Aeromedical Services WA Inquiry – Formal Hearing Transcription
Inquirer: Dr Marcus Kennedy
Organisation: Medical Air Pty Ltd – Mr S Gifford, Mr M O'Grady
Date: 15 February 2022, Time: 1004 – 1026

KENNEDY, DR: Good morning.

GIFFORD, MR: Hi, good morning.

O'GRADY, MR: Good morning.

KENNEDY, DR: Thank you for your attendance here. Thank you for your interest in the inquiry and for making yourself available today. The purpose of the hearing is to assist me in gathering evidence for the inquiry into Aeromedical Services in Western Australia. I'll start by introducing myself, my name's Marcus Kennedy and I've been appointed by the Chief Health Officer to undertake the inquiry. And beside me is Jonathan Clayson who's the Inquiry's Project Director.

I need to make you aware that the use of mobile phones and other recording devices is not permitted in this room and also please make sure that your phones are on silent or switched off.

The hearing is a formal procedure convened under part 15 of the Public Health Act 2016 and 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. So, if you wish to make a confidential statement during today's proceedings you should request that that part of your evidence is taken in private. I believe that you've previously been provided with the inquiry's terms of reference and the considerations paper and general information about providing evidence at the inquiry today. So, before we begin do you have any questions about the hearing?

GIFFORD, MR: No, no questions.

KENNEDY, DR: Okay. For the transcript could I ask that each of you state your name and the capacity in which you are here today?

GIFFORD, MR: My name's Shane Gifford and General Manager of Medical Air.

KENNEDY, DR: Thank you.

O'GRADY, MR: Michael O'Grady, Aviation Manager and CEO for Medical Air.

KENNEDY, DR: Thank you.

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 do that in any way that you are comfortable talking together or separately et cetera. And we've got roughly 15 or 20 minutes that you can use to speak to the inquiry and then we'll have some questions after that or discussion.

GIFFORD, MR: Yes, okay.

KENNEDY, DR: Okay, so go ahead. You're welcome to remove your mask, if you need to, to speak more clearly but that's up to you and otherwise the rest of us will stay covered up.

GIFFORD, MR: I'm not sure where to start, Michael.

O'GRADY, MR: So, I mean we're here on behalf of Robert Liddell I suppose, that's the chief - well, our medical officer or director of the company. And he did have some concerns or suggestions about the sort of service in WA, so I'm just going to pick up on those two.

KENNEDY, DR: Yes.

O'GRADY, MR: If that's okay with you. His first one was the - how will the likes of the RFDS cope with a surge and the demand especially with COVID just around the corner. I think we feel that, you know, we're a service just literally next door that has medical air ambulance capability inhouse. We still have international repatriations. But we seem to be overlooked for any sort of assistance even though we've spoke to them and we're approved. I think we feel that we're just not involved in it, so that's one part I think Rob's coming at.

And I think his - in terms of at the risk of having it with one organisation again, you know, it's the surge for two types of aircraft there's certain risks. And what I mean by that is, you know, if one went technically grounded from a manufacturing thing, it would have a massive impact on the availability of aircraft. Again, that we see as a risk and again it's an area that we could actually fill we believe.

And also, the organisation, the command centre as it were, you know, there's certain instances where we could have been used, again we're not considered to take on the operation. So, they're our main ones. And another one I suppose that's out there that was in there is the commercial competitiveness or in the commercial market. So, we do stuff for oil and gas companies and the rest and I suppose it's the use of assets to bid commercially is another sort of concern that I have.

KENNEDY, DR: Okay. Can you just talk a little bit further to that last point?

O'GRADY, MR: So, for instance, you know, the likes of Impex or Western Gas, you know, companies that (indistinct 10.09.40) in tenders with and negotiations, especially the latter one. We're informed that they've gone with the RFDS and that's the statement. Whereas we tend to on an occasion like that provide a monthly 24-hour standby service but we fail in a lot of cases where we're cut out of that market. And that's just pure competition, you know, but it just seems slightly unclear to what the boundaries are of the RFDS and whether they do encroach into the commercial competitive world or is it a State project I suppose or funded business that, you know, it's priority based for healthcare. So that's one of my other concerns, not mentioned by Rob, but actually something I would like to bring up.

