Illawarra International Health Precinct

Health Modelling

and

Business Planning

Produced by La Vie Developments Pty Ltd

and forming part of the

Environmental Assessment

Under

Part 3A of the Environmental Assessment Act 1979

ACKNOWLEDGEMENTS

La Vie Developments Pty Ltd wishes to acknowledge and thank the following people and organisations for their contribution in preparing this document:

- Professor Don Iverson, Dean of Health and Behavioural Sciences, University of Wollongong
- Doctor Greg Hardes, Epidemiologist, Hardes and Associates
- Mr John Boulous, Chartered Accountant
- Mr Ivan Watts, Management Consultant, The Business Planning Group
- Mr Michael Wilkinson, Principal, Illawarra Regional Development Group
- Mr Peter Jordan, Business Planning Adviser, Illawarra Regional Development Group
- Mr Terry Clout, Chief Executive Officer, South Eastern Sydney Illawarra Area Health Service

TABLE OF CONTENTS

LIST OF TABLES

LIST OF CHARTS

LIST OF APPENDICES

PREAMBLE

The journey is long, however, a well planned expedition is usually successful especially if it adapts to incorporate or cope with adversity.

Controlling or adapting to the environment through staged expeditions renders greater chance of reaching one's destination, as the journey is not so long. Especially if each of those stages is propped up by ongoing control or support, in this case key personnel.

This is a huge and ambitious project; however, careful planning has covered every facet so that the vision will be rendered a reality.

As stated by Mr Ivan Watt "In my view, as a Professional Strategic and Operational Planning Consultant, it is the combination of the clarity of detail and imagination encompassed in Doctor Brett Gooley's vision and passion, supported by the excellence of the feasibility studies leading to a range of benefits seldom seen, in such depth and breadth, in development proposals, which sets the seal on the completeness of this submission".

Brett Gooley

EXECUTIVE SUMMARY

La Vie Developments Pty Limited purchased the site on the corner of Avondale and Huntley Roads, Huntley (West Dapto) following Shellharbour Council's refusal to allow the precinct to be built on the original site in Tullimbar. The current site enjoys sweeping panoramic views and vistas of open paddocks, undulating hills and the enormity of the escarpment. The ambience of the site will stimulate the health and well being of patients and staff of the Illawarra International Health Precinct.

The vision is to deliver holistic medical outcomes in a world class health delivery facility to the growing and existing population of the Illawarra. The mission is to prevent, diagnose and treat human illness within an empathetic environment along with staff development and education. The outlook is to ensure better health experiences for patients, and to develop health partnerships with other health care providers throughout the area. The precinct will create unique employment opportunities for the people of the Illawarra. Many of our milestones have already been met, including the granting of the appropriate hospital licences by the NSW Department of Health. Now we only have the Department of Planning to appease.

The proposal is complex and has numerous facets. As each stage is built new amenity and facility will be offered to the people of the Illawarra. This proposal provides the necessary services to rectify a dangerous level of unmet health demand in a wide catchment along the south coast of New South Wales and upper Victoria. The model addresses recruitment and training of doctors and nurses. It strives to encourage a diligent workforce to work at the upper echelon of their training. This model is validated by Professor Don Iverson from the University of Wollongong and is used in other countries.

The staging of this project has been carefully thought out and planned to ensure it meets with the demand of the population of the Illawarra, and to ensure it meets it's financial commitments, leaving it a sound and viable proposal. The capacity of the health precinct as a holistic facilitator of health delivery is vast and unsurpassed as far as any local facility is concerned. The precinct will offer world class medical and surgical delivery and meet the unmet bed demand and need for theatre time.

The precinct will be a major referral link for the region and will offer varied complimentary roles to other facilities. It will work alongside the public and private sector health services, fine tuning their complimentary roles and referral needs. Addressing mental illness, attracting clinicians, and providing outreach programmes will be but a few of the critical roles the precinct will deliver. The catchment area spans from the Sutherland Shire to the wilderness coastline of Victoria. The main area is the immediate Illawarra, more importantly Wollongong, Shellharbour, Kiama and the Shoalhaven.

Impacts on other facilities have been taken into consideration and it has been found no mitigation measures are necessary as the facility will only pick up the unmet demand now, and in the future. Further to this it relieves the burden currently being placed on the public sector so the public sector will again return to functionality. There are no current known alternatives to this proposal, and it is unlikely any provider will now be granted the bed licences necessary to enable them to operate in the Illawarra. The project has every opportunity of being successful due to the demand for health services in the region, whilst the business modelling allows the flexibility to survive a slowing economic environment.

Social impacts directly generated from this proposal are only positive with much needed benefit going to the region's population in the way of economic stimulus, better health choices and outcomes, employment, a healthier populous and more.

Clinical services demand in the private sector is currently high. Potentially this will rise and unmet bed numbers and lack of theatre time will increase putting further burden on the public system. The projected future demand is met by this proposal as the stages come in to meet that very same demand. No mitigation measures are needed as the existing private health facilities will see little change.

Viability has been a big issue across the board. The modelling and planning of this project is the key to it's viability with the planned staging ensuring that each stage is operating profitably before the next stage is commenced. This integrated health and commercial site has been master planned so that all facets of the site complement each other, drawing people to it's doors. It also allows for facilities to migrate across the site as it evolves and develops, e.g., the pharmacy will initially be housed in the Surgicentre but ultimately comes to rest in Casualty. In addition, the discreet units of day procedure, obstetrics, casualty, etc., in the final development of the site can if necessary be closed down to undergo redevelopment or modernisation. They can be relocated in the hospital proper without interrupting the intake of patients and carrying out of procedures, and without affecting the productivity of the site.

The project has been assessed by professionals working within the health industry and they indicate the project to be sound and profitable. The source of revenue has been meticulously checked to ensure the right outcome is achieved. Cash flow analysis shows the predicted projected income to be adequate to cover costs and profits.

Investment is dealt with in two areas; investment per say and investment certainty. Investment comes about through multiple means, including a Surgeons Unit Trust ensuring theatre viability, functionality and ongoing capital investment in equipment, the proponent's personal input, strata sales and finally a public float. The investment certainty is in the model and business plan which have been shown to ensure the viability of the project. The probability and certainty rating of the project is well above the average rating for success. This is brought about by the proponent's past knowledge, success and capacity to perform and carry out such exercises through persistence and determination.

The likely demand for the land if not used as proposed would be residential, however, it would not be released for some 20 to 30 years. The latest West Dapto release shows the land as mixed use/residential/regional shopping centre. The consensus of opinion from our meetings with the community and community leaders is that the land is appropriately suited for the purpose we have put forward in this proposal.

The overall conclusion has been that the project is worthy of support as it will play a major role in providing vital infrastructure, amenity and critical health care services to the people of the Illawarra.

1. INTRODUCTION

This report is designed to be informative and answer the Director General's Requirements and be part of the Environment Assessment for a Part 3A Major Projects approval. This proposal is a unique opportunity for the people of the Illawarra and it's surrounding regions. The private hospital and health precinct will bring diverse amenities to the area providing World class health practise and care, modern teaching and training opportunities, and urgently needed employment positions. The proposal will give the region a fiscal stimulus and be a source of ongoing revenue to Government. Furthermore, this proposal will provide and boost morale within the community by supplying best health practises, a choice with respect to health care, and by bolstering the local economy through it's employment and training opportunities. The Illawarra International Health Precinct will encapsulate a distinct blend of diversification, flexibility and scale, ensuring it's continued success in an environment dedicated to the health of the people of the Illawarra and beyond.

1.1 THE VISION

"To develop a major Private Tertiary Referral Hospital and Health Care Precinct to service the growing regional population, as well as providing a high quality medical resource of National and International standard."

1.2 MISSION STATEMENT

"The mission of the Illawarra International Health Precinct is to promote excellence and efficiency in health delivery, innovative patient-centred care to prevent, diagnose and treat human illness, support and facilitate medical education and research, within an empathetic environment juxtaposed with staff development and education".

1.3 OUTLOOK

The expectations for the future of the precinct are:

- Continue to provide health choice amongst a diverse community.
- Ensure better health experiences for patients who use the precinct's facilities.
- Develop health partnerships throughout the region.
- Invest wisely to ensure the financial viability of the precinct.
- Create a unique work opportunity on site.
- Recruit and inspire a health workforce dedicated to good health outcomes.
- Maintain collaboration with the University and TAFE Wollongong through training and teaching.

The hospital precinct is staged over eleven years. This phasing ensures the viability of the project and will meet the demands of the Illawarra as they arise. The recruitment of clinicians and allied health professionals will be synchronised with that demand and staging.

1.4 MILESTONES

TABLE 1.1 MILESTONES

	MILESTONE DETAILS:	REACHED
1	Research outcomes for the need and size of the precinct.	√
2	Engage project manager and consultants.	√
3	Engage epidemiologist.	√
4	Liaise with local and State government officials.	√
5	Seek approval/support from the community, government and medical bodies.	√
6	Negotiate Memorandum of Understanding with TAFE Wollongong regarding training input.	√
7	Negotiate endorsement with University of Wollongong, University of Notre Dame or University of New South Wales regarding training and other input.	
8	Develop an achievable 'Business and Health Model'.	√
9	Achieve ethical and recruitment support from a university.	√
10	Secure a suitable site.	√
11	Engage planning and architectural consultants.	√
12	Apply to Health Department for licenses.	√
13	Reach a concept and preliminary design.	√
14	Conduct community consultation programme.	√
15	Carry out Preliminary Environmental Assessment and submit.	√
16	Consult with relative agencies.	√
17	Achieve Part 3A status.	√
18	Receive Director General's requirements.	√
19	Finalise concept and master site plan (architectural) Complete Environmental Assessment. Complete architectural drawings for Stage 1. Lodge Environmental Assessment and concept for approval. Lodge Project Stage '1' for approval.	√
20	Exhibition proposal - reach full community acceptance.	√
21	Granting of Provisional Day Procedure Centre Licence and Private Hospital Licence.	√
22	Granting of Part 3A concept approval. Granting of Part 3A Project Approval Stage '1'.	
23	Complete Construction Certificates and gaining approval for construction of : Stage 1 Tender process for Stage 1 Start construction of Stage 1 Complete Stage 1 Open Day Procedure Centre/change Provisional Day Procedure Centre Licence to Full Licence Open Overnight Beds/ICU/High Dependency/change Provisional Hospital Licence to Full Licence	
24	Apply for project approval and Construction Certificate for Stages 2 through to completion.	

1.5 THE PROPOSAL

The proposed development is a health care precinct for the purpose of providing world class health care to the people of the Illawarra, South Coast of New South Wales, and surrounding areas. In addition, it will have the capacity to attract interstate and international patients to its doors.

The precinct is made up of a Surgicentre, which includes a Day Procedure Centre, Radiology, Pathology, Casualty, 24 Hour Medical Centre, Stand Alone Obstetrics Unit, 352 Bed Private Tertiary Referral Hospital, Accommodation Units, Education Facility, Aged and Disability Centre, Laundry, Dry Cleaner, Seniors Accommodation, and Shopping Centre. All of the structures will join and interlink via ramped walkways for pedestrians, internal roads for service vehicles and eBook for electronic communication. Share ways are provided for walking and cycling, bus stops and taxi ranks are also provided for commuters. The goal is to have no steps across the entire site, including the fire escapes. This is to encourage walking even it confined to a walker and promote health in general.

To transform the site and have it become a community hub through the creation of desirable streetscapes, structures, and landscaping, delivering common meeting areas and share ways. To capture, share and enjoy the surrounding aesthetic landscape and ambience promoting a healing environment. It will also assist in attracting and holding a dedicated workforce to meet the needs of the sick and needy.

The architecturally designed buildings all share a common ambience; enjoying vista's and view corridors of the escarpment, and numerous rural holdings. Most have skylights facing north and/or internal open courtyards. The intent is to bring the outdoors, indoors further facilitating the ambience and healing environment.

The structures are:

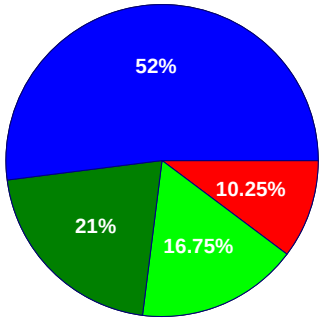
1. SPECIALIST and SURGICENTRE – this building contains 92 Specialist Suites, a Day Procedure Centre (incorporating a full hospital licence capable of 10 overnight beds, 4 intensive care beds and 5 high dependency beds, 6 Operating Theatres, and a total of 22 Recovery Beds, 2 Cots and 44 Stage '2' Chairs.
2. RADIOLOGY and PATHOLOGY – this building will have the capability to perform Simple Radiology, Ultra Sounds, CT Scans & MRI. The Pathology will be a NATA Accredited Category '1' Laboratory.
3. 24 HOUR CASUALTY and MEDICAL CENTRE – in addition to 30 Treatment Bays this building will have a dedicated Trauma Theatre, 3 Minor Operative Theatres, 10 overnight beds, a 24 hour Pharmacy, and Ambulance Station.
4. STAND ALONE OBSTETRIC UNIT – this facility will be unique to New South Wales. In addition to 20 overnight 1 bedroom en-suite accommodation, it will be equipped with 6 Delivery Suites, 1 Birthing Centre, and dedicated Caesarean Section Theatre. Along with Well and Critical Care Nursery.
5. HOSPITAL PROPER - this is a 303 bed Private Tertiary Referral Hospital. As such it will be capable of performing every type of procedure, with 10 Operating Theatres and 8 Training Rooms for the use of the University and TAFE. Also within this building is a Podium supporting the hospital accommodation. At the front of the Podium are Shops and Office Space to cater for the needs of the surrounding community, incorporating a Minimart, Florist, Newsagent, Café/Restaurant, Bank, Real Estate Agent and others.
6. ON SITE ACCOMMODATION - this building will house 30 x 1 Bedroom and 20 x 2 Bedroom Serviced Apartments for Nurses, Medical Students, Resident Medical Officers and Registrars. There will also be 4 Meeting Rooms and 1 Training Room.
7. EDUCATION FACILITY - this building will house several Large Conference Rooms and 4 Meeting Rooms. In addition 80 x 1 Bedroom Serviced Apartments will provide accommodation for Outpatients (undergoing extended therapies), Patient Carers and/or Relatives, and visiting International and Interstate relatives.
8. AGED and DISABILITY CENTRE - a 280 Bed High/Low Care Facility catering for the varying Aged Ethnic Groups (Italian, Macedonian, Spanish, Greek, etc.,) and youth within a nursing home, found throughout the Illawarra
9. SENIORS ACCOMMODATION - 46 Independent Living Houses with Emergency Call to the Aged Care Facility.
10. COMMERCIAL LAUNDRY and DRY CLEANER - this facility will incorporate a drive-thru pick-up and drop-off point for Laundry and Dry Cleaning for the needs of the surrounding community. The Commercial Laundry at the rear of the building will service the needs of the precinct.
11. POWER GENERATION and MAINTENANCE BUILDING - stand-by power generators and uninterrupted power sources, along with the workshop facility for maintenance for the site will be housed to the rear of this building.

