
The Parliament of the Commonwealth of Australia

In the pink or in the red?

Inquiry into the provision of health services on Norfolk Island

**Joint Standing Committee on the
National Capital and External Territories**

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Foreword

Adequate and affordable health services are among the most essential requirements for any community, and it is the obligation of government to ensure that those services are available to its citizens.

Responsibility for health services was ceded entirely to the Norfolk Island Government by the Commonwealth under the *Norfolk Island Act 1979*. Commonwealth legislation covering health, aged care and health insurance does not extend to Norfolk Island, with the result that people on Norfolk Island, both residents and visitors, do not have access to the many national health programs and initiatives which assist other small remote communities in Australia.

However, Norfolk Island remains a part of the Commonwealth, and it is the Commonwealth which is ultimately responsible for the welfare of its citizens, whether on a remote self-governing island territory, in isolated outback communities, in regional centres or in the major metropolitan areas.

On 21 October 1999 the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald, wrote to the Committee, asking that it inquire into the effectiveness of, and access to, the Norfolk Island health system. The detailed terms of reference for the inquiry were both wide ranging and particular in their focus, including matters as fundamental as basic health infrastructure and aged care as well as others such as telemedicine, community health services and arrangements for medical evacuations by air to the mainland.

The Committee visited Norfolk Island in November 1999 for hearings and inspections, and held further hearings in Canberra in April and June 2000. As 2000 drew to a close it was becoming clear that significant developments were taking place, among them the completion of the first phase of a comprehensive review of health services on the Island, undertaken by a team from Griffith University's School of Health Science. A major purpose of this review, which was initiated in

1999 by the then Norfolk Island Health Minister, was to identify the services that should be available, to prioritise them, to examine the resource implications and to design a new health strategy specific to Norfolk Island's needs.

With the release of the preliminary findings of the Griffith University team's survey in late 2000, and with a visit to Norfolk Island already planned for another inquiry in March 2001, the Committee decided to conduct further inspections and meetings with health professionals on the Island, in order to review developments before concluding its inquiry. In the three months since that visit there have been further significant developments, and the Committee is pleased to note that progress has been made in some areas.

However, it remains indisputable that there are significant concerns to be addressed. Chief among them are the ageing and inadequate hospital facilities, which are well below the standard which residents and the many visitors from the mainland have a right to expect. Community health and health education programs are also well behind mainland practices, and the aged care situation could well be described as dire.

The Committee has made a number of general recommendations relating to the major issues raised by the inquiry, including the crucial issue of funding, and has also made recommendations relating to a range of more particular concerns, including many raised by Norfolk Islanders.

I would like to thank all those who assisted the Committee in this inquiry by making submissions, giving evidence at hearings and providing information in other ways, particularly, of course, the residents and medical staff on Norfolk Island. I would also like to thank those who helped with arrangements for hearings, and the committee secretariat for its assistance during the course of the inquiry.

The Committee was impressed by the commitment, and the achievements in often difficult circumstances, of the health professionals on the Island, and by the way in which Island residents have for so long coped with the challenges presented by their isolation. However, those qualities of professionalism and resourcefulness must now be fully supported by the provision of a full range of health infrastructure and programs by government.

Senator Ross Lightfoot
Chairman



Membership of the Committee

Chairman Senator Ross Lightfoot
(Chairman from 8 December 1999)

Deputy Chair Senator Trish Crossin

Members Senator Brian Greig

 Senator Kate Lundy

 Senator John Watson
(Chair to 8 December 1999)

 Senator Sue West

 Mr Ross Cameron MP

 Ms Annette Ellis MP

 Mr Gary Nehl MP

 Mr Paul Neville MP

 Hon Warren Snowdon MP

 Hon Alex Somlyay MP

Committee Secretariat

Secretary Mr Richard Selth (from January 2001)

Ms Gillian Gould (to December 2000)

Inquiry Secretary Ms Sue Irvine (from March 2000)

Ms Nicole Robinson (to April 2000)

Research Officer Ms Emma Herd

Administrative Officers Ms Sarah Steele

Ms Shari Rogers

Mr Rohan Tyler

Mr Vishal Pandey



Terms of reference

On 21 October 1999 the Minister for Regional Services, Territories and Local Government, Senator the Hon Ian Macdonald, wrote to the Joint Standing Committee on the National Capital and External Territories, requesting that it inquire into, and report upon:

