



Speech by

# Hon. PETER BEATTIE

MEMBER FOR BRISBANE CENTRAL

Hansard Friday, 30 September 2005

---

## MINISTERIAL STATEMENT

### Forster Report

**Hon. PD BEATTIE** (Brisbane Central—ALP) (Premier and Treasurer) (9.34 am): On 26 April this year I announced that the Queensland government would arrange an independent review of Queensland Health's administrative, work force and performance management systems. The government appointed Peter Forster of The Consultancy Bureau, a man of great experience and reputation in reviewing government bureaucracy, to carry out the review. We also organised a commission of inquiry into matters arising from the appointment of Dr Jayant Patel. It was essential to take this action in order to ensure that we could provide Queenslanders with a health system in which they could have confidence and which would be the most efficient in Australia. This morning Peter Forster handed to me and to the health minister his 491-page final report on the Queensland health systems review containing 388 recommendations. We had set a completion date of 30 September and he complied with that, and I thank him for doing so.

It is worth noting that Mr Forster has found that the challenges facing Queensland Health are shared by other states and territories to varying degrees and by health systems across the Western world. But in Australia only the Queensland government has been prepared to hold such a wide-ranging examination of its system in order to build the best system possible to deal with emerging pressures. The official verdict by Mr Forster after a thorough five-month review involving about 1,300 submissions is that Queensland's health service, and in particular the public health system, is a good service. Mr Forster states—

Overall, based on all available information, it is performing as well as any other health service in Australia.

Mr Forster continues—

The service, which is supported by a large workforce of very dedicated personnel, is experiencing unprecedented demand pressures.

Mr Speaker, you would expect that in a growth state like Queensland, where we have an additional 1,500 people to support every week.

I want to thank all those very dedicated personnel for their hard work and for providing such a wonderful service for thousands of Queenslanders, especially over the last six months, when Queensland Health has suffered much criticism. It has been difficult for them, and I thank them today. Mr Forster goes on to state that Queensland Health is showing increasing signs of strain and in some cases is failing. The massive scope of the changes needed to deal with the problems that the report identifies will require at least five to 10 years to implement in full. He also states that the recommended changes will take years to implement and preliminary costings—

**Mr SPEAKER:** Order! Member for Cunningham, please, keep your voice down.

**Mr BEATTIE:**—put the price of all the reforms, including new staff, salary increases and training programs, at more than \$1.5 billion a year extra, every year after the third year. But I have to caution that even with the massive change and level of spending, Mr Forster warns on page 49—

In all health systems where there are limited resources and unlimited demand for services, rationing and waiting lists are inevitable.

There are some changes we can make and will make immediately, but there are other areas in which I emphasise the report talks about eight-year and 10-year time frames. That is the report. We will start introducing the new, improved structure of Queensland Health now. Today is day one of the introduction of a new health system for Queensland. Restructuring Queensland Health, with its 53,000 employees, is a gigantic task, but it is something we can start immediately, and we will. We will act immediately by advertising eight senior executive positions to match the new structure. These jobs are being advertised -

**Opposition members** interjected.

**Mr BEATTIE:** I would hope that those opposite would give Peter Forster the courtesy of actually having his recommendations considered seriously. They should not laugh at Peter Forster's recommendations.

We will act immediately by advertising eight senior executive positions to match the new structure as recommended by Peter Forster. Those jobs are being advertised nationally with advertisements going into major newspapers from tomorrow.

**Mr SPEAKER:** Leader of the Opposition, I and the majority of people in this chamber today want to hear what the Premier is saying. I ask you to keep your voice down.

**Mr BEATTIE:** In other words, what I am saying is that we have endorsed the structure recommended by Peter Forster. The need for a new complaints process is obvious and we will start the process of introducing a new system immediately. I am sure there are many other improvements that we can start work on now.

The final report comes after a draft report, which the government has had an opportunity to consider. Clearly, we will need further time to fully analyse and respond to the comprehensive final report. However, I can say that the Deputy Premier, Anna Bligh, the health minister, Stephen Robertson, and I agree with the thrust of the final report, which we had an opportunity to quickly consider.

The report makes a number of recommendations, including more doctors, nurses and allied health professionals; better pay and conditions for doctors, nurses and allied health professionals; clinicians to have more say and more power through clinical networks which will become part of the formal structure; a range of measures to improve the safety and quality of care for patients; a leaner bureaucracy with more local decision making and resources moved to the local level; cultural problems within Queensland Health to be addressed through renewed leadership; better monitoring, reporting and complaint processes; a new funding formula; a national review of health services; and community debate about the future of the health system.

Today, I commit the government to employing more doctors, more nurses, more allied health professionals, more facilities, better training and better services. We will develop a five-year funding plan to do this. Indeed, I started a recruitment drive in London last week—a course of action recommended by Mr Forster—and already we have received 75 expressions of interest from people wanting to work for Queensland Health.

The overall numbers and the time frame are problems we will have to work out. My initial advice about costs is that the surplus will certainly not be sufficient to pay for the changes. At the time of the last budget our surplus for 2004-05 was estimated at \$2.7 billion. However, this includes high returns on our superannuation investments, which must be set aside to meet our obligations to our employees. This means that we cannot touch it for anything. The real or underlying surplus was around \$2 billion. Due to increased spending on infrastructure and services and tax cuts, this is expected to drop to \$934 million this year, around \$500 million for the following two years and as low as \$220 million by 2008-09. Clearly, this surplus cannot alone fund additional spending of \$1.5 billion a year. It is clear that we will have to face some difficult budgetary and revenue decisions, which we will do head-on.