A complete and detailed description of these buildings and the various stages, inclusive of a limited specification covering floor areas, parking, number of employees etc., plus details of procedures, services, facilities and beds, can be viewed in Appendices 1.7 and 1.8.

2. THE NEED FOR A TERTIARY REFERRAL HOSPITAL AND PRECINCT

Currently in New South Wales, and in particular the Illawarra, there is a critical shortage of hospital beds. In January 2006 it was reported that the Illawarra was more than 100 beds in arrears. This number has now increased bringing the deficit to nearly 150, and this will grow to 285 in 2016. These figures have been confirmed by Doctor Greg Hardes in his Epidemiology Report (see Appendix 1.1). The need for a large private facility is explained by Professor Don Iverson who writes about the need for a facility that will support teaching. A hospital of less than 250 beds would not support a teaching facility and it is an impossibility to teach General Practitioner's, and Surgeons without adequate numbers of patients and well equipped theatres and other facilities.

CHART 1.1 PUBLIC PRIVATE CATCHMENT



This chart shows the distribution of work for the combined Public/Private catchment sectors of the Wollongong, Shellharbour, Kiama, Shoalhaven and LGAs;

- 52% of the population are reliant on the Public Health System
- the remaining 48% of the population have private health cover
- of this 48%, 16.75% remain in the region using Private Facilities
- another 21% leave the region to be treated in other Private Facility
- leaving the Public System 10.25% of the Private work

The private hospitals are struggling in a small segmented market, failing to attract specialists, and the ability to provide for the more complicated procedures.

The lack of theatre time in the Illawarra is inhibiting hospitals from attracting surgeons. The lack of state of the art equipment is preventing the surgeons from performing at their best. Without the surgeons and equipment the sick will continue to exodus the Illawarra for treatment, and the public system will continue to be taxed with increasing patient loads, leading to bed block and dangerous overloading. Wollongong currently has almost 100% occupancy, 85% being considered desirable and not dangerous.

Although the need for General Practitioners, as the gate keepers of medicine, is regularly spoken of, nowhere in Australia are they used in a tertiary hospital setting. This novel use in Australia ensures, in an inadequate labour market, i.e., acute shortage of specialists, that more productive outcomes from existing specialists can be achieved when they are relieved of their less technical endeavours.

The Federal Government is introducing Super-Clinics, however, they themselves are finding it hard to attract GPs to these Centres. Through this tertiary referral hospital we are training holistic practitioners to return to the community. This will also provide a market which the Government can tap in order to staff their Super-Clinics.

Surgeon and theatre time shortages are not the only problems we face. We are seeing a very severe shortage of nurses, and adequate training places for these nurses is a growing problem.

The Health Precinct answers these problems by:

1. Initially providing the theatre time to attract the surgeons.
2. Providing state of the art equipment and the latest medical technology.
3. Initially, bringing a modest number of beds to help alleviate the current burden.
4. Providing adequate numbers of high dependency and ICU beds.
5. Developing a green fields site with aesthetically pleasing and functional structures.
6. Providing on-site suites and consulting rooms, in an ambient environment.
7. Relieving the overcrowding of the public system.
8. Attracting the 44% of private patients exiting the Illawarra to St Elsewhere's.
9. Guaranteeing sustainability by a one step at a time approach.
10. Facilitating on-site radiology and pathology.
11. Providing a clinical training ground for doctors and nurses.
12. Facilitating 24 hour medical services through, casualty, medical centre, hospital proper and pharmacy.
13. Providing training opportunities for Universities and TAFE Facilities.
14. Bringing on the precinct in stages to meet the needs of the population.

The results from Hardes Report Stage '1' indicate that, subject to available supply of both capital and clinical resources there could be significant private growth over the next decade. Growth of up to 21,000 same day separations and an additional 8,000 overnight separations could be achieved over the next decade. This would yield an additional 48,000 bed-days. The projected increase of 48,000 bed-days represents approximately 160 overnight private hospital beds. The above considerations attempt to take up this growth as well as the catering for the current demand.

TABLE 1.2 SUMMARY POPULATION PROJECTIONS

Population	Year							
LGA_Name	1996	2001	2006	2011	2016	2021	2026	2031
Kiama	18,390	19,970	21,220	21,980	22,660	23,430	24,110	24,890
Shellharbour	53,898	59,910	65,350	70,020	70,830	71,040	71,440	72,010
Shoalhaven	79,168	87,700	95,620	102,680	109,420	116,210	119,880	129,500
Wollongong	183,448	189,770	194,270	199,810	208,190	216,660	224,520	231,540
Grand Total	334,904	357,350	376,460	394,490	411,100	427,340	439,950	457,940

3. THE MODEL

3.1 PRIVATE HEALTH

The Model is based on an efficient and effective outcome system. Private health makes an individual responsible for one's health outcome, as distinct from relying on the public system. An accredited GP of your choice admits and is responsible for your inpatient care and discharge. The practitioner being intimately familiar with your history is best placed to serve your needs, minimising adverse outcomes. A selected specialist is involved at the procedure level only, ensuring productive and effective use of specialist skills. This allows specialists to work at the upper echelons of their training. In a diminished workforce this leads to more productive outcomes per specialist practitioner.

3.2 TRAINING

General Practitioners will function as visiting medical officers in a tertiary referral hospital with a University affiliation. The hospital undertakes to provide the environment and facilities as the university students interact with the general practitioners admitting and managing patients in a hospital setting. Specialists will assist where necessary. By exposing the students to this model through-out the term of their training, it is hoped they become more holistic practitioners and happy to stay in the community from whence they came.

A model of this nature, and a hospital of this scale, will not only allow specialist training, but also create ideal conditions for general practice training. In time this will address the general practice manpower shortages of the Illawarra and Shoalhaven. Professor Don Iverson, Dean of Behavioural Sciences, University of Wollongong, writes (Appendix 1.2) in detail the rationale behind 'the model' and how it will achieve the outcomes required by the region.

3.3 GP RECRUITMENT MODEL

In return for general practitioners working eleven 8 hour shifts per annum (renumerated), the site will offer 24 hour cover for their Practices, in the 'after hours' or when they are on holidays etc. The Practices have the benefit of the 24 hour cover for their patients, and knowing they can track the admission of their patients to the precinct, by our online patient eRecords. Furthermore, those GPs who are accredited by the Medical Advisory and Ethics Committee of the hospital will then be responsible for their patients care, and any other patients that elect to be looked after by them.

In addition, there are two financial benefits to GPs.

- One deriving income directly from the caring for inpatients, and
- Two the Commonwealth Governments Practice Incentive Payments Scheme for having 24 hour cover for their general practice - this leaves GPs with flexibility, re-skilling, variety and high incomes and allows immediate electronic access to their patient's health records.
- The last thing this proposal is seeking to achieve is 6 minute medicine.

3.4 MODEL VALIDATION

The model is validated through the words of Professor Don Iverson (letter attached). Further support can be gleaned from numerous private hospitals in the USA;

4. STAGING

The strategy behind the staging, and the business and financial planning, is a 'one step at a time' approach. We believe it is vital to have one stage up and running and showing sustainability before the next stage is started. This is the fundamental key to our success. Too big too quick inevitably fails. Over exposing the project to excess mortgage stress will see the proposal fail before it starts.

Apart from proper financial control, and efficiency, it is important to ensure time is taken to allow the appropriate protocols and methodologies to be put in place. Each stage is an integral step in order to achieve an overall highly productive and efficient precinct. Without medical practitioners we have no patients, without patients we have no business. Especially in health, where outcomes are so dependent on having the right people in place, people who are highly motivated, committed and express natural empathy.

STAGE '1' SPECIALIST AND SURGICENTRE
This stage is reliant on having a number of specialists and allied medical groups commit to buying suites. The day surgery will be run through a Surgeon's Unit Trust. Eighteen units of a twenty unit trust will be offered to high-end surgical users in the day procedure centre in year one. The funds raised from this exercise will ensure the funding of instrumentation and equipment for the day procedure centre. The Unit Holders will derive a dividend from the activities of the day procedure centre. Further units will be offered in subsequent years as the repertoire of procedures grows.

This stage is expected to attract 92 specialists and allied health professionals. Eighteen of these high-end users will be unit holders of the day surgery facility. Securing these professionals will be the foundation of the precinct and will cement and ensure the viability and future of the precinct. A number of specialists have shown a keen interest in this centre to date.

STAGE '2' RADIOLOGY AND PATHOLOGY
This facility has already been leased by Sonic Health, trading as Douglass Hanly Moir. Securing their interest at this early stage has given financial surety to stage '2' and early completion is anticipated, allowing the casualty and the medical centre to move forward.

STAGE '3' MEDICAL CENTRE AND CASUALTY
We are very familiar with running this type of facility, having operated large medical centres in Kirrawee and Kingsgrove for many years. Baydoor Pty Limited will run this operation.

This centre will be the hub of the precinct and control all communication across the site. One stroke e-Health Records (EHRs) will allow all clinicians access via a mainframe from anywhere in the World at any time.

Using the recruitment model above will allow us to quickly recruit the necessary clinicians, guaranteeing the centre's success, and enabling us to move onto the obstetrics unit.

STAGE '4' OBSTETRIC UNIT
Having specialist obstetrician, paediatrician, and intensivist suites, this centre is similar to the surgicentre where the suites will be sold 'off the plan'. Maintaining the same methodology, and offering the same arrangements to these practitioners, this model ensures viability without financial stress.

STAGE '5' HOSPITAL PROPER
Confidently knowing that all the previous stages are up and running, in an appropriately ethical and profitable order, it is now that the main stage of the precinct comes in. The hospital proper will be floated via a Public Company, promoting and allowing the people of the Illawarra to invest in their own health. Medical practitioners and health care workers will also be invited to be part of this exciting prospect. By engaging the community as shareholders in the company that owns the hospital in essence they are being given the tool by which to determine their own health outcomes and future.

STAGE '6' ACCOMMODATION FOR NURSES, MEDICAL STUDENTS,
RESIDENT MEDICAL OFFICERS, AND REGISTRARS
This facility will be brought in when the hospital proper starts to fill and there is a need for on-site accommodation for medical staff, with an emphasis on affordable living for nurses. Furthermore, this stage will be integral with the tertiary referral hospital's status, and the site for many of the teaching and training programmes associated with our affiliation with the University and TAFE.

STAGE '7' EDUCATION FACILITY
As the precinct grows this facility will be brought on-line as a vital integrated structure allowing for further training, conferencing and meeting areas. Accommodation will be available for speakers, lecturers and special guests. The eighty serviced apartments will also serve as a stay over point for visiting out of town patients, their relatives and carers. The accommodation component of this facility will be used extensively by patients needing extended therapies, such as radiotherapy and chemotherapy or on an outpatient basis. It may even double for well mother and baby post-natal stays.

STAGE '8a' ILLAWARRA INTERNATIONAL AGED AND DISABILITY CENTRE
This 280 bed high/low aged care centre will only be phased in when the need arises. The centre opening is also hinged on the Federal Government's bed rounds. The design of the building, which has four separate wings, means it also can be opened in stages, one wing at a time, to meet demand.

STAGE '8b' INDEPENDENT LIVING UNITS
Following construction and the opening of the aged care centre, forty six independent living units will be constructed. These units will be occupied by people requiring minimal care and they will have the benefit of 24/7 emergency call to the nursing home staff.

Note: The site will incorporate a sewer pumping station, a transformer station, a cogeneration plant room, a steam and heat generating plant room, SB &UPS plant room as well as a maintenance workshop facility. Most of these will be located in behind the commercial laundry and dry cleaning facility on Huntley Road ensuring the sites infrastructure is self sufficient.

All the Buildings within the precinct will stand alone. Each will be on it's own Torrens Title and have independent freehold.

5. PRECINCT CAPACITY AND COMPARABLE REGIONAL CAPACITIES

5.1 PROCEDURES

Surgicentre – Obstetrics – Casualty/Medical Centre- Hospital Proper

1. Surgical – General
   - Gynaecological Surgery
   - Ophthalmic Surgery
   - Orthopaedic Surgery
   - Neurosurgery
   - Plastic and Microsurgery
   - ENT Surgery
2. Endoscopic
3. Dialysis
4. Cytotoxic
5. Cardiac Catherisation
6. Family Care
7. Paediatric Surgery
8. Internal Medicine
9. Psychiatric
10. Rehabilitation
11. Intensive Care
12. Neonatal Intensive Care
13. Open Heart
14. Neonatal Special Care

ANAESTHESIA:

- General
- Spinal/Epidural
- IV Sedation/Nerve Block, including Pudenal
- Local

5.2 SPECIALTY AND SUB-SPECIALTY SERVICES

Initially, we would look to provide:

1. Internal Medicine, including;
   - Cardiology (general and interventional)
   - Endocrinology
   - Gastro-enterology
   - Neurology
   - Dermatology
   - Geriatric Medicine
   - Haematology,
   - Infectious Diseases
   - Nephrology
   - Respiratory Medicine
   - Rheumatology
   - Sleep Disorders
   - Oncology
   - Nuclear Medicine
   - Hyperbaric Unit
2. Psychiatry, including addiction and co-dependency medicine.
3. Sexual Health, including sexual assault medical-legal assessment.
4. Obstetrics and Gynaecology
5. Surgery, including;
   - Cardiothoracic
   - Ear, Nose and Throat
   - Facio-maxillary
   - General
   - Neurosurgery
   - Plastic and Reconstructive
   - Urological
   - Vascular
6. Paediatric Medicine and Surgery

TABLE 1.3 ESTIMATED NUMBER OF PROCEDURES

FACILITY	Theatres	Delivery Suites	Birthing Centre	Procedures Per Day/ Per Theatre	Operating Days/Week	Total Procedures Per Week	Operating Weeks Per Year	Total Procedures
SURGICENTRE DAY PROCEDURE UNIT	6			12	5	360	48	17,280
MEDICAL CENTRE CASUALTY	(3) 4			5	7	140	52	7,280
OBSTETRICS	(1) 1	6	1	3	7	24	52	(2) 1250
HOSPITAL PROPER SURGICAL/MEDICAL	10			6	7	420	52	21,840
TOTAL								47,650

(1) Dedicated Caesarean Section (2) Total Number of Confinements (3) Dedicated Trauma Theatre

The above table shows the estimated number of procedures to be carried out across the precinct on completion of construction and opening of all of the facilities.