KENNEDY, DR: All right, that's fine. So, I mean are you suggesting in what you're saying that there's something other than a simple competitive commercial process at play?

O'GRADY, MR: I wouldn't say that, I just find it's quite hard for businesses like us to compete with the breadth and depth of funding of the RFDS - - -

KENNEDY, DR: Yes.

O'GRADY, MR: - - - on a competitive field. Even though we are there and that's what we do the monopoly seems to be with these guys, you know, so it makes it difficult for us.

KENNEDY, DR: So just tell me a little bit about your business in terms of what's the profile of Medical Air in terms of its scope of activities and - - -

O'GRADY, MR: So, we actually - we have four operational medical air ambulances and they are jets. We have a medical director, nurses. We have a fixed base of operations at Perth Airport, so we have a dedicated facility. At our facility as well, we can - we have international (indistinct 10.11.45) clearance and Border Protection clearances. So, we're used to dealing a lot with international repatriations and it's basically the - you know, the one stop shop, it's ad hoc in a lot of ways for insurance companies.

We do stuff for NETS, so we do the occasional stuff for WACHS. But, yes, it's all inhouse medical air ambulance business. With four jets typical range, you know, we can go to Bali in one in a lot of cases to give you an idea of the range at commercial aircraft speeds. So, yes, and it's - they're ICU configured, so we do bed to bed repatriation. So, a call will come in, it will be assessed by the medical director. They'll allocate the nurses who do the jobs and organise admission to hospital as well in our ambulance, if needs be. So, it's full one stop shop.

KENNEDY, DR: And do you have a contract with NETS?

O'GRADY, MR: Yes. Yes, we do. We're actually - that's correct, isn't it, Shane?

GIFFORD, MR: Yes, we do.

O'GRADY, MR: (Indistinct 10.12.51).

GIFFORD, MR: Yes.

O'GRADY, MR: And also, we'd be in Indian Ocean Territories, so Christmas Island, Cocos Island. Like we're doing a job this morning for them.

KENNEDY, DR: And are you part of the panel of kind of overflow providers that RFDS could access?

O'GRADY, MR: We've been audited by them, we're available, we've met with them but for some reason we don't get the call.

KENNEDY, DR: Have you ever been commissioned by them to do work on their behalf?

GIFFORD, MR: I think we have on one occurrence, just for a NETS job, that they were unable to do and they commissioned us for it and that was motivated by NETS themselves. They told RFDS "You can't supply the service, so call Medical Air".

KENNEDY, DR: Get us a jet.

GIFFORD, MR: Yes.

KENNEDY, DR: Get us a jet now. Okay. Why do you think that is - I mean are you aware of other overflow companies being used?

O'GRADY, MR: In some cases what will happen, for instance, if - say Christmas Island is an example or Cocos, we are one of the preferred suppliers for that service. However, it appears

on occasions where if the RFDS can't do it because of capacity of aircraft or whatever they will subcontract out to other parties without us being considered for it. So that's an example of where it happens but in general, we just don't seem to get a call from them and, you know, we don't quite understand why but that's the situation. We would like obviously to have a better relationship with them. They were looking at sort of the care of what we're there to do but - - -

KENNEDY, DR: Do you have a view on why that's the case?

O'GRADY, MR: I suppose monopoly is a wonderful word, you know, it's - I think they like control of the market. Whether we're seen as a threat, which we're obviously not. I'm not quite sure and that's why we just don't really understand why we don't get the opportunity in those cases, you know, so - - -

KENNEDY, DR: Is there a cost issue? I mean how does that work if RFDS were to contract you or someone else?

O'GRADY, MR: We're competitive, very competitive.

