



Speech by

# Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

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Hansard 22 July 1999

## MINISTERIAL STATEMENT

### Health System

**Hon. P. D. BEATTIE** (Brisbane Central—ALP) (Premier) (9.36 a.m.), by leave: There is too much Federal bureaucracy, duplication and waste in the Australian health system. Later today and tomorrow I will meet with my fellow State leaders—Premiers—to push for reform of the health system. We will also be dealing with the need to halt the destruction of jobs being inflicted by national competition reform, the High Court decision on cross-vesting, the use of television datacasting for delivery of Government services and the impact of nationally coordinated greenhouse gas abatement measures.

On health reform, it was agreed at the Leaders Forum on 8 April that Queensland, Victoria and New South Wales should develop options to present to this month's meeting. My department has taken the lead role in developing these options, and tomorrow I will lead the discussion on these options. We believe the need for reform is so urgent that it needs the leaders to drive a nationwide debate about the financing and affordability of health care. What kind of health care system do we want as we move into the next century and how much are we prepared to pay for it? I believe that this can be done while staying true to the Medicare principles so that we retain a free hospital service and do not have a means test.

I will be proposing a public education campaign in order to involve the public in an informed debate leading to a national health summit. This national health summit would be charged with providing the solutions we need for a better health system. Reform will only be meaningful if the Commonwealth agrees to collaborate. We must achieve a better balance between acute care, community care and prevention.

At the State level, public hospitals are under extreme demand pressure across Australia. But the more effective the public system becomes, the more likely it is that patients will forgo private health care in favour of the public system. Health insurance needs a major overhaul. People will continue to be driven away from insurance while there is a gap between what their insurance provides for and the bill they receive for treatment. They are paying big bucks for the insurance. And then they find they still have to cough up more money because the insurance leaves that gap.

There also needs to be an incentive to retain health insurance. Young adults join the system when they are planning a family but drift away and only think of rejoining when their health starts to fail. Participants need to be rewarded for the length of membership of private health funds. The Federal bureaucracy in health needs cutting and overlapping needs to be halted. We need to have a reduction and removal of the overlapping. For instance, Queensland was given \$13.5m to spend in the 1998-99 year under the Australian Health Care Agreement, but the Commonwealth Government also wanted to control its expenditure. The Commonwealth must stop progressively encroaching on the States' delivery of services and concentrate solely on a role of setting policy and issuing funds. Let me give an example: in Normanton, the Federal Government wanted to directly fund services in direct competition with us with the spending of \$250,000. The State was already providing the services. Rather than using the State base, the Commonwealth wanted to establish its own. That led to duplication and, in our view, a waste of money.

A major issue for Queensland is indigenous health. Indigenous people continue to have the worst health status of any population group and significant resources are needed to fix this inequality.

Queensland has 25% of Australia's indigenous population but only an estimated 16% of the Commonwealth's indigenous health funding. That is an inequity. It is an injustice. It is unfair. I call on the Commonwealth today to rectify it.

Queensland is seeking to have this underfunding addressed as a matter of urgency with the cashing up of medical benefits scheme payments and pharmaceutical benefit scheme payments, where we are about \$60m behind in the payments we receive in per capita payments— payments on a population basis.

In addition, Queensland has a large burden of general practitioner cases in its free public hospital system. Queensland Health is seeking to be funded for all these cases by the Commonwealth. What happens is basically this: in a number of remote communities in the bush and in indigenous communities where there is no access to general practitioners, the burden falls on the public health system. In other words, the Federal Government is cost shifting to the States. We end up with the burden. Under those circumstances, a State like Queensland needs to be properly compensated. Other States have sought in some circumstances to cost shift to the Commonwealth. This State, Queensland, has not done that; but the Commonwealth has cost shifted to us. That burden has been felt in the public hospital system. That is why issues such as overlapping need to be addressed. That is designed to make certain that the system is restructured so that the States actually deliver the health services; the Commonwealth is then involved in policy setting. Of course, the States need to be accountable about where the money is spent. That is fine. Where we have overlapping and a Federal bureaucracy that needs to be trimmed back, that is where the savings are, as well as in incentive changes in the private health sector.

The national summit on health that we are seeking is important. The meeting of the Premiers tomorrow, starting tonight, in relation to health is very important to the future direction of this country.

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