TABLE 1.4 TOTAL PATIENT CONTACTS

Aged Care	280
Outpatient/Rehabilitation Services	6,240
Total Procedural Contacts – Whole Precinct	47,650
Total Non-Procedural Contacts – Casualty/Medical Centre	109,200
Total Non-Procedural Contacts – Medical – Hospital Proper	47,158
Total Contacts – Specialist Medical Centre	331,200
TOTAL PATIENT CONTACTS PER ANNUM ACROSS WHOLE PRECINCT	**541,728**

The above table shows the total number of patients treated and/or seen across the entire precinct in one year.

TABLE 1.5 BED/COT AND CRIB NUMBERS IN VARIOUS WINGS AND DEPARTMENTS

FACILITY	Day Recovery Beds	High Dependency Beds	ICU Beds	Overnight Beds	Cots/Cribs Well Baby,#Stage 2, Critical Care Nursery	Treatment Bays/Beds	Stage '2' Chairs
SURGICENTRE	72	5	4	*10	2		44
MEDICAL CENTRE CASUALTY				*10		30	
OBSTETRIC UNIT (Stand Alone)				*20	22 **6		
HOSPITAL PROPER	28		10	*293			
AGED CARE FACILITY				*280			
SUB-TOTAL	50	5	14	613	30	30	44

**With Ensuites **Critical Care Cribs*

The above Table shows the number of beds, cots and cribs allowed for, across the precinct, in the current proposal. These figures reflect the anticipated bed numbers of 352 hospital beds and 280 aged care beds (632 in total).

TABLE 1.6 SESIAHS FACILITY BEDS AND BED EQUIVALENTS

AREA HEALTH SERVICE	Dedicated Overnight Unit	Dedicated Same-Day Unit	Other Unit	Total Bed Equivalents	General Hospital Unit	Nursing Home Units	Community Residential	Bed Equivalents	TOTAL
BULLI DISTRICT HOSPITAL	50	6	0	56	56				
COLEDALE HOSPITAL	24	0	0	24	24				
DAVID BERRY HOSPITAL	26	0	0	26	26				
GARRAWARRA CENTRE	120	0	0	120	0	120			
KIAMA HOSPITAL	20	0	0	20	20				
KIAMA HOSPITAL NURSING HOME	0	0	0	0	0				
MILTON ULLADULLA HOSPITAL	28	0	0	28	28				
PORT KEMBLA HOSPITAL	68	0	0	68	68				
SHELLHARBOUR HOSPITAL	143	10	0	153	153				
SHOALHAVEN HOSPITAL	151	34	0	185	185				
WOLLONGONG HOSPITAL	414	41	0	455	455				
SESIAH	**1044**	**91**	**0**	**1135**	**1015**	**120**			**1255**

The above Table shows the current dedicated overnight and same-day bed equivalents for the Illawarra and Shoalhaven public sector catchment area, showing the skew away from the private sector.

TABLE 1.7 PRIVATE HOSPITAL BEDS AND BED EQUIVALENTS

AREA HEALTH SERVICE	Dedicated Overnight Unit	Dedicated Same-Day Unit	Other Unit	Total Bed Equivalents	General Hospital Unit	Nursing Home Units	Community Residential	Bed Equivalents	TOTAL
Figtree Private Hospital	101	6	0	101	101				101
Shellharbour Private Hospital	39	16	0	50	50				55
Thirroul Private Hospital	53								53
Shoalhaven Private Hospital	79	5							84

The above Table shows the bed equivalents for the private sector within the Illawarra and Shoalhaven Catchment areas, showing the skew away from the private sector.

5.3 ELECTIVE WORK COMPARED TO EMERGENCY WORK

STAGE '1'
The Surgicentre will initially be all elective work as listed above. When there is a need for the overnight hospital beds, as dictated by procedures performed, it will open 24 hours.

STAGE '2'
Pathology and Radiology on an as needed basis 24 hours/day.

STAGE '3'
The Medical Centre and Casualty will carry out emergency work and scheduled work on a 80/20 ratio. Note: This facility has a dedicated trauma theatre.

STAGE '4'
The Obstetric Unit will carry out day to day deliveries, including emergency caesarean sections in the dedicated theatre on an as needed basis.

STAGE '5'
The Hospital Proper will carry out scheduled elective work and emergency work on a 80/20 ratio. Note: The interconnectivity of the precinct's buildings allows any overflow to be seamlessly transferred between adjoining buildings avoiding bed and theatre block.

TABLE 1.8 SESIAHS FACILITY ACTIVITY LEVELS

FACILITY	Separations	Planned as % of Total Separations	Same Day as % of Total Separations	Daily Average of Inpatients	Acute Bed Days	Overnight Acute Bed Days	Non-admitted Patient Services	Emergency Department Attendances	Expenses (Accrual Basis $000)
Bulli District Hospital	3845	2112	2453	52.20	5800	15839	16807	8043	16803
Coledale Hospital	324	40	N/A	26.20	8136	5800	4291	N/A	6559
David Berry Hospital	503	264	12	23.00	N/A	N/A	2194	N/A	5885
Kiama Hospital	225	15	0	16.00	2365	7250	3257	N/A	3634
Milton Ulladulla Hospital	2756	319	887	22.30	53979	2353	45454	12015	8586
Port Kembla Hospital	1174	571	21	61.00	161650	43899	94980	N/A	29530
Shellharbour Hospital	15328	5303	7905	148.50	N/A	291	55209	22819	34918
Shoalhaven Hospital	20199	8608	10087	162.90	52965	143643	156420	31846	78245
Wollongong Hospital	41431	15744	19000	443.80	294	45061	322417	47782	231580
TOTAL	**85785**	**32976**	**40365**	**955.90**	**285189**	**264136**	**701029**	**122505**	**415740**

This Table importantly shows the separations, daily average inpatients, acute overnight bed days, non- admitted patients and emergency attendances across the public sector facility, within the Illawarra and Shoalhaven catchment area.

TABLE 1.9 PRIVATE HOSPITAL FACILITY ACTIVITY LEVELS

FACILITY	Separations	Planned as % of Total Separations	Same Day as % of Total Separations	Daily Average of Inpatients	Acute Bed Days	Overnight Acute Bed Days	Non-admitted Patient Services	Emergency Department Attendances	Expenses (Accrual Basis $000)
Figtree Private Hospital	3845	2112	2453	52.20	5800	15839	16807	8043	16803
Shellharbour Private	324	40	N/A	26.20	8136	5800	4291	N/A	6559
Thirroul Private Hospital	3000								Not known
Shoalhaven Private	Not known								Not known

These activity levels shown above in the table are low in comparison to the public sector adding weight to the conclusion that there is a skew away from the private sector.

There are numerous reasons why the residents of an area may have lower (private) admission rates than the State average. One obvious reason is that by definition half the State will have rates above average; the other half will be lower. Considering the stubborn nature of statistical average, change is often a difficult and fruitless endeavour. Though noted in relation to private hospital admissions, the average includes areas with no private hospitals and/or poor access. It is confirmed by the statistical data that areas with a good supply of private hospitals have relatively high private hospital use.

6. SITE and ALLIED FACILITY CAPACITY

6.1 PROPOSED HOURS OF OPERATION

STAGE '1' SURGICENTRE

- Day Hospital-Theatre's 12 hours per day approximately, 5 or 6 days per week.
- 10 bed overnight licence allowing for 7 day's per week, with 24 hour opening, with monitoring of patients in the Overnight beds as well as the 4 ICU and 5 High Dependency beds provided,

STAGE '2' RADIOLOGY AND PATHOLOGY

- Both operating 24 hours per day, 7 days per week

STAGE '3' CASUALTY AND MEDICAL CENTRE

- Both operating 24 hours per day, 7 days per week

STAGE '4' OBSTETRIC UNIT

- Operating 24 hours per day, 7 days per week

STAGE '5' HOSPITAL PROPER

- Open 24 hours per day,7 days per week

A special emphasis would be given to improving the delivery of mental health services in the Illawarra, in light of the severe shortage of psychiatrists. We would also aim to be the first private hospital where patients could be admitted under a Schedule 2 and also cater for child and adolescent care where a parent can stay with their handicapped child whilst that child is under care in the facility.

By the evolution of all stages across the precinct it will deliver all facets of medicine, and provide a training ground for nurses, medical students, resident medical officers, registrars, exercise physiologists and physiotherapists, along with other allied health professionals.

6.2 ALLIED BUILDING/FACILITY CAPACITY

The precinct will house some fifty six structures over its 10.5 hectares. Within these structures is an array of allied facilities adding to the amenity of the site. These facilities, listed below, are housed in various buildings and have various usages, as shown in the Table below.

TABLE 1.10 FACILITY CAPACITY

FACILITY	Surgicentre	Medical Centre	Obstetrics	Hospital Proper	Nurses Accommodation	Education Facility	Aged Care Facility	Retail
MEETING ROOMS	1	1	1	4	1	2	1	
TRAINING ROOMS	1	1	1	4	1	4	2	
CONFERENCING NOs	20-40	up to 100	20	40-60	20-30	500+	30-50	
ACCOMMODATION	19	10	20	303	80	160	280	
EMPLOYMENT	300	167	50	853	6	16	174	
SEATING	40	100	20	60	30	500+	50	
PARKING	259	250	60	906	50	110	110	140

6.3 EMPLOYMENT

By the completion of all stages the precinct will house a large number of varying disciplines, including not only health professionals but all types of ancillary positions. The table below shows the predicted employment numbers:

TABLE 1.11 PREDICTED EMPLOYMENT NUMBERS ONSITE

GENERAL	Catering, Ground Keeping, Cleaning, Maintenance	250
ADMINISTRATION	Management, Clerical,	260
SHOP ASSISTANTS	Staffing Retail	180
NURSES	RNs, ENs, AINS, Clinical Assistants	849
CLINICIANS	Visiting Medical Officers, Registrars, Allied Health Professionals	410
STUDENTS	Medical Students, Doctors and Nurses	140

Indirectly this proposal will see the generation of further employment in the following main areas; construction positions created during development of the site, service providers and suppliers of every category on an ongoing basis. Although difficult to predict, the estimated number of single employment positions created directly and indirectly will be in the order of 3000. The predicted ancillary jobs generated would be as many as 800 per annum ongoing.

6.4 STAGING OVERVIEW

The critical key to the projects overall success is the staging. Through the due diligence phase of assessing the viability of the proposal the staging was specifically developed to fit with the predicted growth and unmet demand of the area. Critically, the economic viability of the precinct is latched to the staging. Following consideration of all the information provided by the professional consultants engaged to assess the staging, the model was finely tuned to be the optimum choice for this venture. The staging of the project relies on the expansion of the catchment for resourcing income, and the population growth for resourcing labour.

It is the philosophy of the model that the precinct will grow at a 'steady as you go rate', meeting the needs of the region whilst not expanding beyond it's means. This leaves vulnerability through growing too big too quick and over servicing an area and exhausting funds prematurely out of the equation.

7. MAJOR REFERRAL LINKS and COMPLIMENTARY ROLES

Within the precinct is a large 280 bed Aged Care Facility with strong referral links, along with all of the other facilities such as the Surgicentre, Obstetric Unit, Medical and Casualty Centres. The Clinicians expected to house their practices under the roof of these centres would give a strong referral link. In this case the number of clinicians would be in excess of 200 plus other allied professionals. Currently 10.25% of SESIAHS work is of a private nature, derived from the some spill over, 48% of the population that have private cover, 44% of these people seek medical care in other places other than the Illawarra catchment area. Natural referral would be reciprocal given the nature of the facility being able to cover so many procedures.

The proposed development will greatly expand the range and depth of clinical services available to the region. This will facilitate and expand the range of services able to be offered in both the public through contract and private sector. It will reduce pressure on public sector services facilitating a more balanced distribution between public and private providers.

Extensive community liaison has been carried out to identify the needs of the aging population being their ethnicity, language barriers and diet. Strong ties with these groups have been developed and will lead to sound support and collaboration.

The many smaller private hospitals are currently locked into small segmented markets having no ability for growth. The size and nature of the Illawarra International Health Precinct will create niche markets where referral would be the obvious answer ensuring symbiotic outcomes, complimenting each other and ensuring economic sustainability for the smaller provider whilst allowing the precinct to flourish.

Taking into consideration the number of patients seeking treatment in St Elsewhere's and the number of procedures currently being undertaken under the umbrella of SESIAHS; more importantly Wollongong hospital currently running at 100% occupancy, it would be a natural attrition that patient numbers would flow over to the precinct, to the point of saying that it would complement the Wollongong Hospital rather than conflicting with the public facility. It would allow it to shed the burden of the 38% of private cover it now embraces. It would make room for public patients, lowering its bed rates to a safe and desired level of 85%. It would allow it to run more efficiently and safely, utilising its expertise whilst working along with the precinct to ensure a fare exchange of referrals occur.

A growing market where bed numbers are already down would and should allow for an expansion on referrals (in & out) as the both the community grows and so the number of clinicians and medical services expand with it.

Patients are also admitted, looked after and discharged by their GPs; this will form the main referral link in terms of hospital admissions, except those who come in through casualty. General Practitioners; in exchange for working eleven shifts per annum at the hospital (renumerated), would have their Practices covered 24 hours per day by this site. This would mean their Practices would be eligible for Practice Incentive Payments from the Commonwealth for offering 24 hour cover and be available for subsidy as they would be online with the hospital.

Our e-Health record system (EHRs) will create one Medical Record for all Patients with one point of entry for all Medico's. Practitioners within the Precinct will have access to the Medical Records and Practices outside the Precinct will be online to the Precinct so that they can be automatically notified of their Patient's admissions, ensuring the referral link is sustained. EHR's being surveyed in Massachusetts have shown it is likely to mitigate malpractice claims. Offering easy access to patient' history (resulting in fewer diagnostic errors), improved follow-up of abnormal test results and a far better adherence to clinical guidelines. This could lead to lower insurance premiums and bolster legal defence in malpractice cases.

It is expected that the precinct will work in with all the other public and private hospitals in the Illawarra area and provide the services not currently supplied by them. It is expected that patients would be referred to us for such services and likewise we would refer the patients back to them when they did not need a tertiary referral hospital.

The precinct being aptly named the Illawarra International Health Precinct for purpose of opening the doors to people seeking the latest in health technology and treatment will travel to receive such treatment. So too will surgeons who perform these procedures be attracted by the state of the art medical equipment. Professors from the University and Specialist VMO's will refer their patients whilst having the ties brought about by the arrangement between the university and the Precinct. The University and the precinct will share complimentary roles where the precinct will provide the training ground and the university will provide students and professors. Furthermore a significant complimentary sharing role has been set up between the Wollongong TAFE and the precinct, where again the precinct will provide the training ground for the various TAFE students. The focus will be on training nurses.