GIFFORD, MR: It's similar costing.

O'GRADY, MR: Sorry, Shane, what was - - -

GIFFORD, MR: Yes, it's similar costing, similar charge.

O'GRADY, MR: Similar costing, you know, there's not extremes. In fact, if anything, in some cases it will be up and down, so it's very close in terms of median cost.

KENNEDY, DR: Okay. You mentioned the concept of coordination. So, I mean at the moment decisions in regard to tasking are made by RFDS who is also the contract holder for delivery of that service. And, you know, I'm sure you would be aware that RFDS would have - has a contract with the State and it has certain elements to it and that they would be paid for the work that they do. You I think mentioned the concept of centralisation of tasking or coordination, is that something you - - -

O'GRADY, MR: Yes, that was something that Rob put in his submission I suppose is the model from Queensland, New South Wales were to mitigate that risk of one provider. It's I believe done in a control or a command centre there.

They actually allocate based on priority the actual jobs. And I think, yes, I think that was the suggestion that he said of having a mix of providers as opposed to just one dedicated one.

KENNEDY, DR: And what does - I mean apart from a commercial opportunity, which is kind of obvious, what does the company propose is the advantage of a system like that where there are more than one provider?

O'GRADY, MR: I think it adds more capacity to the State. You know, in some ways where - I'm not sure about the KPIs and the delivery of performance but it's just its assets there, we're literally, you know, very close, very capable.

KENNEDY, DR: If you consider that the State's bucket of money is a certain size and that bucket of money is not going to change in size the proposal that you would have changed the arrangement of what's inside the bucket - - -

O'GRADY, MR: Yes.

KENNEDY, DR: - - - in terms of not just one provider but multiple providers, it doesn't actually increase the capacity of the system. Do you understand what I'm saying? It's still got that much money to buy services.

O'GRADY, MR: Yes.

KENNEDY, DR: It just changes who delivers those services.

O'GRADY, MR: Correct. And, you know, predominantly we look for ad hoc ones, so as and when required.

KENNEDY, DR: Yes.

O'GRADY, MR: So instead of that pod of money being paid to do something that can't be done at the moment spend it on this facility or a capability that can and it won't really affect the pot if things are sort of a similar costing. So, it's just that choice to spend it on A or B to get the result.

KENNEDY, DR: And the advantage of having the multiple providers within that space you're proposing may relate to potentially industry issues that, you know, if aircrafts were - or grounded or something.

O'GRADY, MR: That's one. If I'm honest I think that's quite a remote sort of one but it is a possibility.

KENNEDY, DR: Are there other advantages?

O'GRADY, MR: I think it's the ability where demand or surge - - -

KENNEDY, DR: Yes.

O'GRADY, MR: - - - is under pressure especially - - -

KENNEDY, DR: Flex up when you need to - - -

O'GRADY, MR: Yes, absolutely, just - - -

KENNEDY, DR: - - - without a long term - - -

O'GRADY, MR: Absolutely, just have that ability to actually use a party to help out at that peak time or that surge. For instance, you know, the input of COVID, which - - -

KENNEDY, DR: Yes.

O'GRADY, MR: - - - is not far away, you know, what the demand is.

KENNEDY, DR: Yes.

O'GRADY, MR: You know, with a lot of those cases coming under the sort of - - -

KENNEDY, DR: Yes.

O'GRADY, MR: - - - the control of the government.

KENNEDY, DR: So, if there were periods where there was, you know, surges in activity requirements and the ability of the contractor to service that in terms of, you know, response times - - -

O'GRADY, MR: Yes.

KENNEDY, DR: - - - and so on if that were deteriorating at some level why would you think that the - why would the system not do exactly as you've suggested and look for surge capacity externally?

O'GRADY, MR: And that's probably the question, that we don't know why it doesn't happen. You know, like other providers - we're the to the best of my knowledge the only provider that's the full inhouse with the medical nurses, the ICU beds on the aircraft and the jets and the capability but - - -

KENNEDY, DR: And what's your kind of stand-up time and availability?

