentive Scheme (Incentive Scheme) applies to NSW public health organisations and health workers engaged by the public health system under the Health Services Act 1997 (NSW). The Incentive Scheme, rolled out in July 2022, has improved the attraction and retention of NSW Health staff in rural areas.

The Incentive Scheme is funded annually. Health organisations manage the incentive programs within their annual allocation. They are responsible for assessing eligible positions and applying incentives per the Rural Health Workforce Incentive Scheme policy directive.

As at November 2025, Murrumbidgee Local Health District had used the incentive scheme to attract and retain 657.94 FTE hard to fill positions and 374.78 FTE critical positions. Of these incentivised positions, 36% were located in the Western sector.

Rural Generalist Single Employer Pathway (RGSEP)

The RGSEP Program was designed by the Ministry of Health following the success of the Murrumbidgee Rural Generalist Training Pathway (MRGTP). The MRGTP was designed by Murrumbidgee Local Health District to support the recruitment and retention of the rural generalist workforce within the region.

RGSEP is used by the District to train and retain appropriately skilled Rural Generalist Practitioners. The program improves access to primary care in regional NSW through the recruitment and retention of rural generalist trainees. Trainees are employed by a regional Local Health District on a length-of-training contract of up to 4 years which provides consistent employment, entitlements and parity of pay with their hospital-trained counterparts, as they complete their rural generalist training in primary care and hospital settings.

In its first two years, the program has supported a total of 50 trainees through length of training contracts, 11 of which have been employed by the District. Currently, 7 trainees are employed on RGSEP contracts in the District.

In the past two years trainees have worked across Wagga Wagga Base Hospital, Tumut Hospital, Griffith Base Hospital, Deniliquin Hospital and Gundagai Hospital, and GP practices and Aboriginal Community Controlled Health Organisations in Young, Wagga Wagga, Temora, Deniliquin and Gundagai.

Other incentives and scholarships that support the Murrumbidgee Local Health District workforce

NSW Rural Resident Cadetships are available for NSW medical students interested in a career in rural NSW. In return, students must work 2 of their first 3 postgraduate years in a rural hospital.

NSW Rural Generalist Training Program supports training for junior doctors wishing to combine a career in rural general practice with advanced skills, so they can support hospital or acute care services in rural communities. Advanced skills training is offered in specialties such as anaesthetics, obstetrics, emergency medicine, mental health, palliative care, and paediatrics. There are 62 rural generalist positions available in 2025.

NSW Rural General Practice Procedural Training Program provides opportunities for rural GPs to acquire additional procedural skills such as anaesthetics or obstetrics. There are 20 positions available each year. These doctors are paid an equivalent base salary as a level 1 Staff Specialist.

Rural Preferential Recruitment Program supports junior doctors to work their first 2 years in a rural location.

Rural postgraduate midwifery student strategy is designed to address midwifery workforce deficits and increase the viability of small rural maternity services. Funded midwifery student positions are provided to small rural hospitals for local registered nurses to undertake postgraduate training in midwifery. Over 130 positions have been funded since 2011; on average 10 positions are funded annually.

School-based traineeships and cadetships - supports trainees in nursing, allied health and support roles to complete training in a local facility whilst still at school. This also includes School based apprenticeship and traineeship roles for Aboriginal and Torres Strait Islander students.

Key Health Worker Accommodation

The NSW Government has committed an additional \$200.1 million to increase key health worker accommodation across rural and regional areas of the state as part of the 2024-25 NSW Budget. The Ministry of Health is working with regional Local Health Districts, NSW Ambulance, Albury Wodonga Health and Homes NSW to address future key health worker accommodation requirements.

The NSW Government plans to secure approximately 120 dwellings which includes the building of new accommodation, refurbishment of existing owned properties, and purchase of suitable properties.

Key Health Worker Accommodation will be provided across all regional Local Health Districts and Albury Wodonga Health, with Murrumbidgee Local Health District receiving \$23 million under the program.