Further referral and complimentary roles would be created through emergency via the ambulance station and the helipad. NSW ambulance will be able to stop at emergency and flight care helicopters will be able to land on the roof. State and Federal emergency services are being catered for by providing two light weight Rapid Deployment Field Hospitals on-site adjoining the helipad. These will provide emergency cover for natural and National disasters, including Terrorist attacks, enabling close co-operation with the State Headquarters of Emergency Services in Wollongong.

7.1 DETAILED COMPLIMENTARY ROLES

PUBLIC SECTOR ROLES just as the Illawarra International Health Precinct is a staged development, so the roles and inter-relationships with other hospitals will be evolutionary in direct alignment with the stages. The majority of complimentary roles will be seen to develop between the major public hospitals and the Illawarra International Hospital.

1. THEATRE (BED-BLOCK) Initially, with the development of Stage '1' the Illawarra Specialist and Surgicentre, the main focus will be on relieving the serious problem of 'bed-block' in the public hospitals in the region. Privately insured patients presenting to casualty with emergency surgery will be able to be easily transferred to Illawarra Specialist and Surgicentre. The introduction of six theatres will unravel waiting times by providing adequate theatre time and ensuring waiting lists are decreased. Even at this early stage it will be possible to perform complicated surgery given that there are ICU and high dependency beds attached to the day procedure centre, along with 10 overnight hospital beds. The Surgicentre will be available to NSW Health for contractual work. Considering that the national average for hospitalisation is now below 2.8 days, this makes extreme sense.

2. 24 HOUR CASUALTY (BED-BLOCK) AND MEDICAL CENTRE
With the development of Stage '3' the Casualty Department, 'bed block' from Kiama, Shellharbour and most importantly Wollongong Public Hospital will be further relieved. This will be the most significant stage for Wollongong Public Hospital in that it will find itself no longer stressed and over extended having to cope with emergencies that disrupt scheduled procedures. Given the socio-economics of the Illawarra this is a guaranteed outcome in light of the fact that the model allows for bulk-billing in the 24 hour Medical Centre within the Casualty. The necessary arrangements will also be made to ensure that the Ambulance Service is able to pick-up and deliver patients to this site.

3. BIRTHS
Stage '4' - the Stand Alone Obstetric Unit, along with the Birthing Centre, will give a choice to the future parents of the Illawarra. It is anticipated that this unit will handle in excess of 1250 confinements in it's first year of operation, accommodating the forecast population growth of the area. It should also compliment the recent closure of the obstetric beds at Shellharbour Public Hospital. Should either Wollongong or Shellharbour become full, patients will be able to be transferred to the Illawarra International Health Precinct for at least their post natal stay. Furthermore, referral of post-natal well mothers and babies to the onsite serviced unit accommodation of the education centre will allow for visits by doctors.

4. OCCUPANCY LEVELS (Lowering)
Stage '5' - the Hospital Proper is where the major effects will be felt. It's capacity will reduce the current dangerous levels of 100% occupancy back to an acceptable benchmark of 85%. All facets of medicine and surgery will be offered from within the hospital precinct, and this, along with the collaboration, integration and development of complimentary roles with the public and private hospitals of the Illawarra will mean an improved standard and safer delivery of health.

5. ATTRACTING CLINICIANS

Mr Terry Clout, Chief Executive Officer, South Eastern Sydney Illawarra Area Health Service, and staff, have stated that this is a feasible solution to the current bed crisis and the current delivery of services. All are cognisant that when you offer a World Class private facility it will compliment all existing public and private facilities in the region, mainly by attracting additional medical practitioners to the area. These medical practitioners will also be able to fill visiting medical officer roles in the public hospital system ensuring effective outcomes for both private and public patients.

7. MAJOR REFERRALS AND PROCEDURES

As a tertiary referral hospital, the Hospital Proper will be a referral centre for procedures not normally performed in smaller regional hospitals. Patients needing more advanced or complicated surgery, and/or radiotherapy, will be able to be referred in from the smaller facilities. To this end we should be able to serve the needs of the entire Illawarra catchment. Referrals will be able to be transferred from the hospitals by ambulance, both on an emergency basis and on an 'unable to do' basis ensuring effective outcomes for all types of problems. In addition, the hospital proper will have a Helipad on the roof for patients requiring this sort of medical transport. Once the procedures have been performed and patients stabilised they could be returned to the facilities from whence they came for their convalescence and rehabilitation before entering back into the community. In other words, complicated procedures only catered for in a larger facility will be performed at the Illawarra International Hospital and the patients will be returned to their community for their final rehabilitation.

7. OUT SOURCING OF BEDS

Where the Government identifies extreme delay in terms of waiting lists for public hospital beds in the area, and is willing to out-source the cases to other facilities, it would be possible for the precinct to undertake and provide a very competitive tender service for these cases. The model and the size of the facility means it will be able to perform varying complimentary roles with respect to public facilities, when and as needed.

8. MENTAL ILLNESS

Currently, within the Illawarra, there is no psychiatrist in practice south of Sutherland. We will have a large psychiatric unit within this private hospital. In fact, we are hoping to be the first private hospital permitted to admit patients under a Schedule '2'in New South Wales. With our outreach programmes in the community, Chair of Psychiatry from the University delineating protocols, along with other attending psychiatrists we will be able to deliver a much needed service and assist the collaboration between the public and private system.

9. DRUG AND ALCOHOL

Within the Psychiatric Unit there will be a Drug and Alcohol Rehabilitation Unit. This unit will cater for patients suffering from simple substance and alcohol abuse, along with it's social implications to those suffering from Korsakoffs Psychosis. The precinct within its model and planning has defined psychiatric and outreach programmes that will cater for every need.

10. OUTREACH PROGRAMMES

The objectives within the modelling of this proposal include community outreach programmes. It is our intention that the dissemination of information will allow patients, through their own understanding, to make informed personal decisions with regard to their own health outcomes. These programmes will support preventative health and focus on rehabilitating patients back into their community. Our aged care program will focus on limiting social isolation, falls and other disabling events for the senior members of the community.

11. REHABILITATION

The precinct incorporates a 280 bed aged care facility that will offer a wide range of outpatient services. Exercise Physiologists from the University, who will be training on site, will conduct programmes including, water aerobics, swimming, and exercise programmes in the gymnasium. The facility will offer day-only visitation for aged care and community groups to use these facilities, offering a minibus service. The large surrounding gardens will also be open to these groups for community functions. We believe it is vital for patients from aged care facilities to socialise and spend time in the open air (more than 35% of patients in aged care facilities in Australia suffer from Vitamin 'D' deficiency).

12. PALLIATIVE CARE

Rehabilitation and Palliative Care Services in the Illawarra will now have another major referral centre for complex prostheses and rehabilitative advice, especially in light of the current existing limited capacity available. State of the art, world class equipment and procedures will be available to all the regions existing facilities for referral, allowing those facilities to concentrate on the less critical procedures they are equipped to carry out. Pain management, both inpatient, outpatient and outreach services will also be offered.

TABLE 1.12 DETAILED COMPLIMENTARY ROLES

FACILITY AND DESCRIPTION	1. Theatre (Bed Block)	2. Casualty (Bed Block)	3. Birthing	4. Occupancy Levels	5. Attracting Clinicians	6. Referrals & Procedures	7. Out-Sourcing Beds	8. Mental Illness	9. Drug and Alcohol	10. Out reach Programmes	11. Rehabilitation	12. Palliative Care
WOLLONGONG PUBLIC HOSPITAL This is the major referral hospital for the area with 468 beds and offering Level 5/6 services in surgery, medicine, maternal and neo-natal care, paediatrics, intensive care, emergency and cancer care. This will be the major referral centre for the precinct.	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
SHELLHARBOUR PUBLIC HOSPITAL District hospital for Shellharbour and Kiama local government areas. Provides acute care, emergency, surgical, medical, obstetric, psychiatric services and a satellite dialysis unit. This hospital has a lead role in gynaecological, breast and laparoscopic surgery.	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓
PORT KEMBLA PUBLIC HOSPITAL 42 beds providing a comprehensive range of rehabilitation at Level 5/6 and 15 palliative care beds. The hospital also houses a 10 bed inpatient alcohol withdrawal management unit.				✓	✓	✓		✓	✓	✓	✓	✓
BULLI PUBLIC HOSPITAL A 62 bed district hospital providing level 1 emergency care, medical and surgical (with specialist ophthalmology, ear, nose and throat) services and respiratory medicine for the local community.	✓	✓			✓	✓					✓	
COLEDALE HOSPITAL Provides inpatient rehabilitation services with 20 beds, as well as a transitional aged care unit comprising 14 beds. The hospital also provided outpatient services to the community.						✓				✓	✓	✓
GARRAWARRA CENTRE This is a purpose built, dementia specific, residential aged-care facility with 120 beds plus resident accommodation in four cottages each housing 30 residents.				✓	✓	✓		✓			✓	✓
DAVID BERRY HOSPITAL A 17 bed Inpatient rehabilitation unit and 9 bed inpatient palliative care facility.						✓		✓	✓		✓	✓
KIAMA HOSPITAL & COMMUNITY HEALTH SERVICE Provides slow stream medical care, rehabilitation, aged care, six nursing home respite beds and community health services.						✓		✓	✓	✓	✓	✓
SHOALHAVEN PUBLIC HOSPITAL This hospital provides services predominately to the local residents. Outreach renal dialysis and outreach oncology services are also provided.	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
MILTON ULLADULLA PUBLIC HOSPITAL A 25 bed rural acute facility focussing mainly on the local community. An outreach oncology service operates on a regular basis.	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓

PRIVATE SECTOR ROLES

With respect to other private facilities, e.g., Figtree Private, Shellharbour Private, obviously the precinct and it's centres might be seen to be in competition with them. However, Figtree and Shellharbour are smaller private hospitals and whereas they mainly perform the 'bread and butter' type surgery, they themselves are undergoing change as dictated by the current market even before the establishment of the precinct. Shellharbour Private has picked up a complimentary role with a large primary care facility that will ensure it's viability and evolutionary development. Figtree Private is owned by Australian Unity, and managed by the Ramsay Group, the largest private hospital operator in Australia. It's role and operations will be largely unaffected as it's endeavours are in areas that to a large extent will not involve a tertiary referral hospital. We will, however, be able to take referrals from them and/or assist them should they be full. The advent of our large ICU Unit will further complement their existence, and vice versa.

All in all there is no facility like this South of St George Private in Kogarah, and North of the Victorian border. A large land mass for which we will provide the much needed beds and act as the major referral centre in terms of tertiary medicine. This high end of medicine is not delivered locally due to the lack of facilities and lack of turnover that enables the purchase of expensive technology. The planned psychiatric services will cater for the large number of mental health issues present in the Illawarra, and the advent of dedicated paediatric services, both at the medical and surgical level, will represent an invaluable referral site for the use of the community. Along with multi-faceted community outreach programmes we hope to engender a new era of cooperation and interplay between all medical facilities, including ourselves.

The most important things to remember in relation to the question on how the Illawarra International Health Precinct will impact on other hospitals are:

1. The region is already, as at January 2009, 160 beds in arrears.

2. This is a graded opening of facilities over a period of 10 to 15 years in line with the projected population growth for the area, and in particular the West Dapto Release area. It does nothing more than ensure that the projected demands established by population growth, ageing, and the already in arrears necessities are met.

7.2 DETAILED MAJOR REFERRAL LINKS

The major referral links will come through varying facilities throughout the Illawarra and include the area spoken of as the proposed catchment of the precinct. Within this catchment the precinct will establish it's referral base with both public and private sector facilities, including; major hospitals, rehabilitation facilities, nursing homes, medical centres, allied health providers, specialists and general practitioners. The main referral links will be Wollongong Public Hospital, Shellharbour Public Hospital, Port Kembla Public Hospital, Bulli Public Hospital, Coledale Hospital, Garrawarra Centre, David Berry Hospital, Kiama Hospital, Shoalhaven Hospital, Milton Ulladulla Hospital, Figtree Private Hospital, Shellharbour Private Hospital, Nowra Private Hospital, and Lawrence Hargrave Hospital.

8. CATCHMENTS AND DISTANCES FROM OTHER SERVICES

The proposed development has a primary catchment comprised of the Local Government Areas of Wollongong, Shellharbour, Shoalhaven and Kiama, being under the umbrella of SESIAHS. It is anticipated that the nature of the hospital, as a tertiary referral centre, will result in a significantly larger overall catchment. It is expected that patients will travel from interstate and International destinations to visit the precinct, whilst not forgetting Sutherland, and down to the wilderness coastline of Victoria.

The area is served by both public and private hospitals. Mapping and tables showing statistics are provided within this document. These tables depict the public/private hospital bed numbers and public hospital separations, and relate distances back to the proposed health precinct site. When studying the catchments the more usual and appropriate measure is the use of services, as the area is serviced by both public and private hospitals and the existence of beds that cannot be staffed or operated can be misleading making the number of hospital beds irrelevant, as is the ability to carry out certain procedures.

The appropriate way to assess the current pattern of use is to compare current use of services with 'expected' levels of utilisation (admission rates) based upon State average rates (adjusted for the local population age/sex structure). We calculate an index (relative utilisation) that shows the relative level of hospital use – regardless of where the service was delivered. This index uses 100 as the State average and an index greater than 100 shows higher than expected use, lower than 100 shows lower than expected use. The following Table shows the situation based upon 2006/2007 data.

8.1 CATCHMENT

For analysis purposes the catchment is defined as the LGA's covered by the Illawarra Area Health Service i.e. Wollongong, Shoalhaven, Shellharbour and Kiama. It is noted again that a major hospital development would draw patients from a wider catchment, however, the core workload would need to be drawn from the primary catchment. It is here that we need to identify the unmet private hospital demand. The unmet demand over 85% would be a fair indicator of what this proposal would be taking up as part of the core workload.