O'GRADY, MR: So normally, I mean it depends on the case, but within a couple of hours normally would be the one for us because we're not on the 24/7 standby waiting for the call, we're ad hoc, so there's a response time in activating that. By the time you do the flight plans and analyse I suppose the case and what's required, and the level of medical attention required for that it does take a little bit of time. You know, that's traditionally what we do the ad hoc work.

KENNEDY, DR: So, you know, a couple of hours in terms of aeromedical response depends on what kind of case you're trying to fit - - -

O'GRADY, MR: Yes.

KENNEDY, DR: - - - into that window that - there would be the vast majority of work that's done in this State has a stand-up time that's in that kind of range. It's not a very high proportion of the cases that are met with a, you know, 75-minute response time or something.

O'GRADY, MR: Yes, and that's a typical type of example, you know, because there is a process to follow. You know, obviously being in aviation it's not like jumping in an ambulance and going down the street, there's a lot of preparation, fuelling considerations and planning as a part of that process.

KENNEDY, DR: Okay. If you're suggesting I suppose through what you've said that there may be some kind of systematic disadvantage that you face at a commercial level and the State has an approach which allows for the contract provider to subcontract out at these sorts of scenarios and I guess I have already asked you why you think that might be the case. Do you see that this is a major issue in terms of its threat to the system? Do you think it's a commercial concern or, you know, where - - -

O'GRADY, MR: I think - - -

KENNEDY, DR: - - - do you see this in terms of, you know - - -

O'GRADY, MR: Yes, I think there's a mix of both.

KENNEDY, DR: And how do you see a resolution? Do you feel it needs to be resolved? Obviously, I'd suggest you do. And what would you see as a solution to the concerns that you've expressed?

O'GRADY, MR: I suppose the way it's set up now the decision to activate the parties is done by the primary contractor. So how does that work? What are their mechanisms to do that? Is there a feeling of control or monopolising on the full market? You know, if it was done by a different sort of - I mean we read about the command centre or - and stuff. They could make a medical based decision at the time as opposed, you know, what appears to be it goes to the RFDS and then they prioritise what happens, when it happens, and who gets what service when. You know, it would be good to - - -

KENNEDY, DR: Okay. So, I guess what you're suggesting from my perspective is a greater involvement of the contracting and coordinating body, which is central - - -

O'GRADY, MR: Yes.

KENNEDY, DR: - - - with the provision of those services in real time, so that if there are issues of surge management or demand overflow et cetera that the system manager, the responsible authority is aware of that closer to real time and can ensure that there's a response to it - - -

O'GRADY, MR: Yes.

KENNEDY, DR: - - - as opposed to reading it in next month's KPI report.

O'GRADY, MR: Absolutely. You know, it's that control of assets available to deliver the sort of outcome.

You know, so there will be cases where, you know, they can't for whatever, it might be surge, it might be busy, and they can't do it. So, you know, at the end of the day it's the medical attention the person needs and if there's a capability available at no real cost detriment to the budget, well, you know, surely it can be considered.

KENNEDY, DR: Okay, I understand that. Is there anything else that you wanted to speak to in particular today?

GIFFORD, MR: No, I think Michael's covered it really well.

KENNEDY, DR: Okay, yes, that was very clear. Thank you for your - for that presentation and thank you for attending the hearing today. A transcript of this hearing will be sent to you, so that you can correct any minor factual errors before they're placed on the public record.

You will need to return the transcript to us within 10 working days of the date of the covering letter or email otherwise it will be deemed to be correct. And while you can't amend your

evidence, if you would like to explain particular points in any more detail or present further information you can provide this as an addition to your submission to the inquiry when you return the transcript, if you should wish to. So once again, thank you very much for your evidence and for attending today.

GIFFORD, MR: Thank you.

O'GRADY, MR: Thank you very much.

KENNEDY, DR: Thank you.