

## **HEALTH SYSTEM, DETERIORATION**

### *Matter of Public Interest*

**THE SPEAKER** (Mr Riebeling): Today I received a letter from the member for Murdoch seeking to debate as a matter of public interest the following motion -

That this House condemns the Minister for Health for his total failure to deal with the rapid deterioration of the Western Australian health system.

If sufficient members agree to this motion, I will allow it.

[At least five members rose in their places.]

The SPEAKER: The matter shall proceed on the usual basis.

**MR BOARD** (Murdoch) [2.40 pm]: I move the motion.

I stand here today some three months after the start of the 2001-02 financial year and some seven months after the state election, and the health system in Western Australia is in a far worse state than when it was handed over by the Court Government in February this year. The health system in Western Australia is deteriorating. I bring this issue to the Parliament today as a matter of public interest because unless the minister urgently deals with the major issues confronting the health system, by Christmas or early next year, there will be massive closures in the health system and an inappropriate delivery of health services to the citizens of Western Australia. I mentioned during my budget speech yesterday that the metropolitan health system had already overspent its budget by \$120 million. The demand on the public health system, and particularly on acute hospitals, has been at such a level that the hospitals are struggling to provide an adequate service. In doing so, they are spending well beyond their budget allocation. The minister and the Government know that; they brought down a budget some three months into the financial year knowing that \$120 million had already been overspent in the metropolitan health system. The budget cannot meet the current level of operation, let alone any existing demand. The hospitals are being stretched further and further.

The budget this year provided a meagre three per cent increase in funding for health. In real terms - allowing for the rise in the consumer price index - that is a 0.86 per cent rise. That is a totally inadequate response because it will not meet the demand within the health system. The minister knows that the health system is running at a much higher level of spending than that. He knows that the system is in debt and that it cannot meet, in any way, the demand within the system. This budget has adjusted the budget allocations provided under the previous Government. The budget has been adjusted upwards by about 13 per cent on the 2000-01 budget of the previous Government to meet the new accrual accounting standards, which saw the inclusion of superannuation, depreciation, leave expenses and so on. However, unless health services, and particularly regional hospitals, receive a real increase of 13 per cent, they will in fact be worse off. In real terms, our hospitals will be far worse off than before if they cannot meet the demands for wage increases for nurses, doctors and salaried officers, or to scale in the cost of CPI. The minister knows that.

The Opposition has raised this issue today because the response to this problem by the Government has been totally inadequate. If that three per cent rise - which is less than half the coalition Government's increase in health each year - were not meagre enough, the forecast increase in health is just 1.5 per cent, when the demand is still running at about seven or eight per cent. There will be a two per cent increase the following year. That is a real cut to health; it cannot be denied. The actual sum spent in 2000-01 was nearly six per cent more than the budgeted figure. The minister and his bureaucracy know that the system is running at that level and has been doing so all year. Since June, the health service has spent \$120 million over the budget allocation that has just been brought down, yet there is no plan to rectify that overspending. There is a critical increase in our health system in the number of people waiting for surgery. There are difficulties at the emergency level. Beds have been closed as hospitals try to rectify their budgets.

The critical shortage of nurses is continuing unabated in our system. There was a lot of hype and talk prior to the state election about the so-called package for nurses. This minister and his colleagues put out a press statement saying that the nurses would receive a \$289 million package under a Labor Government. I can show the minister his press release. However, what is in the budget? It is a much smaller figure. The budget contains a pay allocation of \$12 million for the 2001-02 financial year. The figure is \$25 million for 2002-03, and \$33 million for both 2003-04 and 2004-05. That is a total of \$103 million. There is also a \$12 million allocation for professional development. That is a total package of \$115 million. Where is the money for the recruitment of new nurses? Where is the \$289 million package that was indicated in the minister's press release? Where is the

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plan for the recruitment of nurses? What can hospitals do now to deal with the nurse shortage, which is causing bed closures?

There has been a critical lack of response to the needs of the community of Western Australia. Not only is there a huge shortage of nurses, but also the hospitals are now having to make difficult decisions about the way they will deliver services to the community. Royal Perth Hospital has a low activity day each month to try to assist its budget. It looks like the whole of October will need to be low activity. The hospital is trying to draw back from the situation in which it finds itself of no longer being able to meet the demand. Royal Perth Hospital's administration has indicated that its budget shortfall will be \$35 million. It is cutting back theatre use because its budget has already overrun by \$10 million. It has a critical shortage of nurses and no way of meeting the demand within the system. This shortfall will result in a complete lack of service. It is the same story at Sir Charles Gairdner Hospital. It is considering cancelling categories 2 and 3 elective surgery and performing only emergency category 1 elective surgery. The response rate of the emergency department is not what it should be. The hospital is very concerned about its resources.