TABLE 1.13 PERCENTAGE OF UTILISATION OF SERVICES – SAME DAY ADMISSIONS

SAME DAY ADMISSIONS	Kiama Separations	Kiama Expected	Shellharbour Separations	Shellharbour Expected	Shoalhaven Separations	Shoalhaven Expected	Wollongong Separations	Wollongong Expected	**Total Separations**	**Total Expected**	Relative % of Utilisation
Cardiac	5	7	12	18	10	35	52	60	79	120	95
Intervention Cardiology	71	37	134	90	386	186	539	307	1130	620	182
Cardiothoracic Surgery	3	2	8	4	7	8	14	13	32	27	118
Respiratory Medicine	0	2	2	5	3	9	7	15	12	31	38
Gastroenterology	4	6	6	16	7	27	15	51	32	100	32
GIT Endoscopy	708	399	1054	1051	760	1919	4082	3410	6604	6779	97
Neurology	4	4	6	12	3	21	17	38	30	75	40
Neurosurgery	1	2	7	7	4	11	14	21	36	41	88
Endocrinology	0	4	2	9	5	18	11	32	18	63	29
Renal Medicine	2	3	9	8	6	16	26	26	43	63	81
Renal Dialysis	0	80	0	189	0	402	13	660	13	1331	1
Haematology	22	21	65	52	38	103	117	177	242	353	69
ENT	55	32	101	106	81	146	415	295	652	579	113
Ophthalmology	163	187	306	430	378	931	1035	1527	1882	3075	61
Medical Oncology	11	14	14	34	41	69	73	114	139	231	60
Chemo & Radiotherapy	253	105	415	267	270	516	1756	880	2694	1768	152
Rheumatology	2	4	8	13	12	21	30	39	52	77	68
Dermatology	3	6	13	17	12	25	44	50	72	98	73
Head and Neck Surgery	4	6	19	18	9	20	52	55	84	183	46
Dentistry	118	63	296	216	220	270	1109	624	1743	1173	149
Upper GIT Surgery	4	1	2	4	3	6	3	13	12	24	50
Colorectal Surgery	25	25	68	71	69	117	120	223	282	436	65
Orthopaedics	134	110	349	313	309	504	1082	977	1874	1904	98
Urology	107	71	297	189	218	340	1044	614	1666	1214	137
Vascular Surgery	10	7	22	19	20	37	80	63	132	126	105
General Medicine	138	41	198	192	90	197	630	354	1056	784	135
General Surgery	26	29	64	84	38	132	198	254	326	499	65
Breast Surgery	12	10	30	31	30	47	106	94	178	182	98
Plastic & Recon Surgery	94	87	143	225	218	415	566	719	1021	1466	70
Gynaecology	104	120	243	401	184	512	965	1190	1496	2223	67
Obstetrics	2	2	2	9	0	10	14	25	18	46	39
Babies	0	2	2	8	0	10	9	19	11	39	28
Transplantation	0	0	0	0	0	0	0	0	0	0	0
Tracheotomy	0	0	0	0	0	0	0	0	0	0	0
Drug & Alcohol	19	13	27	39	43	59	33	118	122	229	53
Burns	0	0	0	0	0	0	2	0	2	0	200
Psychiatry	29	60	79	177	303	270	212	544	623	1051	59
Acute Rehabilitation	0	0	0	0	0	0	0	0	0	0	0
Ungroup able	5	4	12	11	12	19	29	35	58	69	84
Non Acute	14	127	116	302	87	621	1730	1042	1947	2092	93

The above Table shows where utilisation of services is exceeding safe levels in the region with respect to same day admissions. We will be able to provide these services without having any detrimental effect on the facilities currently being overstretched.

TABLE 1.14 PERCENTAGE OF UTILISATION OF SERVICES – OVERNIGHT ADMISSIONS

OVERNIGHT ADMISSIONS	Kiama Separations	Kiama Expected	Shellharbour Separations	Shellharbour Expected	Shoalhaven Separations	Shoalhaven Expected	Wollongong Separations	Wollongong Expected	**Total Separations**	**Total Expected**	**Relative % of Utilisation**
Cardiac	17	20	29	44	29	98	89	161	164	323	**51**
Intervention Cardiology	35	39	38	93	73	198	174	323	320	653	**49**
Cardiothoracic Surgery	14	13	31	35	24	67	116	103	185	218	**85**
Respiratory Medicine	37	49	75	127	74	233	306	414	492	821	**60**
Gastroenterology	4	12	11	30	12	57	35	102	62	201	**31**
GIT Endoscopy	25	15	34	33	41	72	85	119	185	239	**77**
Neurology	12	14	13	36	16	68	52	119	93	237	**39**
Neurosurgery	17	21	54	57	63	101	177	184	311	363	**86**
Endocrinology	14	6	20	14	15	30	50	51	99	101	**98**
Renal Medicine	0	5	2	10	9	22	15	36	26	73	**36**
Renal Dialysis	0	0	0	0	0	0	0	0	0	0	**0**
Haematology	9	11	9	25	26	55	54	91	88	182	**48**
ENT	74	39	205	125	115	174	586	360	980	698	**140**
Ophthalmology	25	16	14	35	62	78	77	129	178	258	**70**
Medical Oncology	5	12	9	29	33	60	52	100	99	201	**49**
Chemo&Radiotherapy	1	0	1	0	0	0	0	1	2	1	**200**
Rheumatology	6	4	6	9	10	17	28	30	50	60	**83**
Dermatology	0	1	3	3	2	7	4	12	9	23	**39**
Head and Neck Surgery	9	9	23	25	12	43	78	79	122	156	**78**
Dentistry	17	3	43	8	24	12	62	26	146	49	**298**
Upper GIT Surgery	30	28	108	79	85	131	346	249	569	487	**117**
Colorectal Surgery	32	18	45	47	50	86	175	154	302	305	**99**
Orthopaedics	157	128	244	332	445	602	924	1091	1770	2153	**82**
Urology	49	46	94	112	149	232	303	384	595	774	**77**
Vascular Surgery	40	22	40	52	84	107	207	181	371	362	**102**
General Medicine	40	31	55	77	92	148	174	259	361	515	**70**
General Surgery	66	54	132	142	128	255	459	463	785	914	**86**
Breast Surgery	24	15	43	44	39	70	157	135	263	264	**99.62**
Plastic & Recon Surgery	23	21	53	51	90	98	166	173	332	343	**97**
Gynaecology	63	39	120	110	74	176	422	342	679	667	**102**
Obstetrics	55	68	214	253	18	280	844	712	1131	1303	**87**
Babies	50	69	191	250	16	315	791	632	1048	1266	**83**
Transplantation	0	0	0	0	0	0	0	0	0	0	**0**
Tracheostomy	2	1	5	2	1	4	0	0	9	7	**129**
Drug & Alcohol	4	5	11	16	18	23	44	49	77	93	**83%**
Burns	0	0	1	0	0	1	1	1	2	2	**100**
Psychiatry	6	18	24	52	47	82	124	163	201	315	**64**
Acute Rehabilitation	0	0	0	0	0	0	0	1	0	1	**0**
Ungroupable	7	3	7	7	6	14	34	24	54	48	**113**
Non Acute	59	52	100	113	113	250	476	413	748	828	**90**

The above Table shows where utilisation of services is exceeding safe levels in the region with respect to overnight admissions.. We will be able to provide these services without having any detrimental effect on the facilities currently being overstretched.

8.2 PROFILE OF RELATIVE UTILISATION BY LOCAL GOVERNMENT AREA

The following table shows overall private hospital admissions, expected admissions and relative utilisation by residents of each LGA according to stay type.

TABLE 1.15 SAME DAY ADMISSIONS

Hospital_Type	Private		
Stay_Type	Day only		
Place of Residence	Primary Catchment		
	Data		
Place_of_Residence	Separations	Expected Separations	Relative Utilisation
Wollongong	16,244	14,697	111
Shoalhaven	3,876	8,056	48
Shellharbour	4,129	4,554	91
Kiama	2,152	1,695	127
Grand Total	26,401	29,002	91

The results for same day admissions indicate that the residents of Wollongong and Kiama have higher than expected use of private same day services. However, there is a shortfall in Shellharbour and a substantial shortfall in Shoalhaven.

TABLE 1.16 OVERNIGHT ADMISSIONS

Hospital_Type	Private		
Stay_Type	Overnight+		
Place of Residence	Primary Catchment		
	Data		
Place_of_Residence	Separations	Expected Separations	Relative Utilisation
Wollongong	7,690	7,882	98
Shoalhaven	2,095	4,267	49
Shellharbour	2,107	2,468	85
Kiama	1,028	909	113
Grand Total	12,920	15,526	83

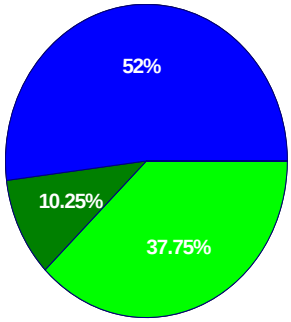
The results for overnight admissions indicate that residents of Kiama use private hospitals at a rate above the State average, Wollongong is marginally below, and residents of Shoalhaven and Shellharbour are substantially below State average rates.

Taken together the results indicate that private hospital utilisation across the area is lower than expected – with the shortfall most pronounced in Shellharbour and especially Shoalhaven.

An obvious skew away from the private sector can be seen, given the overall rates are 10% higher than average. This is undesirable as it reduces patient choice, and also discourages relocation of clinicians to the area due to limited private sector infrastructure and opportunities. It also places undue burden on the public sector to meet the health requirements of the population. This alone should be adequate evidence to support the need for a new private hospital.

By contrast the private sector is under serviced by almost 15%. Typically metropolitan and urban areas have a private relative utilisation above the State average. In Newcastle and Lake Macquarie, comparable areas in terms of demography and socio-economic status, the private sector relative utilisation is 110 – almost 25% higher than the primary catchment of the proposed development.

CHART 1.2 PUBLIC SECTOR CATCHMENT PERCENTAGES



The public hospital system in the Illawarra currently has a catchment of public patients of 52%, it also cares for a further 10.25% of the Private Patients unable to find adequate treatment in the area, and therefore it is currently caring for over 62.25% of the health population (232,244 people). The Private Health sector is only caring for 37.75% (140,678 people); an obvious skew can be readily seen.

The fundamental problem with the current private sector services is that they are fragmented. Small private hospitals in Figtree, Shoalhaven and Shellharbour are able to provide only a limited and basic range of services. The volumes of work generated from each area are too small to support a full range. Hence the services are either not delivered or provided only in the public sector.

The only way to attract an expanded range of private services to the region is to provide a larger consolidated service. Paradoxically this will also make it easier to attract clinicians to the public sector.

9. MITIGATION

Identify any negative economic impacts from the development to the region, such as possible closure of other hospitals or health services.

If relevant, any required and appropriate mitigation measures would largely be a matter for the market. The modelling of demand for this proposal was not based upon closure or relocation of work from other providers in the region.

Existing small providers will find it difficult to compete unless they can establish niche markets. At the current time they find it difficult to survive due to economies of scale and the inability to attract specialists to such small segmented markets. The establishment of a large tertiary referral hospital will substantially increase the medical workforce both in terms of number and range. This new facility will provide opportunities that do not exist in the current market, e.g. for a range of expanded clinical specialties to the smaller hospitals, where there is short travelling time between them and the precinct. Where this does not occur there will be ongoing opportunities for aged care expansion – self care, hostel, nursing homes, etc., provided at the local level, again allowing the smaller facility a niche if required.

No mitigation measures are required.

10. PROFILE COMMUNITY CARE SERVICES

The hospital will have a non-denominational chapel and an area where church ministers and other community support groups, including the RSL and other clubs, can meet to discuss the varying types of care and assistance needed by the patients and their families, both in hospital and back in the community. The Ethics and Credentialing Committee will have a community representative on the Board.

The education facility will have conference and meeting rooms available to community groups for courses and information seminars etc.

The aged care facility offers a pool and gymnasium for the use of community groups and allied health professionals.

11. CONSEQUENTIAL IMPACTS

11.1 ON OTHER FACILITIES

As previously stated the impact on other facilities will be insignificant in negative terms and quite significant in positive terms. Listed below are the expected impacts:

- Wollongong Hospital will see positive impacts by the easing of overcrowding as the private facility takes up some of the private patients who attend this hospital. This will allow more access for public patients to the public system.
- Figtree Hospital will be able to concentrate on it's niche market, referring cases between the precinct and it's own facility. This will enable Figtree to move away from the segmented market they now endure.
- Shellharbour Public will also witness a relief of their over-burdening, being able to utilise the public beds taken up by the private patients.
- Shellharbour Private will be able to concentrate their business on their particular niche market, making their overall business more streamlined and profitable.
- Shoalhaven Public Hospital, like Wollongong and Shellharbour, will see a distinct change for the better as beds taken up by private patients now become available for the use intended by the Government.
- Every health facility in the Illawarra will benefit from the additional clinicians who will be drawn to the area by the private facility.
- The precinct will draw on catchments already lost to the facilities currently operating in the Illawarra. It will also rely on the growth of the region where there is no other facility contemplating expanding or open in the near future, therefore there will be no bed loss to any other facility.

While considering the effects of a facility such as this, it is normal to anticipate that any increased private supply could have some impact on the existing private providers, however, this is unlikely. As previously identified, many of these facilities provide a limited range of services with low occupancy rates especially Shellharbour Private. The existence of an expanded medical community will increase the opportunities available to these providers. It is incorrect to assume that a percentage of patients for the proposed development will be sourced from the existing private providers. The intake of patient's will come from a number of sources, including:

- Unmet demand (services not currently provided in the private sector).
- Expanded demand due to more optimal provision of private health (over and above the State average rate for private hospitals).
- Relocation from over-loaded public hospitals (due to availability of choice).
- Expanded catchment.
- Growth in demand due to population growth, ageing population, and clinical trends.
- Attracting back those patients who currently exodus the regional health system to St Elsewhere's.

It should be noted that the modelling has not assumed closure or relocation of work from existing private providers in any way.

11.2 ALTERNATIVES

- There is no evidence that any other facilities are planned for this area to cater for, or relieve, the current demand.
- None of the existing providers are contemplating expanding or upgrading their facilities in a way that would facilitate onsite training and education to accommodate the needs of the University and TAFE.
- It is unlikely that another health provider would enter into providing such a diverse field of services. The usual practise is to cherry pick the more lucrative areas and leave the harder areas for others. In the case of the precinct all are linked and complement each other with respect to financial viability and community serviceability.

11.3 PROJECT PROCEEDING

- The precinct will provide a choice with respect to health care.
- It will bring medical practitioners to an area bereft of clinicians.
- It will offer the latest in medical and surgical procedures.
- It will create 3000+ jobs, producing trained doctors, nurses, skilled trades people and professional people, and in the process provide a much needed fiscal stimulus to the region

11.4 PROJECT NOT PROCEEDING

- The already struggling public health system will never be able to cope with the expected population growth from the release areas.
- This will see more people leaving the region for health care.
- The smaller health facilities will continue to struggle in a segmented market, where closures and health choices will be further limited.
- Benefits from the proposal, such as attracting more clinicians and retaining new doctors trained within the precinct, will be lost.

11.5 SLOWING of WEST DAPTO RELEASE AREA

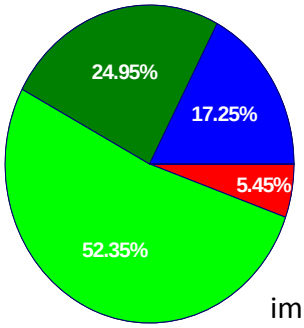
The viability of the project has not been centred on, nor is it reliant on, the release of lands for residential development within the West Dapto Release Area, however, it would be considered a bonus if it were to go ahead. The phasing of the overall development is flexible enough to cater for the changes to the regions demography and the overall growth of the Illawarra has been taken into consideration, with the Epidemiologist's Report showing the current and projected needs. The area is currently lacking some 150+ beds and this will only increase with the population growth.

