



3 October 2008

Mr Ben McGibbon
Murlan Consulting Pty Ltd
Suite 110, Jones Bay Wharf
26 Pirrama Road.
Pyrmont NSW 2009

Dear Mr McGibbon

Re – 1-8 Nield Avenue, Greenwich – proposed private hospital – SEPP Major Project Application No. MP 07_0167

We are responding to the queries raised in the NSW Health letter of 13 February 2008, which we understand forms a part of the SEPP Major Project application No. MP 07_0167 currently being considered by the NSW Department of Planning.

In March 2007 The Essence Consulting Group undertook a Supply and Demand Study on behalf of Waterbrook at Greenwich Pty Ltd for the development of the Nield Ave. Greenwich site, specifically relating to health services for the aged. This study concentrated on the Local Government Areas of Hunters Hill, Kuringai, Lane Cove, Mosman, North Sydney and Willoughby. Royal North Shore Hospital and its associated health services, according to its website, meets the health needs of four local government areas, Mosman, Willoughby, Lane Cove and North Sydney. This catchment for the new service equates very closely with the catchment of Royal North Shore Hospital.

Persons over 70 years in the two additional LGAs equate to just over 12% of the total populations in these areas. Given the existing number of residential services in both these LGAs for older persons, in our opinion the demand from them is not expected to be significant. Thus, we expect that the development of a private hospital on the Nield Ave site is unlikely to significantly alter the demand at Royal North Shore Hospital as the persons who will reside in Nield Ave in all likelihood already reside in the hospitals catchment.

A review of a report for NSW Health prepared by Booz Allen Hamilton in December 2007 into the demand for Emergency department services indicates that when older persons attend emergency it is for a true emergency and that aged care services do not increase referrals to emergency departments. The report stated:

"The analysis of patients by age group indicates that the largest cohort and driving demand transfer into the emergency department is the under 25s age group which make up 47% of all primary care patients in 2006/07. Older patients such as those at 65 and over are far more likely to use an emergency department as a true emergency patient. The 65+ years' group makes up only 8% of primary care patients and are 27% of all other patients (not primary care patients).¹"

"EDIS data shows that when nursing homes refer a patient to the ED, they are almost always true emergency cases that are in a high triage category and require admission to a hospital ward..... overall case numbers in this category are small, that nursing home referrals are typically non-primary care patient type categories.²" This study reported that the hypothesis that there are increased referrals to emergency departments from aged care facilities is NOT supported by the data.

I further note from your development documents that the Nield Ave development will provide for rehabilitation services including occupational therapy and physiotherapy services on site. It could be reasonably predicted then that given the proximity to Royal North Shore Hospital that the service may be able to reduce the length of stay of persons in Royal North Shore Hospital by utilising the rehabilitation care the Nield Ave facility will provide. Thus, there is potential for Royal North Shore Hospital to reduce their waiting list times by effectively working with the Nield Ave team to utilise these aged care hospital beds to create positive outcomes for the local population, the Royal North Shore Hospital and the Nield Ave development.

On a matter not related to Emergency Department demand but relating to current and future demands for health services, in undertaking the Demand and Supply Analysis Essence Consulting was advised by the local ACAT and the Nursing Home Placement Officer at Royal North Shore Hospital that secure dementia specific places are in short supply. They described the demand as 'huge' and that good secure units were very difficult to find. The Nield Ave private hospital will cater for this growing demand. Northern Sydney and the Central Coast have and will continue to have the largest absolute number of persons with dementia in NSW, along with eastern Sydney and Illawarra. In 2005 14,100 people in Northern Sydney/Central Coast had dementia and this figure is expected to rise to 42,000 by 2050.³ Resolving demands for persons with complex care needs such as dementia has flow-on effects to other health services and may reduce the occasions of service necessary if such secure dementia services were available.

¹ Booz Allen Hamilton, Key Drivers of Demand in the Emergency Department, December 2007 for NSW Health.

² Booz Allen Hamilton, Key Drivers of Demand in the Emergency Department, December 2007 for NSW Health.

³ Access Economics Dementia Estimates and Projections, NSW and its Regions for Alzheimer's Australia and NSW Health June 2005

In conclusion, it is the consultant's opinion that the development of a private hospital at Nield Ave Greenwich will not significantly affect the services provided by Royal North Shore Hospital. The target client group already resides within the Royal North Shore Hospitals catchment and therefore their demand on the services already exists. Further, research undertaken for the NSW Health Department concludes that aged care facilities do not increase referrals to emergency departments. It is also possible that the development of a private hospital at Nield Ave may have a positive effect on Royal North Shore Hospitals services through the provision of rehabilitation and dementia care both of which are in short supply in the area.

Please do not hesitate to contact us should you require further advice.

Yours Sincerely



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