Aeromedical Services WA Inquiry – Formal Hearing Transcription
Inquirer: Dr Marcus Kennedy
Organisation: Aviator Group Pty Ltd – Mr K Thompson
Date: 15 February 2022, Time: 1047 – 1110

KENNEDY, DR: Okay, let's get started. I'd like to thank you for your interest in the inquiry and for your appearance at today's hearing. The purpose of the hearing is to assist me in gathering evidence for the inquiry into Aeromedical Services in Western Australia. I'll begin by introducing myself, my name's Marcus Kennedy and I've been appointed by the Chief Health Officer to undertake the inquiry. Beside me here is Jonathan Clayson who's the Inquiry Project Director.

I would ask that you be aware that recording of this session is not permitted and that it would be appreciated if you could ensure that your phone is on silent or switched off.

The hearing is a formal procedure convened under part 15 of the Public Health Act 2016 and so while you're not being asked to give your evidence under oath or affirmation it is important that you understand that you must answer all questions and that there are penalties under the Act for knowingly providing a response or information that's false or misleading.

This is a public hearing and a transcript of your evidence will be made for the public record. And if you wish to make a confidential statement during today's proceedings you should request that that part of your evidence be taken in private. You have previously been provided with the inquiry's terms of reference, the current considerations paper, and information on giving evidence to the inquiry.

So, before we begin do you have any questions about today's hearing?

THOMPSON, MR: It's understood, Dr Kennedy, I appreciate the qualification.

KENNEDY, DR: Thank you. For the transcript could I ask you to state your name and the capacity with which you join us today?

THOMPSON, MR: Most certainly. My name is Keith Thompson, I'm the Chief Operating Officer of Aviator Group, which is a nationally based but Brisbane headquartered helicopter services business.

KENNEDY, DR: Thank you very much. So, you're now invited to address the considerations paper or other matters that you may wish to bring before the inquiry. I'm happy for you to speak for, you know, up to 15 or 20 minutes, if that's required, after which I will ask any questions that I might have. And I'll try not to interrupt you along the way unless there's matters that I don't understand or need clarification during the presentation, so over to you.

THOMPSON, MR: Thank you, Dr Kennedy, much appreciated. I appreciate the considerations paper, which is very detailed and robust at this stage, and I look forward to seeing its further progress. I've certainly taken in the interests of time, the very brief time that we have available together, I really for my mind highlighted two particulars out of the considerations paper, which I will address. That being the corporate systems governance organisational structure element and the funding model and, if time permitting, subject to Q&A I'm more than happy to address the aircraft component given my background and expertise.

Just very briefly I have an extensive fixed wing airline and general aviation and air ambulance background over many years and that includes speciality roles in flight training and standards in the Qantas Group and within the Emirates Airlines Group amongst other things. So I've been in aviation for over 40 years, so hopefully I can make a representation and speak with experience to some of these matters.

But if I may, and it's effectively a statement because - rather than going back and forth, as you've indicated, so if I may just sort of start in the policy and systems area. I think this inquiry I've been very welcoming of it and I think it presents a unique opportunity really to review the entire (indistinct 10.51.46) system within the Aeromedical Services within WA and really to ensure strategic alignment across agencies, contractors, ambulance, hospitals and other ecosystems partners, so I congratulate the government and yourself for progressing this and I wholeheartedly endorse the inquiry.

Importantly, I believe it requires as part of that process under policy the system requires the establishment of an aeromedical transport management taskforce to holistically consider the following but not limited to a capability assessment that would consider a systematic review of current aeromedical retrieval and related services to assess for gaps in services, duplication, asset class, and mix adequacy of service and opportunities to improve integration, including that for maternity, mental health, paediatrics and neonatal. I do confess I am not a clinician but obviously with my background and interest in Aeromedical Services I try to be as well versed as I possibly can.

Continuing on from that in a role that (indistinct 10.53.00) actually look at the governance of management framework to include possibly a board structure, well certainly board structure and governance, policy, review of clinical governance framework, including clinical oversight of services, which would include analysis and benchmarking of current practice, clinical guidelines, performance metrics, and patient management and outcomes in other health services against current practice.

Risk mitigation strategies, interoperability between assets, allowing the service to remain agile and exceedingly responsive to agency needs while ensuring the best patient outcome. Establishment of its strategic capability framework for the delivery of Aeromedical and Emergency Services throughout the entire State of WA, including how and whether alternative service delivery models in other jurisdictions would meet the needs of the community considering service utilisation and capacity, patient journey, tasking and coordination, current and future projected demand, and consideration of capability, and capacity at regional hospitals and regional and remote non-hospital services. Improved operational and business reporting and knowledge management, just to name several attributes.