12. SOCIAL IMPACTS

In terms of social needs of the greater Illawarra region, one of the biggest problems to be dealt with over the next decade will be the health requirements generated by population growth and ageing. Already there is ample evidence of the inability of the State's public hospitals to cope with demand. Over the past 15 years the increase in hospital admissions has outstripped population growth dramatically. This has been identified by both the New South Wales Department of Health and successive enquiries by the Independent Pricing and Remuneration Tribunal (IPART).

Projections of acute hospital demand across Australia (undertaken by Hardes and Associates for State Health authorities) clearly show that demand for acute hospital services in the Illawarra will accelerate. This acceleration will be generated by the impact of population ageing. As the 'baby-boomer' population approaches old age it will heavily impact on demand for acute hospital services, as well as sub-acute and non-acute services for the aged. The region will experience significant demand on both the public and private sector to accommodate these trends.

CHART 1.3 POPULATION BREAKDOWNS



The current population breakdown for the LGA's is

-Shellharbour, 17.24% = 64,269, annual growth 1.2%

-Kiama, 5.39% = 20,095, annual growth 0.1%

-Shoalhaven, 24.88% = 92,880, annual growth 1%

-Total population/catchment 372,922 for the 4 LGA's

The facility will provide training grounds for TAFE and the University. An important and integral part of this precinct is training, allowing for up to 100 nurses and more than 100 doctors, including under-graduate and post-graduate students. In addition, there will be positions created for training in trades such as IT, Cooks, and Chefs. There will be an emphasis on 'gap training' for non-accredited workers, allowing them to receive higher rewards for their work once accredited. Personal achievement heightens self esteem, leading to greater personal output at higher levels of competency. Healthier people will provide the manpower for better, faster, outcomes through higher levels of efficiency.

This proposal, as it adds to the amenity of the region, will generate positive social Impacts that will benefit the people of the greater Illawarra both directly and indirectly now and in the future.

13. CLINICAL SERVICES DEMAND ANALYSIS and MITIGATION

13.1 POTENTIAL 'UNMET' PRIVATE DEMAND

To estimate the potential unmet private hospital demand Hardes Report identifies the difference between 'current' admissions and 'expected' admissions. However, this simply shows the difference between the current level of use and the level based upon the State average. As it can be seen from the data, it is common to achieve results well above the State average. As this project is seeking to provide superior services and access, we have calculated the difference between the current admissions and a rate 10% above the State average. The following tables show the potential 'unmet' private demand assuming this higher 'target' level of demand. For these purposes we set 'unmet' demand to zero, if the current level is already more than 10% above the State average.

By combining results across the 4 LGA's Hardes has estimated the potential unmet private hospital demand.

Summarising the following Tables prepared by Hardes and Associates, there is clear evidence of unmet private hospital demand in the Illawarra as defined in their review. The private relative utilisation in Shellharbour is below the State average, and the rates in Shoalhaven are well below average. Rates across Wollongong and Kiama are variable.

If we accept that the State average is not an optimal or target level (and there is plenty of evidence to support this, including the fact that private hospital use in NSW is well below both Victoria and Queensland) we can estimate how much additional private hospital work would be generated from the Illawarra if we set a minimum target of 10% above average. This is not unreasonable for a well serviced area.




TABLE 1.17 POTENTIAL SAME DAY SEPARATIONS

Hospital Type	Private				
Stay Type	Day only				
Potential 'Unmet' Private Demand	Place of Residence				
SRG	Wollongong	Shoalhaven	Shellharbour	Kiama	Total
06 GIT Endodoscopy	0	1,351	102	0	1,453
16 Chemotherapy and Radiotherapy	0	297	0	0	297
40 Non-acute	0	597	216	125	938
20 Dentistry	0	77	0	0	77
23 Orthopaedics	0	245	0	0	245
24 Urology	0	156	0	0	156
14 Ophthamology	645	646	167	43	1,500
30 Gynaecology	344	379	198	29	949
26 General Medicine	0	127	0	0	127
29 Plastic and Reconstructive Surgery	247	238	104	1	591
02 Interventional Cardiology	0	0	0	0	0
13 ENT	0	79	15	0	95
37 Psychiatry	387	0	116	37	540
27 General Surgery	81	107	29	5	222
22 Colorectal Surgery	126	59	10	3	198
12 Haematology	78	76	0	1	155
28 Breast Surgery	0	21	4	0	26
25 Vascular Surgery	0	20	0	0	20
15 Medical Oncology	52	35	23	4	114
01 Cardiology	14	29	8	3	54
19 Head and Neck Surgery	8	22	1	3	33
18 Dermatology	11	15	6	3	35
35 Drug & Alcohol	97	21	15	0	134
17 Rheumatology	13	11	6	3	33
39 Ungroupable	10	9	0	0	19
10 Renal Medicine	3	11	0	1	16
07 Neurology	25	20	8	1	54
05 Gastroenterology	41	22	13	2	78
31 Obstetrics	14	11	7	1	33
08 Neurosurgery	9	8	0	2	19
03 Cardiothoracic Surgery	1	2	0	0	2
11 Renal Dialysis	712	443	208	88	1,451
09 Endocrinology	24	15	8	4	52
32 Babies	12	10	6	2	31
04 Respiratory Medicine	10	7	3	2	22
21 Upper GIT Surgery	11	4	3	0	17
36 Burns	0	0	0	0	0
34 Tracheostomy	0	0	0	0	0
33 Transplantation	0	0	0	0	0
38 Acute Rehabilitation	0	0	0	0	0
Grand Total	2,973	5,173	1,276	363	9,785

Across the area we can identify potential for up to almost 10,000 additional same day private hospital admissions most notably in Ophthalmology, GI Endoscopy and Renal Dialysis.

TABLE 1.18 POTENTIAL OVERNIGHT SEPARATIONS AND BED DAYS

Hospital Type	Private					
Stay Type	Overnight+					
Potential 'Unmet' Private Demand	Place of Residence					
SRG	Wollongong	Shoalhaven	Shellharbour	Kiama	Total	Beddays
06 GIT Endodoscopy	46	38	2	0	86	287
16 Chemotherapy and Radiotherapy	1	1	0	0	1	5
40 Non-acute	0	161	24	0	185	2,961
20 Dentistry	0	0	0	0	0	0
23 Orthopaedics	276	217	121	0	614	3,064
24 Urology	119	106	29	2	256	831
14 Ophthamology	64	24	25	0	113	123
30 Gynaecology	0	120	2	0	122	438
26 General Medicine	111	71	30	0	212	976
29 Plastic and Reconstructive Surgery	24	18	3	0	45	158
02 Interventional Cardiology	181	144	64	8	398	1,032
13 ENT	0	76	0	0	76	80
37 Psychiatry	55	43	34	14	146	2,880
27 General Surgery	50	152	24	0	226	726
22 Colorectal Surgery	0	44	6	0	51	378
12 Haematology	46	34	19	3	102	531
28 Breast Surgery	0	38	5	0	43	123
25 Vascular Surgery	0	34	17	0	51	297
15 Medical Oncology	58	33	22	9	122	1,297
01 Cardiology	88	79	20	5	192	1,283
19 Head and Neck Surgery	8	35	4	1	49	96
18 Dermatology	9	5	1	2	17	127
35 Drug & Alcohol	10	8	7	2	26	410
17 Rheumatology	5	9	4	0	17	102
39 Ungroupable	0	9	1	0	10	52
10 Renal Medicine	25	15	9	5	54	263
07 Neurology	79	59	26	4	168	1,626
05 Gastroenterology	78	51	23	9	161	921
31 Obstetrics	0	290	53	20	364	1,896
08 Neurosurgery	26	48	9	6	89	690
03 Cardiothoracic Surgery	9	50	7	1	66	589
11 Renal Dialysis	0	0	0	0	0	0
09 Endocrinology	6	18	0	0	24	169
32 Babies	0	330	84	26	440	2,362
04 Respiratory Medicine	149	182	65	17	412	1,491
21 Upper GIT Surgery	0	60	0	1	61	167
36 Burns	0	1	0	0	1	2
34 Tracheostomy	5	4	0	0	9	193
33 Transplantation	0	0	0	0	0	0
38 Acute Rehabilitation	1	1	0	0	2	2
Grand Total	1,530	2,609	739	135	5,012	28,628

In terms of overnight admissions there is potential for an additional 5,000 admissions, generating 28,600 bed-days. This is equivalent to an additional 100 overnight private hospital beds. The shortfall is distributed across a range of specialties.

TABLE 1.19 TOTAL POTENTIAL SEPARATIONS

Hospital Type	Private				
Stay Type	All				
Potential 'Unmet' Private Demand	Place of Residence				
SRG	Wollongong	Shoalhaven	Shellharbour	Kiama	Total
06 GIT Endodoscopy	46	1,389	104	0	1,539
16 Chemotherapy and Radiotherapy	1	298	0	0	299
40 Non-acute	0	758	240	125	1,124
20 Dentistry	0	77	0	0	77
23 Orthopaedics	276	462	121	0	859
24 Urology	119	263	29	2	412
14 Ophthamology	709	670	191	43	1,614
30 Gynaecology	344	499	200	29	1,071
26 General Medicine	111	198	30	0	338
29 Plastic and Reconstructive Surgery	271	256	107	1	636
02 Interventional Cardiology	181	144	64	8	398
13 ENT	0	156	15	0	171
37 Psychiatry	442	43	150	51	685
27 General Surgery	131	259	52	5	448
22 Colorectal Surgery	126	104	17	3	249
12 Haematology	123	110	19	5	257
28 Breast Surgery	0	60	9	0	69
25 Vascular Surgery	0	54	17	0	72
15 Medical Oncology	110	68	46	13	236
01 Cardiology	103	108	27	8	246
19 Head and Neck Surgery	17	56	5	4	82
18 Dermatology	20	21	6	5	52
35 Drug & Alcohol	107	29	22	2	160
17 Rheumatology	18	20	9	3	50
39 Ungroupable	10	19	1	0	29
10 Renal Medicine	28	27	9	6	70
07 Neurology	104	79	34	5	222
05 Gastroenterology	118	74	35	12	239
31 Obstetrics	14	301	61	21	397
08 Neurosurgery	35	57	9	8	108
03 Cardiothoracic Surgery	9	51	7	1	68
11 Renal Dialysis	713	443	208	88	1,451
09 Endocrinology	30	33	8	4	75
32 Babies	12	341	90	28	471
04 Respiratory Medicine	159	189	68	19	434
21 Upper GIT Surgery	11	63	3	1	78
36 Burns	0	1	0	0	2
34 Tracheostomy	5	4	0	0	9
33 Transplantation	0	0	0	0	0
38 Acute Rehabilitation	1	1	0	0	2
Grand Total	4,503	7,782	2,015	498	14,798

The combined data shows a shortfall of up to 15,000 private hospital separations per annum. Note, however, that this is based upon a target minimum utilisation equal to 10% above the State average.

13.2 PROJECTED FUTURE DEMAND

Planning for the future requirements of such a proposal requires accurate projected future demand. Unfortunately, often this aspect of services in health planning is inadequately met. The demand projections used in the health planning and business modelling for this proposal are based upon the methodology developed by Hardes and Associates, and used by State health authorities throughout Australia, to project future acute hospital demand.

The Tables below show the combined same day and overnight results of the 4 LGA's Wollongong, Shellharbour, Kiama and the Shoalhaven. This table is used to estimate the potential projected private hospital demand growth.

TABLE 1.20 PROJECTED SAME DAY GROWTH FOR ADMISSIONS AND BED DAYS

STAY TYPE	Day Only					
PLACE OF RESIDENCE	Catchment					
HOSPITAL TYPE	Private					
	Projected Growth in Admissions			**Projected Growth in Days**		
SRG	2011-12	2016-17	2021-22	2011-12	2016-17	2021-22
Total of 1- 40 Admission Types	**15,727**	**21,228**	**27,755**	**15,727**	**21,228**	**27,755**

It is clear that there is potential for substantial growth in same day private hospital admissions across the primary catchment – up to an additional 21,000 same day separations over the next decade. Most significant growth is in Ophthalmology, Renal Dialysis, GIT Endoscopy, Plastic Surgery and Gynaecology.

Private hospital utilisation rates in New South Wales are lower than the national average and substantially lower than States such as Queensland where the private sector plays a much larger role. This suggests that modelling based upon current New South Wales rates will be slightly conservative.

TABLE 1.21 PROJECTED OVERNIGHT + GROWTH FOR ADMISSIONS AND BED DAYS

STAY TYPE	**Overnight+**					
PLACE OF RESIDENCE	**Catchment**					
HOSPITAL TYPE	**Private**					
	Projected Growth in Admissions			**Projected Growth in Days**		
SRG	2011-12	2016-17	2021-22	2011-12	2016-17	2021-22
Total of 1- 40 Admission Types	**6,743**	**8,051**	**9,527**	**39,163**	**47,750**	**57.744**

There is also significant projected private growth in private overnight admissions – though less than for same day admissions – as a result of different clinical trends. An additional 8,000 separations over the next decade would generate a projected increase of 48,000 bed days, with growth in bed days offset to some extent by projected decreases in average length of stay. The projected increase of 48,000 bed days represents approximately 160 overnight beds.