We are seeing the continuation of the same pressures that we as a Government faced and the growth of demand for acute hospitals. We are seeing all the things that were predicted prior to the state election; however, we are not seeing any action to deal with that growth. In fact, the community has seen less action from this Government than it saw from our Government over eight years. Every year we increased the health budget by six to seven per cent.

Dr Gallop: You did not increase it like that. You used desperate measures at the end of the year because you had not managed the budget.

Mr Day: Do you rule that out? You will have to do the same.

Mr BOARD: The Government told the Western Australian community it would manage this. It must deal with these issues. It will be doing the same thing we did. This Government already has a \$120 million hole in its budget. The health budget is dishonest because the Government already knows a hole exists. The Treasurer is squirming because he knows that at Christmas the Government will have to dramatically cut back services or find more money.

Mr Ripper: Do you think there is a \$120 million hole in the system?

Mr BOARD: I do not have a lot of time. The Treasurer can speak later.

The situation in the south west is critical. The minister sent out press releases about the massive increases in the budgets of country health services. I assure the minister that that is not the case. He may be unaware of the real effect of the increases in superannuation -

Dr Gallop: Where will the money come from?

Mr BOARD: From the boards - the volunteers. The people quoted in this newspaper article are not politicians; they are people who voluntarily give their time to help manage the health system. They are coming forward and saying that they are eight per cent worse off -

Vasse-Leeuwin Health Service board chairman John Edwards yesterday predicted the Busselton District Hospital was \$80,000 worse off despite an 8.6 per cent increase in funding.

Mr Kucera: It is an eight per cent increase.

Mr BOARD: The increase is illusory. The Government has built in additional costs that were previously paid by another means and called it an increase. It has loaded all the costs on the hospitals. I understand why it did that; that is accrual accounting and it needed to go down that path. However, it did not give the hospitals adequate money to meet the additional costs or cater for the growth. Therefore, the Government finds itself in the position whereby some regions are already cutting services. The Wellington Health Service is today cutting services, and I am assured the same thing is happening in the Bunbury Health Service. The Wellington Health Service's budget is down by \$893 000 - a drop of 10 per cent - as a result of the allocation. Bunbury Regional Hospital predicts a \$5 million shortfall.

I will explain to the minister how it works. Our allocation to the South West Health Service, adjusted, was \$37.7 million. The Government's allocation differs according to different articles, but I will give the upper figure. The South West Health Service says it is hoping to receive \$39.428 million, including all adjustments. The Government will claim that is a \$2 million increase. However when all the on-costs the Government has loaded into the budgets are considered, the best-case funding scenario for the delivery of services is \$35 million.

Dr Gallop: You're opposed to our tax increases.

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Mr BOARD: That will be a real cut to their services. From that amount, it must meet wage increases that have yet to be determined. That is another issue. The South West Health Service will need to cut services. The minister is presiding over a health system in Western Australia in a manner contrary to its hype leading up to the state election. The Government promised it would cut waiting lists and provide adequate staff and resources to meet demand. What has it done? It has cut the budget. It has given health the smallest increase. It has cut the budget because it is not making allowances for growth.

Mr Ripper: No wonder you could not deliver a decent budget. You think an increase is a decrease.

Mr BOARD: It is the smallest increase since we came into government. Therefore, the hospitals are under enormous pressure. The minister cannot be proud of that; nor can he be proud that regional hospitals around Western Australia are today cutting services and metropolitan hospitals are cancelling elective surgery. The elective surgery waiting lists are blowing out. The Government is not providing services to our community.

I raise this matter of public interest because the minister knows this is happening. The situation becomes more critical as each day and month goes by. Unless the Government wants a mass closure of services in Western Australia and for the hospital system to really go into crisis, the minister must provide an adequate response today.

**MRS EDWARDES** (Kingsley) [2.57 pm]: Mr Speaker -

Mr Ripper: Are you in bizzarro world as well? Do you think an increase is a decrease?

Mrs EDWARDES: I think the members on the other side, particularly the Minister for Health, probably know that better than I do. I refer the minister to a question I asked him last week about when the formal negotiations about the doctors' agreement between the Australian Medical Association and the Department of Health commenced. They started on 22 February 2001. It was the Minister for Health's mistaken belief that they started earlier. Now that the correct information has been brought to his attention -

Dr Gallop: The correct information has not been brought to his attention; he had it in the first place.

Mrs EDWARDES: A letter from the then Health Department dated 6 February 2001, to the deputy executive director of the Australian Medical Association states -

**COMMENCEMENT OF NEGOTIATIONS FOR NEW AGREEMENTS FOR MEDICAL OFFICERS**

It refers to the commencement.

Mr Kucera: Of negotiations.

Mrs EDWARDES: That is what we are talking about. The letter identifies the representatives of industry employers and outlines those people who will be part of the negotiating team. It states -

Please contact me at your convenience to arrange a meeting to formally commence negotiations.

