



14 September 2007

Dr. B. R. Gooley
LaVie Developments Pty. Limited
44-50 McElhone Street
Woolloomooloo NSW 2208

Dear Dr. Gooley,

The purpose of this letter is to comment on the University of Wollongong's position with regard to the need for a private hospital in the Illawarra, and secondly to comment on aspects of the LaVie/Tullimbar proposal that I find especially attractive from an educational perspective.

The populations of the Illawarra and Shoalhaven regions continue to grow and projections suggest growth will continue for the foreseeable future – this is not surprising given the beauty of the South Coast. A significant problem that we continue to encounter in the Illawarra, however, relates to the provision of health care services. The problem is complex and won't be solved without a number of coordinated actions being taken. One of these actions, and from my perspective the most logical initial action, is the development of a large (i.e., 250-350 beds) private hospital in the area.

There are a number of reasons why the development of a large private hospital is needed.

Firstly, as noted above the population of the area continues to grow. This new growth combined with the existing population is already stressing the capacity of the existing public and private hospital capacity in the area to respond to the health care needs of the population. The situation is further worsened by the age structure of the population; in the Illawarra the percent of persons 65 years and older is expected to increase significantly over the next decade as a result of the natural ageing process combined with the development of retirement communities in the area (many of which are attracting persons from the Sydney area).

Secondly, with 43% of the population estimated to have private health insurance a new private hospital would be expected to significantly reduce pressure of the public hospital facilities, especially if the hospital offers a comprehensive range of services. A reduction of pressure on the public hospitals would have a number of benefits – among the most important would be an increase in their ability to reduce public waiting lists for surgery and complex diagnostic and/or treatment services, and to efficiently and effectively manage patients requiring emergency services. The reduced pressure would also benefit the morale of public hospital workers who oftentimes feel overwhelmed by the demands they are asked to respond to on a daily basis. In addition, a reduction in pressure would allow the public hospitals to engage in a more coherent planning process which, in turn, would allow them to make investments in needed infrastructure as opposed to having investing their funds to respond to the current crisis situation.

Thirdly, a large private hospital would help with the medical workforce problem which is the most acute problem facing the area. The Illawarra and Shoalhaven regions are experiencing an acute shortage of General Practitioners and specialist physicians and surgeons. I believe the development of a large private hospital is one of the essential actions required to address this problem. A new private hospital will create more surgical theatre capacity – without such capacity it is difficult if not impossible to attract new surgeons and other specialists who engage in surgery as part of their practice to the area. With a new hospital comes the latest in diagnostic, treatment and surgical equipment; the importance of this in attracting new surgeons and physicians to the area cannot be overestimated. The attraction of new medical personnel to the area has a number of spin-off benefits that follow relatively quickly – examples include the development of new clinical services that enable local residents to be diagnosed and managed for complex conditions in the area, and expanded registrar training opportunities.

Fourthly, a large private hospital creates new training opportunities for students training in medicine and the allied fields. Within my Faculty we have medical, midwifery, nursing, nutrition/dietetic, exercise science/rehabilitation, and psychology students who are all required to do clinical placements as part of their training. The number of required training places for these students currently exceeds the capacity of the Illawarra hospitals and outpatient clinics. The addition of a large private hospital is critical to our ongoing efforts to train and retain medical personnel in the Illawarra – the medical, midwifery and nursing students would benefit most from any new hospital. It is also important to note that the Australian Medical Council recently stated that for medical student and registrar training places to meet current demand it is essential for medical schools to enter into agreements with private hospitals. Thus a new private hospital would not be competing with the public hospitals for medical students and registrars – rather, a private hospital is needed to complement the current training activities that occur in public hospitals.

I now offer my comments on why I find the LaVie/Tullimbar proposal especially interesting for the University of Wollongong.

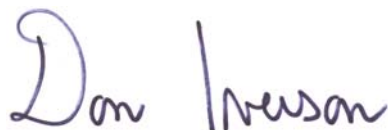
Firstly, as noted above the public hospitals in the Illawarra and Shoalhaven regions are under significant pressure and nowhere is that pressure felt more than in delivering emergency services. The LaVie/Tullimbar proposal calls for the establishment of a 24-hour minor emergency room service. Such a service, if appropriately used, would significantly reduce pressure on the public facilities as an estimated 60-70% of persons who visit emergency rooms have non-emergent conditions. Almost half of these conditions could be managed at the proposed facility (based on a 43% private health insurance rate) resulting in the public hospital having increased capacity to manage the truly emergent conditions. From a training perspective a minor emergency service provides important clinical opportunities for medical and nursing students.

Secondly, the LaVie/Tullimbar proposal provides the opportunity for general practitioners to admit and coordinate the care of patients within the hospital, seeking advice and diagnostic/treatment services from consultant physicians and surgeons when it is appropriate. This is a model that has been successfully used in Canada and regional/rural areas of the United States for almost three decades. This model has the potential to significantly contribute to the Graduate School of Medicine's ability to achieve its mission, which is to prepare doctors with the ability and desire to work in regional, rural and remote areas. Research suggests that many general practitioners leave regional and rural areas because of limitations placed on their ability to practice in hospital settings.

I personally believe the LaVie/Tullimbar model would contribute to our ability to attract and retain general practitioners to the area, and this is the foremost medical workforce problem we are facing in the area. In addition, it would expose the Graduate School of Medicine's students to a range of general practitioner role models operating within a hospital setting. It is also important to note that the experience in North America with such a model is that the surgeons and consultant specialists also benefit in that the presence of general practitioners within the hospital has the potential to significantly reduce their workload, especially in terms of post-operative care and on-call service. Finally, the LaVie/Tullimbar proposal over time could facilitate the expansion of general practitioner registrar training places in the Illawarra and Shoalhaven areas. The trend for general practitioner registrar training will almost certainly continue to involve a blend of hospital-based and office-based training, and a hospital using the model proposed by LaVie/Tullimbar would likely be well received by any accreditation committee.

In summary, it is my belief that from the LaVie/Tullimbar proposal has the potential to address many of the health care service and medical workforce problems we are currently encountering in the region. Given the above discussion, in my role as Executive Dean of the Faculty of Health and Behavioral Sciences I am pleased to offer this letter of support for the LaVie/Tullimbar proposal and encourage the regulatory authorities to give it serious consideration.

Kind regards,



Professor Don Iverson
Executive Dean, Faculty of Health and Behavioural Sciences
Director, Illawarra Health & Medical Research Institute