TABLE 1.22 PROJECTED TOTAL GROWTH FOR ADMISSIONS AND BED DAYS

Stay Type	All					
Place of Residence	Catchment					
Hospital Type	Private					
	Projected Growth in Admissions			Projected Growth in Days		
SRG	2011_12	2016_17	2021_22	2011_12	2016_17	2021_22
01 Cardiology	337	414	501	1,678	1,979	2,258
02 Interventional Cardiology	805	1,179	1,653	1,787	2,460	3,304
03 Cardiothoracic Surgery	77	77	78	825	927	1,049
04 Respiratory Medicine	592	692	789	1,710	1,687	1,696
05 Gastroenterology	334	426	530	1,371	1,745	2,193
06 GIT Endodoscopy	1,852	2,003	2,132	2,047	2,205	2,342
07 Neurology	265	313	366	1,676	1,894	2,140
08 Neurosurgery	176	233	302	904	1,076	1,311
09 Endocrinology	131	182	241	446	632	848
10 Renal Medicine	105	139	181	472	596	727
11 Renal Dialysis	2,230	3,039	4,065	2,230	3,039	4,065
12 Haematology	504	710	955	1,088	1,424	1,784
13 ENT	182	169	163	194	174	167
14 Ophthamology	2,784	3,903	5,349	2,813	3,931	5,374
15 Medical Oncology	341	437	550	1,510	1,587	1,661
16 Chemotherapy and Radiotherapy	158	60	-46	155	56	-50
17 Rheumatology	81	107	135	161	186	214
18 Dermatology	51	36	19	170	152	129
19 Head and Neck Surgery	165	227	292	230	284	343
20 Dentistry	372	603	841	388	619	854
21 Upper GIT Surgery	123	150	173	140	75	12
22 Colorectal Surgery	368	451	539	734	781	856
23 Orthopaedics	1,395	1,801	2,251	4,971	6,381	8,106
24 Urology	586	761	965	1,130	1,228	1,347
25 Vascular Surgery	110	144	187	272	252	231
26 General Medicine	595	956	1,359	1,846	2,569	3,349
27 General Surgery	675	852	1,052	1,621	2,203	2,913
28 Breast Surgery	124	161	190	107	58	12
29 Plastic and Reconstructive Surgery	915	1,211	1,546	1,044	1,313	1,611
30 Gynaecology	1,133	1,107	1,043	1,010	576	181
31 Obstetrics	433	461	482	1,199	759	323
32 Babies	493	523	577	1,805	1,590	1,483
33 Transplantation	0	0	0	0	0	0
34 Tracheostomy	13	15	18	396	512	641
35 Drug & Alcohol	244	311	377	1,226	1,728	2,245
36 Burns	2	2	3	15	14	13
37 Psychiatry	1,212	1,610	2,010	7,215	9,793	12,469
38 Acute Rehabilitation	2	2	2	2	2	2
39 Ungroupable	225	270	318	227	237	259
40 Non-acute	2,279	3,542	5,095	8,076	12,256	17,038
Grand Total	22,470	29,280	37,281	54,889	68,979	85,499

This table is included for completeness only. As the requirements for same day admissions are different to those for overnight admissions planning is usually undertaken separately for each component – but the summary shows the significant private growth potential that exists.

13.2 MITIGATION MEASURES

As previously stated, the lack of facilities within the catchment area of Wollongong, Shellharbour, Kiama, and the Shoalhaven, leave the region's population somewhat bereft of local, adequate and timely health care. Currently there is a skew toward the public system in the region and this, and several other situations, require change before reasonable outcomes can be achieved. The proposal fills these requirements adequately by having a staged development and facilitating services needed in a timely manner to meet the current crisis and future demand. The nine main problems facing the region's sick are laid out in the Table below, along with our proposal to mitigate these problems.

TABLE 1.23 CRISIS REPONSE

	CURRENT CRISIS	RESPONSE & MITIGATION MEASURES	
1	**Unmet Bed Demand** (Currently 150 beds in deficit)	Increasing the availability of beds. Completion of Stage '1' will see the opening of 19 beds, including ICU, high dependency beds, and overnight beds, along with 22 day only beds + 2 cots.	✓
2	**Projected Unmet Bed Demand** (By 2016 without implementation of more facilities the Illawarra will be 260 beds in arrears)	Catering for the future. Completion of Stage '5' , the Hospital Proper, will see a total 352 beds opened across the precinct. This will adequately cater for the projected bed needs of the region.	✓
3	**Insufficient Theatre Time** (Patients leaving the area due to the lack of facilities, modern equipment and clinicians)	There will be 21 new theatres across the site. The first stage will cater for this need with 6 theatres. Subsequent stages will continue to meet this need and continue to present the region with the latest in equipment and procedures.	✓
4	**Recruiting Clinicians** (Clinicians not being drawn to the area due to the lack of theatre time, and adequately staffed and equipped facilities)	Recruiting by desire. Providing the latest medical and surgical equipment, modern adequately staffed facilities and theatre time will draw clinicians to the area.	✓
5	**Training Clinicians** (Currently no facilities large enough to provide adequate training grounds for registrars and nurses)	Training grounds The precinct presents to the University and TAFE the very grounds they have been seeking, for the training of nurses and doctors.	✓
6	**Segmented Treatment** (No one facility has a holistic approach toward the health and well being of the population)	A Tertiary Referral Private Facility The site offers a complete range of health treatments across all disciplines of medicine and surgery.	✓
7	**Public Private Skew** (A current imbalance in the numbers of procedures being taken up by the public sector)	A 352 Bed Private Referral Health Precinct The site offers a much needed balance that will allow the public sector to care for it's patients in a more timely and effective manner and reduce waiting lists.	✓
8	**Good Health Outcomes** (Currently in the Illawarra the public system has an occupancy rate close to 100%. A safe operating capacity is 85%)	More Beds more Facilities A large private facility will alleviate the burden of private patients entering the public system for care, lowering bed demand, increasing theatre time, and allowing for better health outcomes	✓

For this report we have relied upon information supplied by Doctor Greg Hardes, an Internationally recognised Epidemiologist. Doctor Hardes is currently used by all State and Territory Heath Departments across Australia. Doctor Hardes Report, Appendix 1.1, supports the planning and business model of the precinct, providing the core statistics for the region and showing the need and the demand for this proposal.

14. PROJECT VIABILITY, INVESTMENT PROBABILITY AND CERTAINTY

14.1 INTENT

Evidence of the proponent's intent has been witnessed through:

1. Patience and determination shown seeking bed licence approval over two sites.
2. The purchasing of a second site to meet with planning requirements.
3. The outlay of over $7 million to date.
4. Personal time and resources spent.
5. Having the site deemed a health only site and not pursuing more profitable outcomes.
6. Embracing a holistic concept dedicated to patient outcomes rather than pursuing the surgical model that is profit driven.

14.2 VIABILITY

Is the project worth doing and is the project able to be done? The answer to both these questions is 'yes'. The principles of humanitarianism upon which this project is built make it worth doing. The Major Project Status Part 3A, Clause 6, received and the enormous support shown by so many, backed up by the statistical information showing the desperate need for such a facility speak for themselves. The fact that no one else is currently contemplating providing similar services, now or in the future, is important. The project brings much to the Illawarra in amenity, employment and in positive fiscal outcomes at a time when businesses are closing, jobs are being lost and the world of finance is experiencing negative growth. The University and TAFE can see the benefits this facility brings with bipartisan and synergistic outcomes with the training of doctors, surgeons, nurses and trades people. Professional and non-professional career places will see the establishing of a highly productive and well paid work force, adding to and lifting the social status of the Illawarra.

Local business will see stimulus as the precinct grows and becomes a catalyst for new business opportunities in the area. People will have the opportunity to better themselves, again raising the social status of the area, creating affluence, whilst generating revenue for the Government through higher taxable incomes.

The phasing of the project over a period of years, and the consequential outcome of each stage ensures its viability. This business model, based on the implementation of carefully planned strategic steps, ensures the project will be completed. More importantly, we believe it is imperative to maintain a conservative approach and ensure that any financing is well in line with the current prudent lending guidelines.

The proponent's experience over the past 30 years within the health industry brings invaluable insight, knowledge and expertise to the project. Doctor Gooley is also a seasoned practitioner and this has enabled him to see the sound business case within the scope of this proposal. The proponent is not a developer of land per se; however, he is a developer of health and health delivery systems.

The business and financial modelling and strategy for this project have always included a retail and commercial component. Such a component has always been depicted as part of the overall West Dapto Release Area and the area spoken of is located on the proposed site. The retail and commercial content within the modelling ensures further financial viability across the entire precinct. This strengthening of the economic outcome of the project is brought about by integrating the health facilities with the retail and commercial facilities, allowing a diverse even spread of business where almost every need can be sourced on one site. Mixing of businesses in this manner will manifest synergistic outcomes creating a networking effect over the entire precinct. People on and off site will use the amenity created, keeping the precinct thriving and self sufficient, and most importantly economically viable.

Further steps and measures have carefully been considered to ensure the long term viability of the project. To this end a decision has been made to make specialist practitioner suites available by way of purchase, rather than offer these suites as short or long term lease propositions. This decision was made in light of it securing ownership of the suite to the specialist and thus ensuring that they are tied to the precinct, which will facilitate and ensure their full useage of the precinct. This will be further facilitated by strata management via a real estate agent in the onsite shopping centre. In order to achieve this it is necessary to subdivide the lots on which the specialist and surgicentre sit, and the stand-along obstetric unit, in order that one can have Torrens Title Strata Units. This will result in the ongoing support of those specialist suites to the continued viability of the precinct.

The financial model has been very well thought out, to the extent of knowing that it is important to float the hospital proper (stage '5') rather than try and maintain it under private ownership. The floating of the hospital adds more weight to viability and ensures the medical practitioners and the people of the Illawarra will own a part of their own health delivery. The Boulous Report shows the overall business feasibility and projected margins, and the following chart shows the projected growth and financial certainty of the precinct.

14.3 ECONOMIC ASSESSMENT

The proposal has been assessed by Mr Ivan Watts of the Business Planning Group (Appendix 1.3) a consulting management company that specialises in assignments in and around the process of management, with a particular focus on the development of strategic and operational plans. The Business Planning Group has offices in both Sydney and Canberra and has experience across a wide range of sectors and industries both in Australia and overseas. The company's Principals have more than 20 years consulting experience each in both the private and public sectors. Both Principals are Certified Management Consultants, with the highest grade of Membership of the Institute of Management Consultants.

Following his study of the business model and planning Mr Watts has made several interesting remarks and with the endorsement of the Business Planning Group he concludes "The vision/ mission/overarching strategy developed by Doctor Gooley and his team of consultants provides the blueprint for all that has followed. One seldom sees such thorough strategic thinking, which necessarily precedes strategic planning. The pursuit of excellence in every facet of this project is evident from the ultimate outcome of some two decades of thinking about how to make this the best private hospital in Australia. Doctor Gooley is a passionate advocate of his vision for this potentially world class medical facility, which proposes to innovate health delivery and care in ways not seen before in this country".

"I have reviewed every document produced over the past 2/3 years since this project was conceived, and evaluated each of the reports from a professional, strategic and operational planning consultant's standpoint."

"I believe that the quality of the work undertaken by the three organisations commissioned to develop the required feasibility studies is of the highest order, and in my professional judgement in respect of the material reviewed, appear to have left no variable unidentified nor untested."

"The project is very ambitious, but with such a clear and detailed vision as to the nature of the private hospital under consideration, a vision which when fulfilled will deliver a tertiary referral private hospital the like of which does not exist in Australia, has excited the imagination of all stakeholder groups."

"In my view, as a Professional Strategic and Operational Planning Consultant, it is the combination of the clarity of detail and imagination encompassed in Doctor Brett Gooley's vision and passion, supported by the excellence of the feasibility studies leading to a range of benefits seldom seen, in such depth and breadth, in development proposals, which sets the seal on the completeness of this submission".

14.4 SOURCE of REVENUE

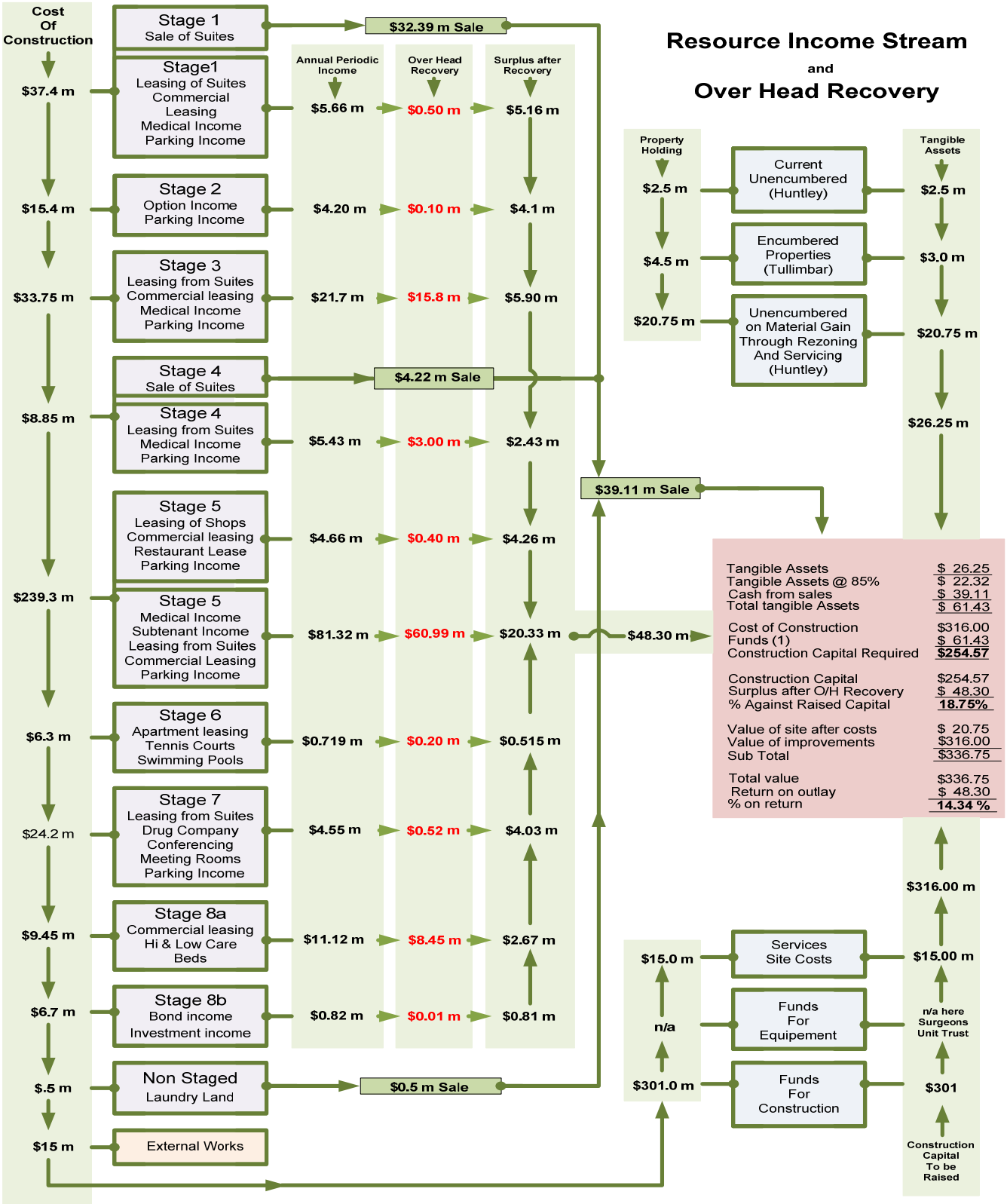
In his report Mr John Boulous covers the five main medical facilities, and shows the movement of funds within each of those five facilities. Whilst not touching on the remainder of the proposal the main medical facilities show all the signs of being financially sound.

