

HEALTH BUDGET, COST OVERRUNS

395. Mr BOARD to the Minister for Health:

The state health budget has been brought down three months into the 2001-02 financial year with a less than one per cent real increase and with the knowledge that the public hospital system is reportedly at least \$120 million over budget since June. Given that the hospital system is clearly demanding a higher level of expenditure three months into the 2001-02 financial year, I ask -

- (1) How will the Government meet the existing cost overrun?
- (2) How will it prevent the system from running out of money by early next year?

Mr KUCERA replied:

I thank the member for some notice of this question.

- (1)-(2) It is quite simple. Reforms are desperately needed in the health system. We have been talking about that since day one. The reforms must be clinical and made by clinicians, not by shutting kitchens, cutting down the bottom end of the industry and contracting out, as was done by the previous Government. Some hard decisions have to be made in health about the role of hospitals, clinicians and managers who are expected to manage their budgets -

Mr Board interjected.

Mr KUCERA: If the member for Murdoch wants to hear the answer, he might show a bit of civility. Some major reforms must be made within the health budget and within the health system generally. Managers have been given their budgets. Managers are expected to manage within their budgets, and managers are telling me that that is the case. In addition, there have to be the reforms that I have already talked about. Those opposite tried by cutting the bottom end; we will do it by proper reform of the clinical processes.