We also await details of your final proposal in respect to junior medical staff.

That letter was signed by Brian Troy, general manager, health work force and reform. It is dated 6 February 2001.

The Australian Medical Association wrote to the Minister for Health on 7 September 2001 and said it was very surprised that the minister had sought to distance himself from the outcomes of the negotiations by stating to me, in response to the statement that I had made in the Parliament on 22 August 2000, that the agreement "was given to me based on negotiations that had commenced under your Government." The letter from the AMA enclosed a copy of the HDWA letter to the minister dated 6 February that sought to arrange a meeting to formally commence negotiations. The first formal meeting took place on 22 February, which was after this Government had been elected. If the Minister for Health's belief was wrong, and it has now been brought to his attention that that is the case, he should at least recognise that and correct it in this House.

I am sorry the Minister for Consumer and Employment Protection is not in the Chamber, because one of the points that I have been making is that the AMA and the Department of Health, together with the Department of Productivity and Labour Relations, Treasury and the Expenditure Review Committee, reached an agreement. The Government has been at pains to say that was not the case: there is no agreement until Cabinet has signed off on it. I remember that when members opposite were in opposition, they said that that was not good enough; it was a question of good faith bargaining. The other day I found an interesting quote from the member for Nollamara, Hon John Kobelke, the now Minister for Consumer and Employment Protection. At page E452 of last year's Assembly Estimates Committee B, the member for Nollamara addressed the following question to me as the then Minister for Labour Relations -

You have not covered the fact that where individual agreements have been concluded with an agency such as the Health Department, it then can be delayed for a month or a year because it has to go through the other processes of DOPLAR and the Cabinet subcommittee. How can you blame the union for that? If the union actually comes to an agreement with the employer and then six months or 12 months later they are still waiting for DOPLAR and the Cabinet subcommittee to agree to it, how can you blame the union for that?

It is called good faith bargaining. The Minister for Health had an agreement between the Department of Health and the AMA. The Department of Productivity and Labour Relations and Treasury had signed off on that agreement. That agreement was supposed to go through Cabinet by the end of June so that it could be implemented from 1 July. It is called good faith bargaining. Good faith bargaining is one of the principles that the minister has tried to apply through his labour relations directions statement. It is one of the principles that the Minister for Consumer and Employment Protection wants to bring into the Parliament in his proposed changes to the labour relations legislation. If the minister wants to enter into negotiations with the unions - and he still has a few to go - he will need to look at whether the principle that his party is adopting is the principle of good faith bargaining. Is the principle from here on that when there is an agreement between a union and a department, the minister will sit on his hands and say, "No; not until Cabinet agrees with it"? The members of the respective unions, and the departments and agencies want to know what is the Government's changed policy with regard to good faith bargaining, because they were of the firm belief that if they negotiated with the department, it would be done on the basis of good faith bargaining, and that if an agreement were struck between a union and a department or agency, the Government would accept that agreement; otherwise, why put that process in place?

One of the major concerns of the WA Inc royal commission was question time. A few weeks ago, Joe Poprzeczny said in an article in *Business News* -

*State Scene* has an array of recent answers showing Stonewall Jackson was an apprentice.

He is talking about the responses from this Government.

The Minister for Health's belief has been shown to be false. The minister has an opportunity to correct that mistaken belief in this Parliament today. If the minister will no longer accept, on behalf of the Labor Government, the proposition of good faith bargaining, he now has an opportunity to tell this Parliament, and members of the unions, that he will not accept that proposition, because a few people will be very interested to know what the minister's new process will be.

**DR GALLOP** (Victoria Park - Premier) [3.04 pm]: I oppose the motion, and I again express my support for the Minister for Health. The motion talks about a deterioration in the health system. Let us look at the health system. One of the most significant steps that the minister took was to initiate the health administrative review committee; and, as with many of the reviews that we have done within government, we did that in a very cost effective way, and we were able to get people with good will and capacity to come in.

Mr Bradshaw interjected.

Dr GALLOP: That is not true. That report involved some of the most distinguished people who are in, and who know about, our health system. Those people pointed out the enormous problems that exist in the Western Australian health system, such as fragmentation, lack of leadership and lack of long-term planning to ensure that we address not only ill health but also the causes of ill health.

Mr Day: I am not sure they said that. They said the system is of a very high standard overall, but there are significant challenges.

Dr GALLOP: They also pointed out the lack of accountability and transparency in the system. All of these problems were bubbling away within the health system in Western Australia, and of course they created enormous pressures: pressures between elements of the staff about their wages and conditions; pressures about regional health services; pressures about what some of our hospitals were capable of doing; and pressures about the allied health services that are a necessary complement to the acute care services that exist in the system. When we came to government, all those pressures were bubbling away. We inherited an enormous set of problems. The minister outlined a vision to improve that system. He did that, of course, with the assistance of the health administrative review report. This Government now has the challenge of carrying through that vision. I will go through it step by step. First, we settled with the nurses. That was a significant breakthrough, because under the previous Government there had been enormous problems year in and year out. That was a \$300 million package, comprising over \$200 million for nurses' wages, and some conditions -

Mr Omodei: What about nursing homes in the country?

