



Dear Members,

I have attached for your information an article from the ABC News published on 28 April 2023. It deals with an announcement by the Board of the Stirling Hospital that it is exploring the option for a merger or collocation with the proposed health hub at Mount Barker.

I draw your attention to the huge cost (\$50 million) of redeveloping the hospital to meet modern standards as demanded by the SA Health Licensing Unit. Also, the cost estimate to build an entirely new hospital on a 'greenfield' site is \$12 million.

Were the McLaren Vale Hospital to wish to redevelop its facilities to meet modern standards then it would be reasonable to anticipate costs of a comparable level to those quoted for Stirling Hospital. This would be the case because the SA Health Licencing Unit would impose the same requirements as they have at Stirling.

The Board has been accused by some members of too readily dismissing the redevelopment option for the McLaren Vale hospital, but I think that the experience of Stirling Hospital supports the Board's contention that this option is far too expensive to contemplate even if the capital funds were made available. Clearly, the Board of the Stirling Hospital has reached this view.

Unfortunately, the option of collocation or merger with another hospital is not an option at McLaren Vale but there is a clear opportunity to merge with James Brown Trust Kalyra which has the management and financial capacity to redevelop the site to provide a new range of services for the community.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Overland'.

Chris Overland
Chair

Extracted from ABC News (28 April)

Stirling Hospital in Adelaide Hills in talks to move to Mount Barker

A private community hospital in the Adelaide Hills that has served residents for nearly a century may be moving, leaving some locals "shocked".

Key points:

- Stirling Hospital, a private facility in the Adelaide Hills, may move to Mount Barker
- An assessment found the hospital needs significant building works, which would cost more than building a new facility elsewhere
- Some locals say they want the hospital to stay in Stirling

Stirling Hospital has confirmed it has been in discussions with an Adelaide-based developer about moving to a proposed healthcare hub at Mount Barker.

An assessment by the SA Health Licensing Unit has found the hospital needs "significant building works to achieve compliance" to retain its private healthcare facility license.

Chair of the Stirling Hospital Board, Cathy Miller, said the significant building works needed to maintain compliance had been costed at more than \$50 million.

Those works would involve increasing the size of existing operating theatres and the central sterilisation supply department, as well as enhancing the hospital's current ventilation system and other mandatory infrastructure work.

"As a small, community-based not-for-profit hospital that represents a significant level of operating capital," Ms Miller said.

"As a board, it has been our responsibility to consider and cost all possible options to bring the Hospital up to the standards, and re-locating within the Adelaide Hills is the preferred solution at this point in time."

Ms Miller told ABC Radio Adelaide current estimates to build a new purpose-built facility come in at about \$12 million.

"Of course, it would be state of the art," she said.

"And we would also have the proceeds from the potential sale of the site to fund quite a lot of that, if not all of it."

She said if the hospital does move to Mount Barker — which was the board's current preferred option — it would no longer be called Stirling Hospital.

"We haven't arrived at a decision about the new name," Ms Miller said.

"We are a hospital for the Adelaide Hills and really that's what we are trying to future proof the hospital for, as well as recognise the excellent history of Stirling Hospital."

'Nobody expected this'

Stirling Hospital was opened in 1927 and has served the local community ever since.

Stirling Business Association chairman Simon Jones said residents were "shocked" over the potential move.

"It came right out of the blue and nobody expected this," he said.

"I would like to see some negotiations between the hospital and the community to see if there's any way we can keep the hospital in Stirling.

"Stirling has an ageing community compared to a lot of places.

"We have depended on the hospital in many ways for nearly a hundred years."

John Hill, from the Stirling District Residents Association, said residents from Stirling, Aldgate, Bridgewater, Crafers, Heathfield, Piccadilly and Uraidla would be affected if the hospital was to relocate.

"It is a very large community, and it needs to be serviced," Mr Hill said.

"A hospital is a very important part of facilities available to a community of that size and we don't want to lose a hospital."

Ms Miller said the board was yet to arrive at a decision and it would need to hear from a range of people before it formalises its position.

In the meantime, the hospital has worked with the SA Health Licensing Unit to make a number of changes necessary in order for it to continue in the short to mid-term.

"There is nothing comprising patient's safety or staff safety at this point or for the next two years," Ms Miller said.