The effectiveness of, and access to, the current Norfolk Island health system, and in particular

- (i) what range of health and ancillary services is currently, or should be, available to residents, (a) locally and (b) on the mainland;
- (ii) what range of health and ancillary services is currently, or should be, available to visitors to the Territory;
- (iii) measures that could be taken to assist access to a comprehensive level of health and ancillary care on Norfolk Island, taking into account the constraints of isolation and finances;
- (iv) whether the Medicare system, in whole or part, should be available to residents of the Territory and, if so, under what terms;
- (v) the appropriateness of current administrative and operational procedures for medical evacuations of persons on Norfolk Island requiring critical care on the mainland;
- (vi) access to, and the utility of, telemedicine facilities between Norfolk Island and the mainland;
- (vii) the availability of community health services, including residential or domiciliary care for frail aged residents of Norfolk Island;
- (viii) the anticipated health infrastructure needs of the Island, the capacity of the Island community to meet necessary capital costs, and other possible avenues of funding; and
- (ix) any other matters incidental thereto.



Executive summary

This inquiry was undertaken because health care has increasingly been a concern for both the Commonwealth and Norfolk Island governments. The *Norfolk Island Act 1979* gave the primary responsibility for the provision of health services to the Norfolk Island Government but the Commonwealth retains an overarching responsibility to ensure that all Australians have access to an adequate standard of health services. Commonwealth legislation covering health, aged care and health insurance does not extend to Norfolk Island, with the result that people on Norfolk Island, both residents and visitors, do not have access to the many national health programs and initiatives which assist other small remote communities in Australia.

Nearly all health services on the Island are provided through the Hospital, an inadequate building with outdated equipment. No one is refused treatment and hospital funding depends on a diminishing fee base as well as a variable subsidy from the Norfolk Island Government to balance its books each year. Without adequate funding or planning for replacement of the health infrastructure, the gap between the level of services which can be provided and the level that patients expect has been increasing each year.

The expansion of tourism, which is now the Island's main industry, has significantly increased demands on the under-resourced hospital and its staff. The lack of Medicare entitlement for visitors means that the cost, as well as the range and standard of health services, is a major consideration for this key industry. The ever present possibility of an expensive emergency medical evacuation poses a significant financial risk to the unwary tourist without full insurance cover.

The Committee believes that for the welfare of residents and visitors alike there is an urgent need for action by the Norfolk Island Government to provide appropriate levels of funding as well as forward planning for health services.

Evidence collected during the course of the inquiry led the Committee to focus on seven issues which were raised repeatedly by witnesses: the need for community health services and a refocus on preventive medicine, appropriate aged care choices, a dependable emergency medical evacuation service, a new hospital building, reducing the demand for doctors' services, reducing the cost of health services for lower income earners and ensuring the survival of the visiting specialist program.

The Committee was impressed by a proposal put forward by a group including health professionals called CHAT (Community Health Awareness Team), which already appears to have support within the community and the Assembly. This kind of initiative should be encouraged and supported through guaranteed, recurrent government funding, and appropriate coordination with existing and proposed action in the primary health field. Initiatives which have strong community support backed by government commitment are likely to succeed and bring widespread benefits.

The rapid increase in the number of elderly residents on Norfolk Island means that a new approach must be taken if people are to have the choice of remaining on the Island for their final years. Various measures which will assist people to remain in their own homes are needed, as well as a choice of facilities for those who need more care. There will continue to be a demand for nursing home accommodation, as well as a place for elderly people who need the company, stimulation, safety and support that comes from living in a small community designed to meet their changing needs. The Department of Veterans' Affairs has provided, and will continue to provide, expert assistance in some areas of aged care for veterans and indirectly for other older residents. Day care, home safety assessment, transport, and funding for a physiotherapist and an aged care clinical nurse consultant are some of the initiatives to date. The Committee believes that the possibility of including Norfolk Island under the Aged Care Act should be considered and explored by the Commonwealth and Norfolk Island governments.