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Dr GALLOP: As the member would know, there are some state nursing home facilities in the regions, but that is basically a commonwealth issue.

The package included expenditure to put 400 extra nurses in the system. We are pleased that matter was settled.

Secondly, we abolished the Metropolitan Health Service Board, which had caused an enormous conflict at the heart of health, because the Health Department and the Metropolitan Health Service Board each had a chief executive of health. We have removed that unnecessary division and will implement a unified system of health administration, which was one of the key recommendations of the report. Thirdly, there is no doubt that we need to change the administration and management processes within health so that we put in place proper accountability for performance. That process has been commenced, and a change management group has been set up within the Department of Health to bring about that proper accountability.

Where the argument of the former and now shadow Minister for Health is wrong is that the former Government used to take great pride in announcing the amount of money that it would spend on health. This is how it used to work: it would make an allocation in the budget, and at the end of the year when there was a blow-out, it would pump money in. It was never able to get control of the process.

Mr Day: You did everything you could to undermine our getting control.

Dr GALLOP: Members opposite are blaming the then Opposition for their failure to get control. There has to be control.

Mr Board: How will it deal with demand? The reality is that it is like closing half of the shop because the line is too long. You are saying that that is the way to deal with it. The demand is still there and it is growing.

Dr GALLOP: So is the member is saying that we should accept whatever it is -

Mr Board: No, I am saying that before you start scaling down and tightening budgets -

Dr GALLOP: We have not scaled down the budget.

Mr Board: Yes you have. You are not meeting any demand at all. You must fix the demand situation.

Dr GALLOP: Is the member saying that we should spend more?

Mr Board: No, you should have had a plan in place before you started cutting the budget the way you have.

Dr GALLOP: There is a plan.

Mr Board: There is no plan for delivery.

Dr GALLOP: We have addressed the issues of nurses' wages and conditions and the abolition of the Metropolitan Health Service Board. Of course, we must then deal with the question of changed management within the system. The process has been started and it will be a long and difficult one, but we have the will and capacity to do it.

Other industrial issues remain in health. The first involves the Hospital Salaried Officers Association. We are in the process of trying to resolve that matter, in fact, it is in the Industrial Relations Commission and there are issues there that must be addressed -

Mr Board: Is the money in the budget, Premier?

Dr GALLOP: We have an allocation and a wages policy and we will work with it.

Mr Board: There is a total allocation for the whole health system. What about the doctors?

Dr GALLOP: This is amazing! These are the people who delivered us debts and deficits and they come in here and tell us to spend more. They are unbelievable!

Mr Board: You inherited a \$251 million surplus. Why didn't you spend that on the wage increases?

Dr GALLOP: No wonder this State was in a mess when we got into government.

Several members interjected.

The ACTING SPEAKER (Mrs Hodson-Thomas): Order, members!

Dr GALLOP: Let me repeat the figures. We have allocated \$385 million over and above what had been forecast to be spent on health under the previous Government.

Mr Day: That is over four years!

Dr GALLOP: Yes, over four years.

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Mr Board: That's three per cent, one and a half per cent and two per cent. It's not even CPI.

Dr GALLOP: This is unbelievable! These are the people who are opposing the premium property tax and the payroll tax on the biggest businesses in town. So where will the revenue come from, Leader of the Opposition?

Several members rejected.

The ACTING SPEAKER: Order, members!

Mr Board: Did you not say last year that the health system was under resourced?

Dr GALLOP: We have spent an extra \$385 million. The health system was under resourced so we have spent more on it!

Mr Day: We would have put in more!

Dr GALLOP: It is not what the Opposition would have put in, my friend. History gets rewritten when people go from the government benches to the opposition benches.

An allocation of an additional \$385 million over four years has been made and of course, this year we will spend \$103 million on much needed capital works projects throughout the State.

We acknowledge that we have an issue in the health system. We have yet to settle our relationship with the doctors who work in the system; there is no doubt about that and it is there for all to see. However, we are a responsible Government and we want to settle with the doctors on terms and conditions that are beneficial for the whole system. I find it extraordinary that in the times in which we live, the Opposition has not yet noticed that the whole political debate is shifting. The emphasis will be on the word "community" - what we can all do together to solve a real problem, a problem that has been exacerbated by what happened internationally in the past week. The world changed in a week and the notion that snouts can go into the trough and pull out this and that will not apply any more. We must all pull together and accept constraint.