This \$200.1 million investment builds on the initial investment of \$73.2 million across 5 Local Health Districts (Far West, Hunter New England, Murrumbidgee, Southern NSW, and Western NSW). Murrumbidgee Local Health District completed 9 dwellings for key worker accommodation in 3 sites across the District - Deniliquin, Finley and Jerilderie (2 completed in 2024-2025 and 7 completed in 2025-2026).

These investments, and many others, have been actioned as a result of implementing [Regional Health Strategic Plan 2022-2032](#) and the 44 recommendations from the [Parliamentary Inquiry into Health Outcomes and Access to Health and Hospital Services in Rural, Regional and Remote New South Wales](#) (Rural Health Inquiry).

4. Investments could be compromised by splitting the District

Every hospital in Murrumbidgee Local Health District is part of an integrated and collaborative network, supported by the major tertiary hospital in Wagga Wagga to ensure rural and regional patients have access to specialist services that would be otherwise unavailable. This network is complemented by complex, integrated data sharing and reporting systems. Splitting the District would incur risks to patient flow, cybersecurity, operational inefficiencies, compliance challenges, and potential negative impacts on patient safety due to data fragmentation.

There is also a risk that splitting the District would make it more difficult to implement time critical national workforce reform policy decisions, including registration and accreditation and scope of practice changes.

Restructuring systems and relationships would delay statewide initiatives and reduce responsiveness to emerging health needs.

Single Digital Patient Record

The Single Digital Patient Record (SDPR) will provide a secure, holistic and integrated view of the care a patient receives across the NSW Health system and will replace 9 electronic medical records, 10 patient administration systems and 5 Laboratory Information Management Systems across the state. Splitting the District will compromise this investment and the opportunities it brings.

SDPR is due to be implemented in Murrumbidgee Local Health District in 2028. The implementation sequence and timeline has been carefully planned with the District and is the best option for NSW Health to minimise operational service disruptions and decommission current systems effectively. An increased level of activity and engagement is due to commence in the District within the next six months.

Splitting the District would result in delays that would impact the implementation and rollout of the SDPR to all Local Health Districts and networks. For Murrumbidgee health services a split would also require two different local SDPR project teams to support implementation and impact the decommissioning of current systems at the District.

Virtual care

Splitting the District would require costly reconfiguration of digital health platforms that support future rollout of statewide virtual care services, including changes to HERO IDs and reporting systems, disrupting strategic continuity. Centralised oversight through the current District structure ensures consistent implementation of virtual care models.

The District operates a centralised Virtual Care Hub that ensures all facilities regardless of size or location, have continuous access to emergency and critical care expertise. The district-wide service supports clinicians working in rural Emergency Departments and maternity services.

Murrumbidgee Local Health District Virtual Nurse Assist provides real time nursing advice and clinical support to nurses working in rural and remote facilities, assisting with triage, monitoring, escalation and early recognition of deterioration.

Patient Transport Service expansion

The NSW Health Patient Transport Service (PTS) provides non-emergency transport for people get to or from a health facility. HealthShare is implementing a regional rural expansion of PTS. Working with two districts places additional risk on the implementation of this expansion and fleet transition. If delayed, separate arrangements would be required to support the two districts including the transition of Computer Aided Dispatch which is managed locally.

5. Engagement with partners, patients and communities in Murrumbidgee Local Health District is being strengthened

NSW Health is working to strengthen engagement with rural, remote, and regional partners and communities to improve equity of access to healthcare services.

Strengthening community engagement is a key priority in the *Regional Health Strategic Plan 2022-2032* to ensure community voices are genuinely heard in decision-making.

A fragmented district would complicate stakeholder engagement and community consultation, particularly for services reliant on integrated regional coordination.