A dependable, affordable medivac service is essential to an isolated community. As dependence on the Royal Australian Air Force becomes a less certain option, the situation must be examined carefully. Either a commercial medivac company or the Royal Flying Doctors Service would be prepared to negotiate a service contract with the Norfolk Island Government. The Norfolk Island Government has a responsibility to ensure that this service is available to any person on the Island who encounters a medical emergency, whether or not they have insurance to cover the very considerable expense.

Replacement of the hospital is another major expense for which the Norfolk Island Government will have to budget in the next few years. Without borrowing, or instigating new revenue raising strategies, the Norfolk Island Government is

unlikely to be able to fund this major project. The Committee believes that forward planning, including a serious investigation of funding options, must be undertaken in the very near future. A design incorporating the flexibility of the Multi-Purpose Service model should be tailored to provide a mix of acute, aged and community services suited to Norfolk Island's population profile, with its unusually high number of older people, both resident and transient. Design assistance available through the Department of Veterans' Affairs should be sought.

The issue of excessive demands on the Island's doctors needs to be examined and addressed. In addition to the burden imposed by isolation, other factors such as the lack of alternative sources of health advice and ancillary services, and the unrealistic expectations of some patients, have combined to place past and present medical practitioners under enormous, unrelenting pressure, which is potentially detrimental to all parties. The role that e-health can play in providing alternative sources of advice, access to mainland specialists and ongoing training for hospital staff is only just being recognised but its value could be realised almost immediately. The use of nurse practitioners and visiting health professionals such as mental health counsellors is another option which the Hospital Enterprise may wish to employ to redirect patients to other, often more appropriate, sources of professional advice.

Statistics indicate that Norfolk Island households spend fifty per cent more on health than those in New South Wales. For low income earners the burden is great. The cost of many pharmaceutical items is far higher than on the mainland, which leads to people avoiding taking essential medicines. The health levy of \$500 per year for people over eighteen is unindexed and represents a severe impost on some. The Government's Healthcare scheme of medical insurance does not cover the first \$2500 of expenses (or a figure considerably higher when non-allowable expenses are considered), and insurance to cover the 'gap' is expensive. The Committee believes that all aspects of health funding need to be examined by the Norfolk Island Government with a view to making it more equitable and affordable.

Staff at the Hospital believe that the visiting specialists program which has brought immeasurable benefit over several decades is now under threat. Increasingly, specialists cannot use their expertise in the latest medical procedures because the facilities are not available. Diminishing case loads, the increasing risk of litigation and poor accommodation are other factors which lessen the incentive for a specialist to leave a busy mainland practice.

The question of access to adequate health insurance appears complex and daunting. Many witnesses to the inquiry expressed the view that they would prefer to be part of the Medicare scheme if the Commonwealth and Norfolk Island

governments could negotiate an equitable and practicable way for the Norfolk Island Government to contribute to the scheme in the absence of a levy applied to declared income. The present Healthcare system is manifestly inadequate. It is essential that this issue and many others be debated extensively in the community since the outcomes will have a profound impact on access to health services for generations of Norfolk Islanders.

The Committee is reassured that many of the present shortcomings of the health system will be addressed in the planning documents, commissioned by the Norfolk Island Government, to be produced by the team from the Griffith University School of Health Science. An intensive community consultation process should follow both the release of this Committee's recommendations and the Health Strategy and Implementation Plan to be drawn up by the Griffith University team. With so many competing priorities, it is vital that widespread community debate be sought, following input from the Island's resident and visiting health professionals.

The Committee has observed signs of neglect and complacency alongside some very positive developments in the health field on Norfolk Island since this inquiry began. It is plain that informed change, new directions and professional leadership, coupled with realistic funding, are required. The Committee hopes that before the need for change becomes crisis driven, it will be embraced by an informed community and supported by commitment from those with control of the public purse.



List of recommendations

Chapter 3 Health care – how do visitors fare?

Recommendation 1

The Committee recommends that the Norfolk Island Hospital Enterprise reconsider the pricing structure for services to mainland visitors, so that the cost does not become a disincentive to tourism.

Recommendation 2

The Committee recommends that measures be taken by tourist companies, airlines and other tourism promoters to warn all potential travellers to Norfolk Island of the high cost of health care, the fact that any expenses incurred will not be claimable on Medicare and that private travel insurance covering medical evacuation is essential.