When our Government came to power, we knew that this new situation was emerging in politics. We knew that it was tough because of the budget situation, so this is what we did: the first step we took as a Government to indicate our commitment to our community was to reduce the size of the Cabinet and the amount of money and the car fleet that was available to ministerial offices. We knew that the new agenda of politics in these challenging times would be the community, and we must all pull together. That is where we are at now. In fact, it has more of an imperative given the international events that have occurred and the collapse of Ansett Airlines. Therefore, the approach that the Opposition is taking to health issues is not even in the ballpark. It has not even entered into the equation.

Mr Board: What you are saying is not dealing with the problems that we have today.

Dr GALLOP: The member has not even understood the problem, let alone dealt with it. This is the problem: we inherited a budget in Western Australia that was not sustainable, and we must pull together to solve that issue. That was the problem and we are dealing with it. An additional problem on top of that is that a series of external events are impacting upon our State.

We have told the doctors that we want to work with them to bring about a much better health system. We want to talk to the doctors about how the hospitals are managed to bring about more productivity. We are very concerned about the fact that when a doctor left Swan District Hospital, we could not get another one out there because of the system that was in place. There is something wrong with the system. If that means we will be in conflict with doctors from time to time, we will be in conflict with them - not because we want to be, but because our Government puts the public interest and the public good first.

Mrs Edwardes: What happened to patient care?

Dr GALLOP: That is exactly it: patient care comes first.

The doctors remain a very important issue with which we must deal. They will, of course, continue to talk with us about their wages and conditions, but there must be a limit. What they are asking for is neither affordable nor responsible. I find it extraordinary that the opposition parties are acting as if there is a bottomless pit of money that we can draw upon and spend on doctors' salaries.

Mr Board: You said prior to the state election that health was under resourced.

Dr GALLOP: And we have increased the money. The runs are on the board. We have allocated an additional \$385 million to health, \$213 million to education and training and \$50 million to police to get them on the beat. That is the Labor Government in action: more police, more money on health and more money on education and training.

We have addressed the nurses issue and we have abolished the Metropolitan Health Services Board. We have started the changed management process within health management. We are in the process of reaching an agreement, we hope, with the Hospital Salaried Officers Association. We have given the budget support. We now have a remaining problem with our doctors. Where does that leave this debate today? We have an Opposition that supports an industrial campaign by the doctors against the Government; that is what we have in this Parliament. We will be putting patients and health care first. Our emphasis will be on preventive health and on making sure that the system can be managed rationally and that there are controls and accountability in the system. If that means that there will be conflict with some of the interest groups in health, we are willing to take that on, on behalf of the people of Western Australia. We now have a minister who has the determination to carry that through. I find it amazing that, after four opposition ministers could not bring anything together in the health system, when we finally get a health minister who has the capacity to do it, he is attacked. He is not under attack for what he has not done; he is under attack for what he is doing because he has the capacity and the will to do it. Members opposite have no intellectual capacity, so they cannot run opposition with intellect. They have no political capacity either, so what do they do? They attach themselves to a particular interest group and think that that will get them across the line. That will not work. The Government is on the way to improving the health system. I applaud the minister for the efforts he is making in that area.

**MR KUCERA** (Yokine - Minister for Health) [3.19 pm]: I listened again with interest to the usual cacophony that comes from the other side, which I have got fairly used to over the past six months. I will pick up on some of the points made by the minister - by the member for Murdoch. He is no longer a minister producing posters and jumping out of aircraft; he has to work for his living.

Mr Board: I do not have personal shots at you.

Mr KUCERA: I think that the member for Murdoch does. Never mind, I apologise to the member for Murdoch. I will talk about some of the issues.

Yesterday I talked about the strategies for the health system contained in the budget. These will be clear when the member for Murdoch reads page 1238 of the budget papers. It states -

In terms of addressing these pressures and challenges, the Health Administrative Review Committee recently recommended a series of changes to the public health system, which are intended to achieve the following outcomes:

A single, unified health system working to a common vision, allowing for leadership, accountability and transparency;

Simplified structures throughout the health system;

A simplified central office structure;

It goes on.

Mr Board: I have read that.

Mr KUCERA: I am pleased that the member for Murdoch has read it, because it gives a clear direction and strategies for health.

Let us move on to the budget. The two main aspects of running any business or agency are income and costs. The sad part about the health system is that these problems have not been addressed for many years. I suspect the member for Darling Range, the previous health minister, had to grapple with the same problems. We must deal, firstly, with the issue of income, which is the level of taxation required to support the health system; and, secondly, the level of costs. Unfortunately, one of the failings that has been evident in the health system for many years is the issue of cost and not of demand. The health service has two sets of demands: the delivery of health services, and pressures from lobby groups and vested interest groups in health that see it as a way of driving up some of the issues that benefit them.

Mr Board: Who are those vested interest groups?