Review of the clinical governance framework, including clinical oversight of service, which would also include importantly how the 000 calls are received, assessed, prioritised and dispatched in the metropolitan areas as well as those in the regional centres. Analysis of benchmarking of current practice, clinician models, clinical guidelines, performance metrics, and patient management and outcomes in other health services against current practice. And further to the above consideration of clinician models for both low acuity and high acuity patient transfers. And following on from that improvement and expansion of transport and repatriation of regional low acuity P4 patients. And importantly, more efficient use of airborne or land-based assets for interhospital transfer by HPT.

Approximating and improving costing and pricing for service delivery and that would lead into my funding model discussion or brief, which I will do shortly, and not to forget future innovation and use of technology such as VTOL and eVTOL aircraft and improvements in telehealth and telemedicine as part of that clinical governance framework remit. Are you happy for me to continue?

KENNEDY, DR: Yes, please.

THOMPSON, MR: If I then single out the funding model and there's obviously a very lengthy discussion but I'm trying to cover two salient points. Certainly from my experience and recent modelling for both current ERHS services in southwest Western Australia and that in the Pilbara region there is certainly more adaptable funding models that can provide a leaner and more efficient use of capital thereby reducing burden on the government, including forecast capital asset replacement and current and future infrastructure requirements.

Our major shareholder by far and 90 per cent is an actual pension fund and certainly, we work very closely with them in terms of investment and funding models for a variety of our contracts and business initiatives.

And, therefore, I'm confident that a funding model can be extended to (indistinct 10.56.37) a better asset mix and capacity across broader regions to provide across the entire of Western Australia while reducing the financial burden to government and honouring State supply (indistinct 10.56.47) and government policies that would be value for money, probity and accountability, open an effective competition and sustainable procurement.

Speaking from a corporate funding perspective, as I alluded to earlier, it is beneficial to achieve longer tenure contracts and from our perspective somewhere in the order and magnitude of 10 years is actually more preferable to underwrite such an investment that would be required and provide a surety for investors, staff, State, and other stakeholders alike.

The health system quite clearly is under pressure and it requires the identification of cost benefits, efficiencies and quality that contracted services can provide in a leaner and more adaptable manner than the government. To achieve this consideration must also be given to innovative delivery models that will add value, improve safety, reduce risk or reduce costs of service in the delivery of the various types of services that are required.

To achieve this objective, and I strongly believe this, there is a need to work upon the foundation of a collaboration and a trusted partner with government, corporate sector, and the local community certainly with the sole intent of delivering viable medical rescue services to both metropolitan and remote areas of Western Australia. One such partnership that exists currently is that between St John Ambulance and Aviator Group whereby we're working on a number of collaborative initiatives.

I will stop there for the moment, if you like, and I don't have a statement in respect to aircraft because there is actually obviously many and varied review of both fixed wing, rotary and VTOL, eVTOL assets. So, if I may I'll pause there and hand back to you respectfully.

KENNEDY, DR: Thank you very much for your presentation and for that well considered material. I'm interested in understanding your view on how partnerships that you've described with St John's Ambulance may feed into the thinking that we're starting to progress in terms of the aeromedical system. Can you be more explicit about, you know, any proposals for improvement or for system change or enhancement that could be of value to the inquiry?

THOMPSON, MR: Most certainly. A more recent example is a joint initiative we have been working on with St John in the Pilbara region. We currently have a very busy contract there with Pilbara Ports Authority, we have three assets in location. And it had been identified over a number of years that there's most certainly a critical need for a HEMS service in the Pilbara and then the broader northwest region.

So we set about some 18 months ago with St John to garner their interest and there certainly was for us to actually look at this as a collaborative project and we set about modelling that both independently and collectively to arrive at a business model that would be supported by both State, Federal Government under the Building Better Regions Fund. We had already garnered significant support from the corporates BHP and (indistinct 11.00.41) et cetera and likewise from the community.

So we set about that and at this stage it sort of - it actually is the situation where it could be operational very, very - within a very short period of time should we obviously be able to progress. That being said I'm also a pragmatic person insofar as this inquiry I suppose the outcome of the DFES tender. And I think while I'm mentioning that I do actually personally and professionally support that the health or the management of these assets and these contracts however they may ultimately be shaped into the various regions should be a health asset, so I just - I convey that to you.

And so we've gone about with St John modelling that on a dual clinician being a critical care paramedic and a PSA specifically for that particular operation. I'm not saying in terms of high acuity patients that then it wouldn't require a medico, which is, of course, the benefit of ultimately this review because we can actually look at the different service models that may be applicable.

We've also extended that conversation with St John recently to look at where we could actually put and better place assets and how we might be able to fund a greater spread of assets across the regional centres such as Busselton, Kalgoorlie, Geraldton, Port Hedland, Broome, for example. And how we could actually collectively do that and actually provide a whole new funding model, which ultimately, I actually had planned and prepared to present to government and I've actually made inquiry to respect of Ministers at the time. That being said clearly, and I am supportive of that, I think this is an opportunity, as I said in my opening remarks, to have a completely fresh approach to this, start afresh and work together collectively with subject matter experts from all the disciplines that would actually ultimately lead to probably the same model and collaborative modelling with ambulance, with government, with industry, with community, as I've expressed.