The source of revenue for this proposal is vast and complex, as there are numerous facilities and centres, across a wide range of medicine and supplying an exhaustive number of services. The enormity of explaining in full the intricacies of each and every source would be painstakingly long, however, the following Flow Charts shows the various sources of revenue for both ongoing and immediate capital expenditure needs.

It is to be noted that;
Each facility compliments the other facilities synergistically capitalising on health delivery across the site interwoven with complimentary commercial endeavours facilitating further revenue resourcing and adding to the viability of the precinct.

Chart 1.4 INCOME RESPONSE

This chart shows the predicted outcome for cash resourcing and summarised outgoings showing the plan to be sound and delivering adequate profits to draw financial support where and when necessary.



*This table gives no consideration to depreciation schedules or 2.5% building write off which would further bolster the bottom line.

14.5 CASH FLOW STATEMENT

Preliminary financial analysis indicates the potential economic gain from successful implementation of the proposed project. The projects cash flow modelling over the first five stages can be seen in the Boulous Feasibility Study, which shows predicted revenues and other important data supporting the economic viability of the proposal for the first five main medical facilities.

The idea behind the financial modelling and business planning over all of the eight plus stages is to ensure each stage is up and running autonomously and showing positive cash flow, before the next stage is started. Having each stage as a 'stand alone facility' reliant only on other precinct facilities as a compliment to the whole, and not monetary support. Access to patient eRecords across the site, and the internal complimentary roles created on site by referral to other facilities within the site, add to the surety of each stage.

The activity levels of each facility will dictate the cash flow position of that stage and therefore control the growth of the precinct. Careful consideration has been given to the Epidemiologist Report prepared by Doctor Greg Hardes, which shows the current unmet demand and projected bed needs for the area. These figures and other crucial factors have led to the staging model, which we believe is a realistic strategy for meeting the needs and demand of this region. The feasibility of the staging plan shows positive cash flow outcomes.

The Boulous Report shows the financial outcomes of the first five stages. The following Tables show a simplistic predicted cash flow and anticipated percentage of profit analysis for the stages 6, 7, 8a, 8b & 8c.

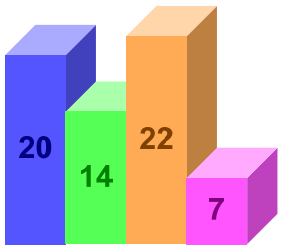
At this stage of the proponent's application to the New South Wales Department of Planning to establish a private tertiary referral hospital, all of the business case requirements have been met, and in some cases exceeded, in relation to known requirements.

The findings of the Business Planning Group are that financial certainty can be proven. The projected financial returns prepared by Mr John Boulous, Chartered Accountant, (Appendix 1.4) are shown in the Graphs below. The assessment carried out by Mr Ivan Watts was thorough and precise, leaving no question as to the viability of the project and it's success.

Both the Business Case Study and the Financial Feasibility have been prepared by experienced professionals. Mr John Boulous from the Business Planning Group was the CEO of Dalcross Hospital until his recent retirement. These facts add significant weight and credibility to his findings.

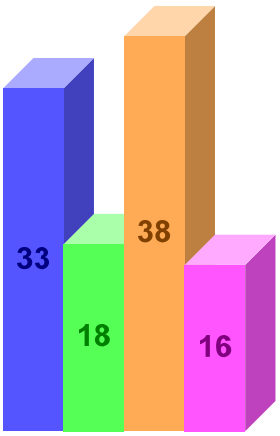
Mr Boulous reviewed the capital expenditure costs against facilities of similar size currently being built in New South Wales and found these costs to be reasonably in line with the other facilities.

CHART 1.5 % OF RETURN AT 50% UTILISATION



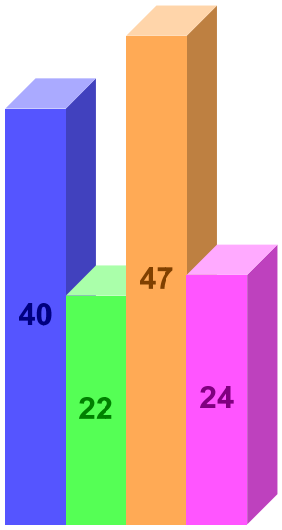
Stage 1 SurgiCentre showing 20.49%
Stage 3 Casualty & Medical centre showing 14.3%
Stage 4 Obstetrics showing 22.17%
Stage 5 Hospital Proper showing 7.19%
Note the Radiology and Pathology has a fixed nett minimum Income set for first year of $ 1,950,000.00 per year + CPI annual increases

CHART 1.6 % OF RETURN AT 75% UTILISATION



Stage 1 SurgiCentre showing 32.95%
Stage 3 Casualty & Medical centre showing 18.1%
Stage 4 Obstetrics showing 38.07%
Stage 5 Hospital Proper showing 16.33%
Note the Radiology and Pathology has a fixed nett minimum income for first year of $ 1,950,000.00 per year + CPI annual increases

CHART 1.7 % OF RETURN AT 90% UTILISATION



Stage 1 SurgiCentre showing 40.41%
Stage 3 Casualty & Medical centre showing 22.0%
Stage 4 Obstetrics showing 47.04%
Stage 5 Hospital Proper showing 23.73%
Note: The Radiology and Pathology has a fixed nett minimum income for the first year of $ 1,950,000.00 per year + CPI annual increases

14.6 INVESTMENT

Whist we speak of investment and investment certainty, they are treated as two separate issues here. When speaking of investment by itself we look at where the finances are coming from for the construction of the project. Construction funding for the entire project is laid out in previous reports and also presented in our business plan, where it has been explained how the business model works. Further to that, the site is owned by the proponent and is unencumbered. The costs to date for the seeking of approvals, and other costs, have been met by the proponent without the need to source borrowings for same. As previously stated, the proponent has a long history of establishing and running health facilities. Over the past 28 years he has been, brick by brick, building up a property portfolio that he is now able to fall back on to produce the first four stages of this exciting project.

The proposal's financial model allows for each stage to be completed and brought up to full running potential before the next stage is brought on. This is a slow and steady way to ensure the project does not overtake the needs of the surrounding population health catchment, or it's financial commitments, and ensures the long term success and viability of the whole health precinct

The investment certainty comes from knowing that the proponent is a committed medical practitioner who currently owns and runs a number of very successful health facilities, employing more than one hundred staff. The initial four stages rely on more than twenty eight years of experience in similar businesses. When it comes to the hospital proper this facility will be floated, allowing the project to proceed and the delivery of the Johns Hopkins of the Southern Hemisphere.

To date, the proponent has spent some $7M on advancing this project showing how determined he is to succeed. The fact that his motive is not financial gain, but purely personal achievement of a lifelong goal, adds more weight to the intent.

14.7 PROBABILITY and CERTAINTY

The proponent's tenacity and determination to succeed has seen the project come from Tullimbar, where eighteen months was spent putting together a proposal for submission to Shellharbour Council, only to be refused, to subsequent talks with leading Department of Planning Members. These meetings saw the team looking at land in West Dapto and eventually the site at Huntley was identified as appropriate, and purchased outright. We believe this tenacity and determination will see the project succeed.

Notwithstanding that, the assured growth of the region, coupled with our business model, which allows for development in line with the growth, will give the necessary certainty of success.

These facts lead one to conclude that probability has been replaced with certainty.

14.8 THE PROPONENT

A father of four, Dr Brett Gooley lives with his wife and family at Drummoyne. His current academic profile is detailed below:

M.B.,B.S., (1925)	University of New South Wales
NSW Medical Board Number (1976)	MPO: 033447
E.C.F.M.G. (1976	Philadelphia. Pennsylvania, USA
Licenced General Practitioner(1982)	Radiologist
Diploma in Obstetrics (1986)	Auckland New Zealand
Diploma in Child Care (1994)	Sydney University
F.R.A.C.G.P. (1996)	Royal Australian College of General Practitioners
Ex Faculty Member of the New South Wales Board	R.A.C.G.P.
Approved Trainer for SIGPET and GPET	
Justice of the Peace in New South Wales	

Doctor Brett Gooley has been a General Practitioner for over 30 years. During this period he has established numerous businesses in the arena of health, along with several commercial developments. One of the Doctors more notable achievements was to start and run the first 24 hour Medical Centre in Sydney. An old service station site was acquired and the land used to build the medical centre incorporating a pharmacy, radiology service, and dentist.

Following the success of the Kirrawee operation Doctor Gooley purchased land in Kingsgrove and built a second medical centre incorporating a pharmacy, radiology unit, dental surgery, pathology unit, and a number of other small businesses. Doctor Gooley also established the Kingsgrove Day Hospital on this site. Each of these premises is still owned by Doctor Gooley and each business is run proficiently to meet health needs of the residents of the local areas.

Over the years Doctor Gooley has achieved numerous other goals including converting the former Sydney Sailor's Home into a forty one room, 3.5 star, accommodation facility. These developments have given Doctor Gooley valuable experience in planning, building, and seeing projects through to completion.

Building and running a hospital has always been Doctor Gooley's dream and it has been in the back of his mind for the past twenty seven years. During this time he has built on his business and property portfolio establishing a solid financial footing. This, plus the evidence of his achievements, has enabled the project team to move forward assured that this will happen and Doctor Gooley's dream will be a reality.

14.9 PROPONENT'S CAPACITY

All in all the proponents capacity is vast. He currently runs two large medical facilities with onsite pharmacy, radiology, and allied health professionals. Furthermore, he owns and runs a day hospital, and a smaller medical centre in Woolloomooloo, housed in a forty one room accommodation facility. The proponent to date has raised over $7M in cash funds to see this proposal where it is today. The proposed health precinct site is unencumbered.

In addition, the proponent has the capacity and knowledge to develop and operate health facilities, something he has been successfully doing for over 30 years.

14.10 LIKELY DEMAND for the LAND

The land was to be part of the West Dapto Release Area, however, the Growth Centre Commission made the decision to only allow Stages 1 and 2 to be released (this piece of land was to be Stage 4). It is obvious that the land cannot be used for an immediate residential purpose and this is not the interest of the proponent. It is ideal that this land be used for the establishment of a health precinct to serve the burgeoning population needs, not only for health care but also for jobs. See Hardes – Epidemiology Report (Appendix 1.1).

15. COMMUNITY CONSULTATION

For more than two years now the public relations department has been promoting and presenting this proposal to the community and community leaders. We have addressed numerous associations and groups and the feedback received has only been positive. The news about the project has made the front page of the Mercury and been featured in other local newspapers. The proponent has been questioned on talk back radio on several occasions and interviewed live on television with reference to the merits of the proposal. In addition, we have spoken to thousands of people personally. We have consulted extensively with the relative politicians and authorities to ensure that the project falls in line with any strategic plans, legislation and or policies that are in place or are about to be put in place.

The health planners have consulted widely with experts within the industry, including surgeons, doctors, allied health professionals, specialist nurses, other health planners and finally the South Eastern Sydney Illawarra Area Health Service (SESIAHS). The consensus from the heads of departments within the SESIAHS was that the hospital will be a great step toward bringing positive change for the people of the Illawarra, and that there were no known obstacles to such a major boost to health in the area.

Politically, the project has been supported with great enthusiasm. Any scepticism has been overcome through meeting with, and ensuring that not only the community but also their leaders were made aware of the surety of this project proceeding. The team, along with the proponent, met with the Southern Group of Councils. Professor Don Iverson also volunteered his time to speak and show his support, along with other leading business identities who have seen the merits of the proposal. The outcome of this meeting was a letter from all seven Mayors from the Southern Group of Councils to the Premier of the time, asking for the necessary support to have this project stamped for approval (see Appendix 1.5).

As presenting and gathering views is part of the communication and consultation process, so too is the setting up of major partnerships. Time has been taken to collaborate and integrate with groups and associations, as well as organisations such as TAFE and the University. Both TAFE and the University have agreed to be part of the proposal with plans are being made toward training and further education.

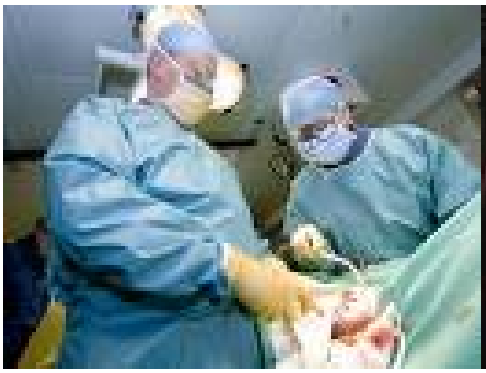
The immediate neighbourhood have been a major focus for the project team. We have carried out several letterbox drops providing them with information in the form of a project outline and numerous drawings and sketches giving detail regarding the site and the proposed development. In addition the team, along with the proponent, have organised community open days at the Ribbonwood Centre in Dapto. The planners and architect were also available at these events. The outcome from this was positive with the people leaving happy and content with the information received.

In all, the community groups, associations and individuals we have spoken to are more than happy with this development. (Please find annexed a copy of our Draft Strategic Communications Plan).

Annexed are the brochures and newspaper clippings of advertisements for the community consultation days. A separate comprehensive document accompanies this report covering the consultation that has taken place, including the community and all necessary agencies. This document touches on the concerns and support from this consultation process.

1. Personally letterbox dropped all houses in Penrose.
2. Published Public Notices in Southern Independent Newspapers as per attached invoices.
3. Published Public Notices daily in Mercury Newspaper.
4. Held Public Meetings at Kurrajong Room, Ribbonwood Centre, Dapto

In all only some 50 people turned up to discuss the proposal, after two letter box drops to over 1000 homes, and more than 45 days in total of advertising in 3 news papers.


16. CONCLUSION

The key points to this project are simple:

1. Staged development - ensuring financial viability and key personnel are in place ensuring medical outcomes.
2. The GP model and university affiliated education ensures both holistic practitioners onsite and those once trained are returned back into their communities.
3. Academia in an empathetic and patient centred environment.
4. Strong cohesive partnerships across society based on interaction rather than reaction leading to dissatisfaction.
5. Functional and aesthetic architecture; ambience creating a healing environment where built form leads to productive outcomes.
6. The establishment of a unique health precinct (without steps) encompassing every facet of world class medicine.

Focusing on these key points the project will deliver integrative collaboration of sound business standards, strong human resource principals and dynamic synergistic partnerships. All encapsulated by smart architecturally designed built form that will provide the very place capable of providing the much needed health services to the Illawarra.

The proponent in his wisdom has now gained intuition as to the process of part 3a Major Projects Approval. From the outset the proponent has to some extent questioned this process and its outcomes. Nonetheless, he remarks how this project has now taught him tolerance and understanding, made him see the need to liaise with people, consider alternatives and with the passage of time and consultation, improved functionality and the varying complimentary roles of this proposal. It has, however, not detracted from his passion for the project which is presented herein, defining the many significantly positive outcomes for the state and especially the regional populous that need to be supported by the way of final approval.