Mr KUCERA: The member for Murdoch knows who those interest groups are; he wore one of their badges last week. I will read a quote from many years ago from a person whom I absolutely despise. I had no time for this person, but his quote is interesting. It reads -

One of the most striking features of the . . . Health Service is the continual, deafening chorus of complaint which rises day and night from every part of it, a chorus only interrupted when someone suggests that a different system altogether might be preferable, which would involve the money coming from some less (literally) palpable source. The universal Exchequer financing of the service endows

**Extract from Hansard**

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everyone providing as well as using it with a vested interest in denigrating it, so that it presents what must be the unique spectacle of an undertaking that is run down by everyone engaged in it.

That was written by Enoch Powell in 1975 at the introduction of the National Health Service in England. Nothing has changed. The battle then was with the vested interests, as it is now.

I will look at the comment made by the member for Murdoch on costs. He talked about the health system being in crisis and he referred to bed closures at Royal Perth Hospital. I will read a message I got from Royal Perth Hospital. A memo from an emergency doctor working in one of the areas at Royal Perth Hospital was leaked. Who did it go to? My goodness! Can members guess to whom it was leaked, and where it went to after that? It went to the Australian Medical Association, and I am sure it landed on the desk of the member for Murdoch after that. However, the member for Murdoch did not receive the e-mail sent to me by the director of clinical services at Royal Perth Hospital that went with it, which said to the fellow who sent it -

Thanks . . . a couple of points, I wish you had contacted either . . . or I before sending this. Firstly the time period is three weeks not four, between 7 and 8 theatres will be operational and all urgent work will be accommodated. Reasons for a reduction from our normal 10 theatres are school holidays and the availability of nursing and anaesthetic staff during this period. Carmel did discuss this with John Dunne.

Regards,

John Dunne is the senior officer in charge of the person who leaked this message. When the member for Murdoch gets these messages, I would be delighted if he would contact me. Unfortunately, when the member for Murdoch raises these issues in the way that he has, he joins the denigration of the health system. I was constantly accused during the election campaign of talking down the issues in the health system. I will give the member for Darling Range his due for some of the vision he had as minister. He knows full well the difficulties in pushing forward some of these issues and achieving some of the Government's aims. However, we must set clear aims and put certain things in place.

I am pleased with the budget I was given this year - \$385 million, which is \$142 million above last year's allocation. That \$142 million will be spent on patient care. That figure does not include the capital works program. The Government has already undertaken a series of programs in the reform of the health system. There must be agreements with doctors. However, we will never get changes and savings in health by privatising public assets in some of our wonderful hospitals, by kicking the battlers out of their kitchens and the gardeners out the back gate, by running down the orderlies who have to wheel around the poor people brought in by ambulance, and by not putting money into ambulance services. The real reforms and savings in health will come from clinical reforms.

I will put the member for Kingsley right on that because she has obviously been led up the garden path by the people who gave members opposite the badges they wore proudly last week. Those savings will never be made by kicking the battlers out of the hospital, by penny pinching and pushing out those people who perform basic services like feeding our patients. In some of these places the food is dumped in front of patients; they are not fed. Problems in hospitals are not fixed by cutting those sorts of costs. One must take a hardnose line at clinical and clinician reform. I am not the only person who is saying that. Every hospital and medical system in the world says categorically that is the way it must be approached. I will add a few facts to the Opposition's budget analysis.

Mr Board: Are you saying that all these hospital boards are wrong and all those volunteers are lying?

Mr KUCERA: I am not saying that any hospital board is wrong; I am telling members how we have dealt with the issues. Health spending will rise to \$2.3 billion. Expenditure on health is growing at an unsustainable rate, and the health system will not be fixed in one budget - nobody has said that it would be. If we do not push clinical reform forward, we will never change these issues.

I thank the member for Murdoch today for giving me, as the new Minister for Health, a practice run for the Estimates Committee. I am pleased that I have been made aware of the kinds of questions I will be asked, so I thank him for that; that was wonderful. We talked about the \$120 million over-run, and I am well aware of where that came from. It came from a piece in *The Australian* this week, put out by Dr Pearn-Rowe, President of the Australian Medical Association. He wrote that this Government seemed totally preoccupied with talking about balancing budgets and dollars and cents. Although he recognised that responsible financial management calls for this kind of attitude in many other areas of Government, health cannot be seen in the same light. It is a simple matter of dumping money on it. This year, the Avon Health Service has had its budget increased by \$10.7 million over last year, which is a 20 per cent increase; Bunbury Health Service has been increased from \$35.3 million last year to \$37 million this year, a 4.9 per cent real increase; Central Great Southern Health



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Service, up 18.2 per cent; Central Wheatbelt Health Service, up 13.7 per cent; and East Pilbara Health Service up from \$26.8 million to \$27.2 million, a 1.3 per cent increase. The Eastern Wheatbelt Health Service did take a slight drop this year because the Government took the mental health service out of that area and placed it in Geraldton.

