

## **Additional comments by Coalition Senators**

Coalition Senators do not oppose the recommendation of the report that this bill should be passed.

However, Coalition Senators strongly believe that the Government's co-called health reform package is more about creating the political illusion of health reform than any meaningful improvement or guarantees for patients.

### **The illusion of reform**

This so-called reform represents an enormous back-down by a Prime Minister and Minister for Health desperate to create the impression of health reform, despite this being the third time in only eighteen months that the Government has claimed an 'historic agreement' on health reform. The fact that it only bears a passing resemblance to the supposed agreement promoted by the then Prime Minister last year and further dilutes the agreement announced by the current Prime Minister earlier this year illustrates exactly how desperate the Labor Government is to create the illusion of achievement in this critical area.

Apart from the establishment of new bureaucracies, key changes in health will not be implemented until 2014-15 – conveniently after the next general election is due. In particular, as well as the commitment to fund 60% of hospital costs being scrapped, the current commitment to 50% of growth funding will not occur until 2017. Furthermore, guarantees about elective surgery have been scrapped and targets for emergency treatment have been watered down.

### **Potential for duplication**

Considerable concerns were expressed about the possible duplication of effort following the creation of the new authorities. Various submissions commented that there was no legislative requirement for the new authorities to cooperate with existing agencies (so as to not simply duplicate existing work) but also to cooperate with each other.

While it may seem obvious that such cooperation is necessary and beneficial, the lack of a legislative direction in this regard is of concern.

Coalition Senators believe that consideration should be given to an independent review of these agencies' and authorities' operations after their initial establishment and implementation.

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## Recognition of non-government hospitals

Catholic Health Australia highlighted one of the major potential problems with his legislation – that while the cost base for treatment in Catholic public hospitals is different from state public hospitals, there is no guarantee of representation for non-government hospitals on the IHPA.

As outlined by Martin Lavery, CEO of Catholic Health Australia:

*Very specifically, senators will be aware that Catholic Health Australia represents about 10 per cent of the nation's hospital beds. Within that there are 2,700 public hospital beds operated by Catholic hospitals, mostly on the east coast, but broadly around Australia. For the bill to be effective it needs to have regard to the unique nature and the slightly different legal status under which those 2,700 public hospital beds actually operate. We do not see that reflected in the bill at present, but we think minor amendments can adequately incorporate the impacts of the differing legal structures that operate those 2,700 public hospital beds, and we have proposed that to you in our submission.<sup>i</sup>*

He went on to outline:

*For example, in a non-government owned provider of public hospital services, we have to account for capital, depreciation, insurances, council rates, long-service leave and information technology, even down to whether or not a Microsoft licence per user is applied to each cost of patient admission. Different states and territories use different accounting systems, which affects whether or not these various components will ultimately make their way into what is an efficient price. For an NGO provider of hospital services, all of these form the component of what is the price or the cost of delivering a service. Some states and territories account for these things differently; indeed, within states different areas at present can account for them differently.<sup>ii</sup>*

Coalition Senators believe that this experience and perspective should be reflected in the IHPA.

As outlined by Martin Lavery in evidence before the committee:

*Therefore, we argue that the governance of this new authority should allow for the appointment to its board of someone who has experience in the delivery of NGO hospital services.<sup>iii</sup>*

Just as section 144(4) of the Bill requires that at least one member of the Authority has substantial knowledge or experience in the provision of health care in regional or rural areas, Coalition Senators support the submission of Catholic Health Australia that non-government hospitals should also be guaranteed representation.

**Recommendation:**

**Coalition Senators recommend that section 144(4) of the bill be amended to add an additional requirement to include as a member of the Authority a person who has substantial knowledge or experience in the provision of services in non-government owned hospitals.**

**Senator Scott Ryan  
Senator for Victoria**

**Senator Sean Edwards  
Senator for South Australia**

**Senator Concetta Fierravanti-Wells  
Senator for New South Wales**

**Senator Sue Boyce  
Senator for Queensland**

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<sup>i</sup> Hansard of hearing

<sup>ii</sup> Hansard of hearing

<sup>iii</sup> Hansard of hearing