



## Healthcare Flood Recovery Grant Proposal

### Recommendations

That the NSW Government agencies responsible for flood recovery grants consider:

1. creation of a Northern Rivers healthcare businesses grant that:
  - a. is open to all 2022 flood-affected non-government primary health, health practitioners and health services
  - b. has a maximum grant amount sufficient to cover the losses faced by these businesses
  - c. includes lost income in the losses able to be covered by the grant
  - d. has an approval and funding flow process that provides urgent and immediate security and certainty for these businesses to rebuild
2. In the interim, whilst this is being created, ensure affected healthcare businesses can access the current \$200,000 Northern Rivers medium sized business grant, with the following adjustments:
  - a. Eligibility is open to non-government healthcare businesses of any size, rather than just the Treasury definition of a medium sized business
  - b. Funds of up to the maximum of \$200,000 be available immediately to eligible businesses based on quotes or estimates (rather than the current immediate provision of evidence of payment).

### Background

- Under Australia's dual-funded health system, primary care is, in the main, delivered by the private sector (albeit partially publicly funded through Medicare) and comprises health care that is not related to a hospital visit. This includes services delivered by general practitioners, community pharmacists, community dentists and community allied health practitioners, e.g., physiotherapists, psychologists.
- Non-government healthcare businesses provide an essential service to communities that must be supported by governments to ensure continuity and sustainability of these services, particularly in rural and regional areas.

- In addition to the 2022 floods, these businesses are suffering the compounding impacts of multiple natural disasters and emergencies, i.e., 2017 floods, COVID.
- Many of these businesses are not insured for flood as such cover is unavailable or unaffordable.
- Affected businesses are currently deciding whether they can afford to restart operations, and if continuing, whether they can afford to offer the same levels of service and product to the community as they did prior to the 2022 flood events.
- Rural and regional populations are already seeing the impacts of decreased healthcare access on patient populations due to COVID. These will be exacerbated if non-government healthcare businesses are not adequately supported to return to pre-flood operation levels.
- Some of the impacts of decreased healthcare access on the population are:
  - Decreased vaccination clinics (including COVID and influenza)
  - Decreased chronic condition management, e.g., diabetes, COPD, mental health
  - Decreased screening, e.g., early identification of progressive conditions such as cancers
  - Decreased support for vulnerable patient cohorts, e.g., alcohol and other drugs, mental health, disabled patients.

### **Current Situation**

- NSW Rural Doctors Network (RDN) estimates that there are approximately 10 non-government healthcare businesses with a very high level of damage in the North Coast region, with most of these in the Northern Rivers sub-region.
- RDN estimates that there are approximately another 15 healthcare businesses with a slightly lower level of damages in the same region.
- RDN believes that for both these groups, the current grant offerings (\$50,000 Small Business and \$200,000 Medium Business), eligibility criteria, and approval processes are inadequate
  - Grant offerings - Affected primary care businesses have incurred damages of over \$1,000,000. See Case Studies below for detailed examples.
  - Eligibility criteria – The current criteria of number of staff has no alignment to the value of the service to the community (and therefore government). Eligibility should be aligned to the significance of the impacted service to the community, and to the quantum of damages occurred.
  - Approval process – Currently applicants must have spent the money prior to grant approval, let alone receipt of grant funding. This is problematic when businesses may not have funds available to pay upfront, or the business viability of a rebuild relies on the grant funding.

## Case Studies Summary

*“I am not a wealthy person - I currently live in my caravan with my partner and young child. We do not have the financial capacity to rebuild and restore to where we were prior to the flood. I feel an obligation to my staff and the community to keep providing the services our business is renowned for, but we need assistance to do so. The small business grant of \$50k was welcome but basing grants off staff numbers fails to take into account the many, many variables and costs associated with businesses like ours.”*

- *Healthcare business owner, Northern Rivers Region*

The following section provides a summary of the case studies, of the losses healthcare businesses have incurred, that have been provided to NSW Government as part of the complete proposal document. The full case studies are not provided here as they include commercial in confidence information.

Types of affected healthcare businesses:

- General Practices
- Medical specialist private practices, e.g. dermatology, obstetrics and gynaecology, cardiology
- Dental surgeries
- Pharmacies
- Allied Health businesses, e.g. physiotherapists.

Quantum of financial losses:

- This information was provided by the affected businesses to the best of their knowledge at the time of request (May 2022). All costs are estimates and, as such, are not comprehensive. RDN has been informed that the majority of these estimates have increased since May 2022.
- As at May 2022, losses from businesses sampled ranged from \$600,000 to \$1,300,000.
- RDN estimates around 10 businesses in the Northern Rivers region to have incurred losses of over \$500,000.
- RDN estimates around an additional 15 businesses in the region to have incurred losses of between \$200,000 and \$500,000.

Type of financial losses:

- Cleaning
- Building – structural and services, e.g. structural rectifications; walls/floors/ceilings removal and replacement; electrical/plumbing removal; replacement and recertification; car park resurfacing
- Fittings and fixtures (specialist and generic), e.g. specialist fit-outs for consulting, treatment, pathology and surgery; specialist air circulation and filtration systems; pharmacy dispensary areas; generic fit-outs for reception, waiting rooms, retail areas, offices, bathrooms and kitchens.
- Equipment (specialist and generic), e.g. specialist medical diagnostic and treatment equipment; consult and treatment beds; pharmacy dispensary storage; specialist hire equipment such as wheelchairs, mobility aids and equipment, electric patient lifters; IT hardware; furniture for patient and staff areas.

- Consumables, e.g. vaccines, medications, single-use patient diagnostic and treatment equipment, retail stock.
- Lost income / wages paid, e.g. general practitioners, medical specialists,
- Refit-out of temporary business spaces
- Cleaning

Non-financial losses:

- Loss of service provision to the community (due to decreased clinical consulting time, decreased space and amenities required to provide services, and decreased stock available)
- Loss of staff to date and ongoing decreased ability to retain staff, due to stress, fatigue, or underemployment (due to the limited space many of these businesses are currently operating out of).
- Decreased ability to provide training placements for trainee clinicians, e.g. medical students and registrars, nursing students, etc