Mr Day: Is the minister quoting the adjusted figures?

Mr KUCERA: I will take the member for Murdoch to the budget papers, where there is a separate line item for superannuation of \$91 million.

The Gascoyne Health Service has been increased from \$14.5 million last year to \$16.1 million, which is an 11 per cent increase; Geraldton Health Service is up 11.8 per cent; Harvey-Yarloop Health Service is up 11.4 per cent, and the list goes on.

Mr Bradshaw: Those figures are not in the budget papers.

Mr KUCERA: They are in the Government's papers. If the member for Murray-Wellington wishes to speak to those figures, it is up to him. Health spending is growing at an unsustainable rate. Health will not be fixed in one budget.

*Point of Order*

Mr BOARD: The minister is quoting from official papers, and I ask him to table those papers, indicating what the budget figures were.

Mr RIPPER: If they are official papers, the minister is required to table them, but if they are his notes, which they look like to me, he is not required to table them, though he may choose to.

Mr BARNETT: Even from this distant vantage point, I can see they are typed documents, highlighted by the minister. They are clearly official documents.

Mr KUCERA: The papers are my own notes, and I do not choose to table them. The estimates committee takes place next week, at which I am quite happy to answer all the questions.

The ACTING SPEAKER (Ms Hodson-Thomas): Order, members. There is no point of order. Obviously the papers are the minister's notes, and the minister may resume his address.

*Debate Resumed*

Mr KUCERA: I will conclude by quoting from the Treasurer's budget speech -

But it is only too clear that no amount of extra money would be enough for a health system confronting high community expectations, increasing costs, powerful vested interests, structural inefficiencies and ineffective financial management.

I have those challenges before me, I think they are wonderful challenges to accept, and I will take them on board. I am proud to take them on board on behalf of the Gallop Government that supports the people.

**MR DAY** (Darling Range) [3.34 pm]: I agree that the issues in the health portfolio relating to operating and financing hospitals and public health services in this State are complex. All the budgetary issues must be taken into account, along with the organisational issues and the complex interrelationships between the various unions, such as the Australian Medical Association, the Australian Nursing Federation, the Hospital Salaried Officers Association, the Miscellaneous Workers Union and all the professional groups. To some extent all the hospitals are competing with one another.

Mr Kucera: Do you accept that the Australian Medical Association is a union?

Mr DAY: There is absolutely no doubt that the Australian Medical Association is a union, as I told it last year. It does not like being called that. Not everything unions say is wrong, and in some cases some of what the Australian Medical Association says is right. I do not agree with a lot of what the AMA says, and I did not agree with it when I was Minister for Health. That will not come as any surprise to the minister. It is necessary to negotiate through issues and work towards a conclusion. I do not know all the details of the discussions the minister has had with the AMA.

One of the Government's major problems is that, over the past few years, and particularly in the election campaign, it made many promises and created very high expectations about what it would do for the health system in Western Australia. This was epitomised by the statement from the then Leader of the Opposition, and now Premier, who said very clearly that the Labor Party would fix all the problems in public hospitals. In reality, many new problems have developed, and things are going backwards at a fast rate. The Government's problems have been largely self-created, because it created very high expectations, and exploited the issues as

hard as it could when it sat in opposition. It made a very simplistic promise that it would abolish the Metropolitan Health Service Board, and it has done that. That promise was made not on the basis of a thorough and considered analysis of what was needed, but because it was a populist thing to do, and the AMA was clamouring for it. The ALP and the AMA were acting in concert, and the Government is now regretting that it got into bed with the AMA. The AMA and the ALP, to a large extent, deserve each other. The Labor Party is finding that it cannot deliver on these very high expectations.

Mr Kucera: The member for Darling Range's own members were undermining him, when he was Minister for Health.

Mr DAY: The principal organisation undermining the Government on health at that time was the then Opposition, the Labor Party. The members of the Labor Party who are in government now know that many of the things the former Government was trying to achieve are the things that now need to be done to get better efficiencies, services and value for money - phrases that are now coming from the Government, but were heard very little when the Labor Party was in opposition. The abolition of the Metropolitan Health Service Board has created a vacuum. There is no structure, framework or clear sense of direction in the management of public hospitals in the metropolitan area, which consume the lion's share of the health budget. Many individuals in the system are very frustrated, and do not know which direction to take. They are not getting the direction they need from the Government about the changes they should make. They are not averse to making changes. The Opposition is not averse to sensible changes being made, but the Government does not have genuine framework. It had the recommendations of the Health Administrative Review Committee, but very little has happened since. The former Government had the Health 2020 framework, which I advise the current Minister for Health, the Treasurer and the Premier to have a good read through, and put in place what was recommended by the former Government.