And so we've actually looked at the modelling which would actually - you know, to give you, and I don't want to sound flippant in this comment, but if we look at the money that would be currently invested in just the DFESWA tender alone I'm confident that we could actually with that money and with the funding model I propose we could effectively double, if not more, the coverage of assets across the State without the government paying additionally over and above what would arguably be the fee to fund the existing southwest region (indistinct 11.03.38) service. I trust that makes sense. I'm happy to take a question.

KENNEDY, DR: Yes, I mean what you've just raised is an interesting proposition or consideration. If I read, you correctly you're suggesting that the - with the same funding your business model would propose twice the resource that's currently provided in the DFES contract.

THOMPSON, MR: That's correct, Dr Kennedy. So effectively (indistinct 11.04.22) twice the resources for no more burden to the government as would be currently the case under the current tender.

KENNEDY, DR: I guess my first reaction is that that sounds like a free lunch. It's hard to understand how, you know, a current competitive tender process could not have considered that or the options that you must be suggesting.

THOMPSON, MR: If I may, sir, it would require a different purview of the entire funding model.

So, I'm not suggesting that the whole funding model would have to be reviewed, as I have suggested to you. And with a more leaner, more efficient use of capital and that spread across both State, Federal, community and corporate is what I'm saying but there would be no further burden to the government. But the DFES tender did not provide us that opportunity. It did provide an opportunity to quote for an additional asset but there was no clarity in the tender respectfully to even suggest where that asset may be located, as I raised with DFES. Well, it'd be - you know, we'd need to know where you would intend to locate the asset for us to legitimately provide an absolute solid pricing mechanism for it.

So we provided that pricing as an additional asset over and above the three that's required. But quite clearly the third asset, if you like, in that contract is a spare technical backup asset. With the assets that we propose, which are more modern and arguably more reliable, have a much better continuous maintenance program, that third asset could be more (indistinct 11.06.13) employed equally as well, so there's opportunities to get those efficiencies. So I know that's a very big - they're very big statements but I'm just trying to - I don't want to generalise it but I'm just trying to give you a sense that that's why I think there's an opportunity to completely start afresh almost.

KENNEDY, DR: Yes, I understand. I guess what you're proposing is a fairly significant amount of material to digest and to understand and it may be better if that could be presented to the inquiry in a written submission, if that's - if you're comfortable to do that.

THOMPSON, MR: Certainly. I would need a little bit of time, just given current workload, to be able to do that. I certainly wouldn't be able to respond and probably at least until maybe the end of next week or beyond that. Up to that point I'm sort of very heavy (indistinct 11.07.19).

KENNEDY, DR: Yes, no, no, that's fine. I guess it's amongst a range of things that are kind of appearing at this point, which would be important for to consider, in terms of, you know, recommendations and the shape of the system in the future. So, it would be appreciated if you could provide that for us. Are there any other matters that you'd like to bring before the inquiry today?

THOMPSON, MR: I think respectfully given what I've said and some of the gravitas of all those issues I think I would let it rest at that unless there's anything - I'm more than happy to take any questions on notice. But rather than get into aircraft I think I've highlighted now that I think we need to really reconsider the whole mix of assets, their location, the type of assets, the interoperability amongst many, many attributes.

KENNEDY, DR: All right.

THOMPSON, MR: So, I think I've covered the sort of - because the fundamentals of what I've covered would actually underpin and be the foundation for this entire suggestion - the suggestions I've made.

KENNEDY, DR: Yes, okay, I understand that. And certainly, the material that you have presented to us has been clearly well thought through and it's clear.

There's a lot in what you've said, and it will be important that we go back and look at the transcript in detail and re-examine the material that you've placed before us, which we will do obviously. So if there's nothing further that you wish to bring to the table today I would probably conclude by thanking you for your time and for your attendance at the hearing and for your contribution to it, which is obviously valuable, and we look forward to the remainder of your submission.

The transcript of this hearing will be sent to you, so that you can correct any minor factual errors before it is placed on the public record. You need to return the transcript to us within 10 working days of the date of the covering letter or email otherwise we'll deem it to be correct. And while you cannot amend your evidence, if you would like to explain particular points in more detail or, as we've discussed, present further information you can provide this as an addition to your submission to the inquiry when you return the transcript, if that's your preference.

So once again, thank you for your attendance and for the evidence that you've put forward to the hearing today. Thank you.

THOMPSON, MR: Thank you, Dr Kennedy, I appreciate that. Thank you, Jonathan.