The District has an effective partnership with the Murrumbidgee Primary Health Network and other key partners

The District shares the same geographical area with the Murrumbidgee Primary Health Network (PHN) and a close working relationship which benefits joint commissioning, shared data, integrated service planning and joint initiatives to deliver patient centred care. Splitting the District may create additional challenges for the PHN and divide their resources across two entities to address the priorities of the [NSW Primary Health Network – NSW Health Joint Statement](#). It may also require GP-hospital pathways to be redrawn.

Other strong partnerships exist across the District including:

- The Murrumbidgee Health and Knowledge Precinct – a district -wide platform that integrates clinical services, research, education and industry collaboration across the region. The precinct strengthens the pipeline of rural health professionals, accelerates research translation and supports the development of new models of care tailored to the needs of regional communities.
- The Riverina Murray Regional Alliance Local Decision-Making Accord - a formal framework between the Riverina Murray Regional Alliance and NSW Government clusters for shared governance and decision-making for Aboriginal communities.
- Close partnerships with Aboriginal communities and Aboriginal Community Controlled Health Organisations that ensure services are culturally safe and reflect local priorities.

The District has strong relationships through Local Health Committees

Local health advisory committees (LHACs) are a model of community engagement unique to regional Local Health Districts. NSW Health is collaborating with regional local health districts, including Murrumbidgee Local Health District, to enhance community engagement through LHACs. There are 27 LHACs that support the District's community engagement strategy and biannual LHAC Forums that focus on collaboration and sharing local experiences to strengthen community engagement. LHACs play an important role in health service planning and advocating for improved health outcomes in the community about what matters most to them in their local towns.

The [Strengthening Local Health Committees in Regional NSW](#) report provides more information about how NSW Health is working to reinvigorate and strengthen local health committees.

Community consultation benefits from The Shared Understanding Project

NSW Health is working to foster a shared understanding of health service planning and delivery, with the Shared Understanding Project. The Shared Understanding Project aims to improve the way NSW Health engages with staff, communities and partner organisations and highlights the importance of community consultation and collaboration in shaping healthcare delivery.

The project seeks to ensure future health services and innovative models of care are informed, understood, trusted and embraced by the community. Extensive consultation, undertaken across rural, regional and metropolitan NSW, underpins the project. This included consultation in the Murrumbidgee Local Health District. During this consultation, staff and community participants from Junee shared that the engagement throughout the District's service planning for the Multi-Purpose Service (MPS) was highly effective. Community surveys achieved strong participation, and the District maintained visibility through initiatives such as street stalls and meetings at the MPS to address questions and concerns. Communication with the community was consistent and transparent, ensuring updates were provided throughout the process. Additionally, members of the Local Health Advisory Committee were noted to have opportunities for direct engagement with the Chief Executive and board members.

The District engages with the community to inform the Collaborative Care program

Collaborative Care is a community centred, place-based approach to mapping and planning solutions to address healthcare challenges in regional communities. It involves partnering with key stakeholders in a community to understand health needs and identify fit-for-purpose solutions.

The program was expanded into 3 new sites in 2024, including Leeton located in the District.

The Leeton site is led by a local working group, which brings together health professionals and community members from the District, Leeton and Districts Lands Council, Murrumbidgee Primary Health Network, and Leeton Shire Council. The project in Leeton is for two-years from 2024 and through co-design focuses on improving care coordination and interagency communication, mental health and enhancing primary care for children and families.

6. Conclusion

The current structure of the Murrumbidgee Local Health District offers significant advantages in terms of patient care, operational efficiency, cost-effectiveness, and a strengthened workforce.

Splitting the District would incur substantial costs, create inefficiencies, and disrupt the established healthcare delivery models, without offering clear benefits to patient care, clinician experience or improved health outcomes of the communities in the region.

NSW Health is committed to supporting the Murrumbidgee Local Health District to meet the evolving healthcare needs of regional, rural and remote communities through continued investment and implementation of the Regional Health Strategic Plan 2022-2032.

The NSW Health system links hospitals, community health, primary care and partners in healthcare delivery across the state. This highly interconnected system ensures all people in NSW regardless of where they live to receive safe, high quality reliable care.