Recommendation 3

The Committee recommends that the Commonwealth and Norfolk Island Governments consider the desirability of amending the *Health Insurance Act 1973* in order to cover mainland visitors to Norfolk Island under Medicare.

Recommendation 4

The Committee recommends that the Norfolk Island Hospital Enterprise develop for the Norfolk Island Government a proposal for the implementation of a health levy on visitors, as a basis for providing, in the absence of Medicare, quality health services free to all visitors, including the cost of medical evacuation if necessary.

Chapter 4 Health care – how can a comprehensive level be provided?

Recommendation 5

The Committee recommends that the Norfolk Island Government enact or amend legislation:

- to make the wearing of seatbelts compulsory;
- to lower the legal blood alcohol limit for drivers to a level comparable with that of the mainland; and
- to forbid smoking in enclosed public places and provide enforceable penalties for non-compliance.

Recommendation 6

The Committee recommends that the Norfolk Island Government increase the price of alcohol and tobacco products and direct the revenue raised to community education programs that target lifestyle issues such as drink driving, substance abuse, domestic violence and nutrition.

Recommendation 7

The Committee recommends that the Norfolk Island Government give the highest priority to establishing and promoting a coordinated community health service, either by adopting the Community Health Awareness Team (CHAT) proposal for a coordinated community health service or by instituting a similar, professionally organised service.

The Committee also recommends that the Norfolk Island Government provide funding for the recruitment of an experienced, enthusiastic, full-time community health coordinator with extensive knowledge of contemporary community health issues.

Recommendation 8

The Committee recommends that the Norfolk Island Government:

- promote road safety measures such as the advantages of wearing seatbelts, not drinking when driving and nominating a ‘designated driver’;
- undertake a survey of all existing community resources in order that these may be coordinated, publicised and utilised widely;
- consider ways of accessing health education programs which are available on the mainland through various departments; and

- appoint a qualified occupational health and safety officer to examine public areas for safety, and allocate adequate funds for the implementation of appropriate health and safety measures.

Recommendation 9

The Committee recommends that, in order to support existing health personnel and provide a wider range of community health services, the Norfolk Island Hospital Enterprise:

- extend the hours of the baby/child health sister;
- explore the possibilities of contracting a mainland practice consisting of a variety of health professionals to provide staff on a rotation basis;
- consider employing, or training existing nurses to become, accredited nurse practitioners with skills identified as useful adjuncts to those already available within Norfolk Island's health system;
- negotiate with the Royal Flying Doctor Service with a view to providing a remote, after-hours consultation service;
- give serious consideration to the proposal of the Royal Flying Doctor Service to provide, on rotation, doctors with a primary health care and emergency evacuation focus, as well as registered nurses and allied health workers with community health experience; and
- employ a part-time dietician with the right to private practice.

Recommendation 10

The Committee recommends that in order to replace the Hospital the Norfolk Island Government move urgently to:

- complete a projection of future needs in the health care system, using all available sources, including a forecast of the numbers and needs of visitors to the island;
- examine the funding options for a new multi-purpose health facility, taking into consideration a range of options such as borrowing (possibly through a low-interest Commonwealth loan), raising new taxes, attracting private investment and applying for a Commonwealth grant for part funding;
- seek independent expert advice from consultants with proven experience in the field of multi-purpose health facility design, including taking advantage of any advisory assistance in this area offered by the Department of Veterans' Affairs; and

- adopt a timetable for the replacement of the hospital which includes completion dates for the necessary stages such as planning, consultation and the tendering process.

Recommendation 11

The Committee recommends that, in order to maintain and increase the skills of its nursing staff, the Norfolk Island Health Enterprise allocate funds and provide time off for on-island training, and expand the present system of sending nurses to the mainland for specific area training.

Recommendation 12

The Committee recommends that the Hospital Director and medical officers continue to examine and make changes to the existing patient appointments policy and procedures in order to reduce the number of unreasonable demands on hospital staff.