Mr Kucera: The former Government's board dumped that program.

Mr DAY: The Metropolitan Health Service Board did not dump the Health 2020 plan. That was a government framework, approved by Cabinet. It was not based on some sort of ideology from the Liberal Party, but on very extensive consultation and research undertaken within the health system. Consultation took place with members of the public, the health professionals and the health community in Western Australia to come up with a viable and long-term framework to provide health services in a better, more effective and affordable way in the future. Health 2020 is well worth reading through and I advise the Government to get it out and have a look at it.

The Government now realises the magnitude of its problem, which it has to a large extent created for itself, by creating high expectations and promising that it would fix all the problems in public hospitals. It knows that changes need to be made but the reality is that it has no idea how to do it. It does not know in which direction to go. Genuine progress was made by the former Government in extracting greater efficiency from the system and in reducing the proportion of the health budget spent on administering the system and providing corporate support. Unfortunately, those things were brought to a halt toward the end of last year due to the opposition of the Labor Party and the AMA. I do not pretend that everything done last year was done perfectly. Some things could have been done better, but the overall direction was right. The Government has made a lot of the meagre \$68 million increase in the health budget. It is less than was put in on average every year by the former Government. The former Government put in an average increase of \$100 million a year. The current Government will find that it will have to either add more money to the health budget or reduce services. Given that it is almost four months into the financial year, the Government is expecting major changes to be made so that the health budget can come in on target. The changes can only be made over time. Waiting times will go up for outpatient appointments and elective surgery.

**MR RIPPER** (Belmont - Treasurer) [3.41 pm]: In this debate the Opposition has acted as the pawn of the AMA. That is the approach it is adopting to this issue. Let us look at the views of the organisation that the Opposition has been supporting in today's debate. This is what the AMA stated about the collapse of Ansett -

The Australian Medical Association says the collapse of Ansett airlines could in some ways be good for regional health services.

I accessed the AMA's website and I read another announcement it made about the collapse of Ansett. I thought that the AMA might express fraternal support for other workers who have been affected by the airline's collapse. I thought it might express some sympathy for the health of the families of the thousands of people who have become unemployed. No, this is what the AMA release stated -

**Extract from Hansard**

[ASSEMBLY - Thursday, 20 September 2001]

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Due to the collapse of Ansett, those AMA (WA) members who currently hold credit or charge cards . . . which are linked to the Ansett Frequent Flyer Reward Program will require new Reward Program options.

New reward program options for members of the AMA! What will they get? They will get minimum credit of \$10 000 that will increase to \$20 000 in October 2001. They will get a free application to an AMA branded credit card with no annual fees or charges, 55 days interest free on all purchases and reward points for Qantas, Aherns and Caltex. If members respond to the Ansett crisis they have the opportunity to win some prizes. Members could win two nights accommodation for two people at a luxury five-star Margaret River resort including a gourmet breakfast. They could win a dining voucher valued at \$100 at the Vasse Felix restaurant and two days hire of a BMW Z3 from Hertz. The total package is valued at \$950. Other prizes include a framed cricket bat signed by Allan Border, a gift boxed magnum of Penfolds shiraz and some other wine.

These people have no respect for the standards by which the rest of the community have to live. These people have no respect for financial management. In a recent press release Dr Pearn-Rowe said -

We call on Dr Gallop and his Government to . . . admit that the health of Western Australians is more important than a AAA credit rating . . .

In other words, give them the money they want and do not worry about the AAA credit rating. That is their approach. The Opposition joins them in their attitude. No wonder it delivered four deficits in a row. These are the sorts of people it supported. They have no respect for financial management whatsoever.

Question put and a division taken with the following result -

**Ayes (15)**

Mr Ainsworth	Mr Day	Mr Marshall	Ms Sue Walker
Mr Barnett	Mrs Edwardes	Mr Masters	Dr Woollard
Mr Board	Mr House	Mr Omodei	Mr Bradshaw ( <i>Teller</i> )
Dr Constable	Mr Johnson	Mr Sweetman	

**Noes (26)**

Mr Andrews	Ms Guise	Ms McHale	Mr Ripper
Mr Brown	Mr Hyde	Mr McRae	Mr Templeman
Mr Carpenter	Mr Kucera	Mr Marlborough	Mr Watson
Mr Dean	Mr Logan	Mr Murray	Mr Whitely
Mr D'Orazio	Ms MacTiernan	Mr O'Gorman	Ms Quirk ( <i>Teller</i> )
Dr Edwards	Mr McGinty	Mr Quigley	
Dr Gallop	Mr McGowan	Ms Radisich	

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**Pairs**

Mr Birney	Mr Bowler
Mr Cowan	Mr Kobelke
Mr Trenorden	Mrs Roberts
Mr Waldron	Ms Martin

**Independents**

Mr Graham	Mr Pandal
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Question thus negatived.