Recommendation 13

The Committee recommends that, in order to make health services more affordable and hence accessible, the Norfolk Island Government and the Hospital Enterprise:

- establish guidelines to allow low income earners access to free or subsidised hospital and medical services;
- require, in the absence of a universal pharmaceutical benefits scheme, that essential, life sustaining medicines be supplied at cost, and inform the community of the existence of the special benefits currently available to those who cannot pay, in order that Islanders do not avoid seeking medical treatment
- consider subsidising the cost of medicines prescribed for long-term use to maintain good health, such as those required to lower blood pressure and cholesterol levels;
- proceed with the stated intention of subsidising the cost of child immunisation, give consideration to meeting the full cost for each child and implement an awareness campaign; and
- increase the Healthcare allowance of \$200 for travel to, and accommodation on, the mainland, to cover a return airfare and at least one night's accommodation for those who demonstrate that they cannot afford, or are not eligible for, private insurance which covers such expenses.

Recommendation 14

The Committee recommends that, as long as the compulsory Healthcare levy continues, the Norfolk Island Government make it more equitable by:

- devising a means of indexing it to income;
- raising the annual income below which an exemption from the compulsory Healthcare levy may be claimed, to a figure deemed to be a 'living wage'; and
- considering the provision of free medical and dental checkups to lower income earners as an incentive to pay the Healthcare levy.

Recommendation 15

The Committee recommends that the Norfolk Island Government proceed urgently with the Griffith University-designed strategic and operational plans, giving due attention to:

- promoting robust community awareness and consultation through the local media and well advertised public meetings;
- establishing and guaranteeing, at an early stage, a realistic budget based on a program of forward estimates; and
- supporting measures such as the funding of essential equipment, staff training and e-health facilities that will reduce the need for mainland referrals.

Recommendation 16

The Committee recommends that a scheme such as the Patient Assisted Travel Scheme be available on Norfolk Island, either through:

- an extension of the schemes presently available in the states and other territories; or
- a similar arrangement provided by the Norfolk Island Government.

Recommendation 17

The Committee recommends that, in reassessing the role and functions of the Board of Management of the Hospital Enterprise, the Norfolk Island Government:

- initiate a professional review of the role and responsibilities of the Hospital Board;
- make appropriate changes to the governing act;

- amend the principal selection criterion for the position of Hospital Director so that proven dynamic health administration experience is mandatory;
- guarantee clear authority to the Hospital Director, as the chief executive officer, to manage and execute changes within the framework of Norfolk Island Government policy;
- recruit to the Hospital Board a balance of people, including those with experience in contemporary health systems and people with business acumen; and
- institute clear accountability processes for the Norfolk Island Hospital Enterprise (which is a statutory authority), including annual reports.

Chapter 5 Aged care

Recommendation 18

The Committee recommends that the Commonwealth Government extend the Aged Care Act to cover Norfolk Island, to enable the Norfolk Island Government to access existing programs and initiatives designed to assist rural and remote communities.

Recommendation 19

The Committee recommends that, in order to enable elderly people to remain living in their homes for longer, the Norfolk Island Hospital Enterprise:

- increase the district nursing hours, and involve the district nurse where appropriate in the design, implementation and coordination of services necessary to maintain aged persons who are borderline independent in their homes;
- in consultation with appropriate staff, examine, prioritise and implement the generally low cost services recommended by Department of Veterans' Affairs, such as respite care and carer support, which would assist people to remain in their own homes;
- examine the feasibility of involving service clubs in Home and Community Care-type services, such as house cleaning and maintenance and shopping; and
- extend home assessment and accidental fall prevention services to all elderly Norfolk Island people.

Recommendation 20

The Committee recommends that responsibility for routine medical consultations for the aged residents in the hospital be devolved from the general practitioners to the aged care clinical nurse consultant or nurse practitioner.

Recommendation 21

The Committee recommends that the Norfolk Island Hospital Enterprise allocate sufficient funds to ensure that the existing physiotherapy and hydrotherapy facilities at the Hospital are maintained at optimal levels.

Recommendation 22

The Committee recommends that responsibility for liaison between the Norfolk Island Government and the Department of Veterans' Affairs be formalised, in order to take maximum advantage of the benefits available through relevant DVA programs.

Recommendation 23

The Committee recommends that, pending the construction of a new hospital or alternative aged care facility, the Norfolk Island Hospital Enterprise take immediate steps to improve the nursing home facilities within the Hospital by:

- establishing a separate cost centre and 24-hour staffing allocation, so that aged care does not lose out to the demands of acute care;
- enhancing the perceived status of caring for the nursing home patients, including increased staffing levels and training in geriatric care, in particular the special needs of dementia patients;
- improving security for dementia patients by fencing part of the hospital grounds; and
- providing privacy for residents, and an attractive and comfortable environment for aged care within the hospital.

Recommendation 24

The Committee recommends that the Hospital Enterprise consider for the future accommodation of elderly people with limited independence either:

- a suitable shared house, near the hospital; or
- purpose-built, dedicated nursing home and hostel places located within a Multi Purpose Service facility.

Recommendation 25

The Committee recommends that the Norfolk Island Government investigate the possibility of a fully or partly private sector funded retirement village to provide a variety of accommodation for people with differing levels of independence, as well as facilities for social and physical activities. Support for the idea of residents' investment should be canvassed.

Chapter 6 Emergency medical evacuations**Recommendation 26**

The Committee recommends that the Norfolk Island Government provide universal cover for the cost of medivacs by:

- raising funds to pay for all medivacs;
- sourcing a private insurer, possibly through the use of incentives; and
- exploring the possibility of a cost-sharing arrangement with the Commonwealth for the provision of medical evacuations from Norfolk Island.

Recommendation 27

The Committee recommends that the Norfolk Island Government actively pursue negotiations with the Royal Flying Doctor Service for the provision of an emergency evacuation service under a formal arrangement.

Chapter 7 E-health – existing and future possibilities**Recommendation 28**

The Committee recommends that the Norfolk Island Government investigate opportunities for expanding its e-health potential by:

- becoming involved in nation-wide collaborative consultations, such as *Health Online: A Health Information Action Plan for Australia*, regarding standards and guidelines for the implementation of e-health across Australia; and
- establishing links with a state-based e-health network.

Recommendation 29

The Committee recommends that the Norfolk Island Government, in conjunction with community groups on the Island such as the Community Health Awareness Team, make available computer facilities to allow residents on the Island to access information on health services.

Recommendation 30

The Committee recommends that all health staff at the Norfolk Island Hospital receive education and practical training in e-health technologies.

Chapter 8 Healthcare or Medicare?**Recommendation 31**

The Committee recommends that the Norfolk Island Government and the Commonwealth continue discussions of the most practicable method of providing Norfolk Island residents with an affordable, comprehensive level of health insurance.

The Committee also recommends that the Norfolk Island Government organise a series of public meetings to offer information, and seek community input, on whether to pursue Medicare or another form of comprehensive health insurance as an alternative to Healthcare.

Recommendation 32

The Committee recommends that the Commonwealth Government extend Medicare cover to:

- those Australian citizens resident on Norfolk Island whose income is below the Australian taxable income limit of \$13 550, so that they are entitled to the same access to Medicare as mainland residents who are not liable to pay the Medicare levy;
- retired residents of Norfolk Island aged 55 years and above, who have paid income tax on the mainland for a period of at least five years; and
- Temporary Entry Permit holders, resident on the Island for less than six months, who would be eligible for Medicare benefits elsewhere in Australia.

Recommendation 33

The Committee recommends that the Norfolk Island Government announce the findings of its review of the Healthcare Scheme in order that residents may consider them, and determine whether Healthcare is a feasible health insurance option for the community.

Chapter 9 Funding

Recommendation 34

The Committee recommends that the Norfolk Island Government:

- establish a program of forward estimates for health services and capital expenditure, in conjunction with the implementation plan developed in consultation with the Griffith University team; and
- establish a task force to investigate alternative sources of government funding including new taxes and charges.

Recommendation 35

The Committee recommends that the Norfolk Island Government give recognition to the valuable contribution to the health system of volunteers by providing:

- financial underpinning, coordination and direction to their efforts; and
- incentives to local employers to provide paid time off for volunteers.

Recommendation 36

The Committee recommends that the Norfolk Island Government encourage private philanthropy by inviting the Island's wealthy to fund:

- specific projects of their own choosing; and
- scholarships for training in health care designed to encourage young Islanders to return to the Island for part of their careers.