How difficult will this be? The final report says on page 353, and I quote—

The cost of overall reform is likely to be quite significant and may be beyond the capacity of the Queensland government alone to fund.

The options identified by Mr Forster include increasing taxes and general community contributions and/or redistributing existing taxes—this may mean reallocating money from other public purposes; introducing means-tested copayments for public health services, with private health insurance or self-insurance for individuals with the capacity to make a contribution to their health care—this includes for elective procedures; managing demand through encouraging greater personal effort to stay healthy and enhancing community care services to support healthier living outside of acute hospitals; and rationing or withdrawing from the delivery of certain health services altogether where these services can be provided through the non-government sectors. These are four issues that Peter Forster identified. Clearly, there are some tough decisions ahead of us, but I give a promise today that we will not scrap our fuel subsidy of 8.354c a litre in order to help pay for a better health system.

As we consider our budgetary position, we also have to recognise that we have other responsibilities to pay for with our revenue, such as child safety, people with disabilities, education, transport and infrastructure. As Mr Forster says on page 49—

The issue for Australia generally is to decide the appropriate level of health expenditure relative to other areas, including education, transport and other essential infrastructure. Spending more on health will not necessarily provide better health.

The report raises many policy issues for consideration. I have already given four examples raised by Mr Forster. There are many more of these issues raised by Mr Forster which are far from straightforward. These questions include: should we give up our aged care homes as discussed in the report? If there are alternative providers of home and community care services, should Queensland Health pull out of that area? Should fluoride be introduced in drinking water? At what cost and consequences? Do we review and increase patient fees and charges where possible, in the context of commitments under the Australian Health Care Agreement as recommended by Mr Forster? Should we provide specialist outpatient services privately, as is done in other states and territories? Should we introduce means testing and copayments for public health services to improve the safety and timeliness of services for those least able to afford care?

How do we deal with 841 jobs that Mr Forster says should disappear or be moved to regional Queensland—162 positions identified as surplus and 679 positions recommended for transfer to area health services? Whistleblowers should use parliament and not the media if they want protection under the Whistleblowers Protection Act. The reports says that options also include raising taxes and rationing some services. They are the issues that Mr Forster has raised and made recommendations on. Many more of the 388 recommendations will need consultation, debate and detailed consideration of their ramifications.

Mr Forster says that the decisions a government should make about how and for what purposes finite health resources are allocated would ideally be informed by robust community debate. I invite all Queenslanders to take part in such a debate. The report is being placed on the government web site even as I am speaking and can be accessed at [www.thepremier.qld.gov.au/health](http://www.thepremier.qld.gov.au/health).

However, reform of the health system is not a job for Queensland alone. Health is a partnership between the Commonwealth and state governments. The report says that the current system of mixed roles and responsibilities for funding and delivering health services between the Commonwealth and the states is a major barrier to health service improvements. The report says further on page 52—

Without significant changes to the way services are delivered and funded at both the State and Commonwealth level, rationing of public health services in the future is likely to get worse.

The question is: will the Commonwealth government pay its share and make the necessary changes? Mr Forster recommends that Queensland seek a national review of the future health care system in Australia, covering roles and responsibilities of Commonwealth and state governments. He also recommends that the Queensland government should work closely with the Commonwealth government to address immediate health care priorities, including a national system of registration for medical practitioners, the urgent examination of the feasibility of the Commonwealth becoming the sole funder of doctors to reduce the current Commonwealth financial incentives for doctors to leave the public sector; development, in conjunction with professional colleges, of a timetable for the establishment of all additional specialist medical training positions recommended by the Australian Medical Workforce Advisory Committee, with the Commonwealth government to provide funding for the training positions; a review of the Medical Benefits Schedule to improve the alignment of the Commonwealth funded health sector and the public health system, including providing incentives to address particular areas of need such as rural health; and a trial of arrangements such as pooled funding and general practitioners working in public hospitals. They are Mr Forster's recommendations for us to examine in partnership with the Commonwealth.

Further, Mr Forster recommends that we work with the Commonwealth to develop the concept of universal service obligations for small rural communities of fewer than 5,000 and encourage the Commonwealth to explore alternative funding or service models to increase the access of rural and remote communities to federally funded health services.

Today, the health minister and I have written to the Prime Minister outlining the Forster recommendations and seeking a new partnership on health. I urge the Prime Minister to work with Queensland to bring about the most significant reform in a generation to health care and health services in Australia. My letter identifies those issues that Peter Forster believes need to be attacked by the Commonwealth government. I seek leave to incorporate the details of my letter to the Prime Minister in *Hansard*.

Leave granted.

Queensland Government  
Premier of Queensland and Treasurer  
Please quote: SHIO/IGR

The Honourable John Howard MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Mr Howard

Today I received the report of the Queensland Health Systems Review, a copy of which I have attached for your information.

The Review found that the Queensland public health system "is performing as well as any other health service in the Australia". However it also found that it is experiencing unprecedented demand pressures, is showing increasing signs of strain and in some cases is failing. In this regard, the findings of the Review highlight the detrimental effect of some federal government policies on health provision to Queenslanders and the need for effective cooperation between the two levels of government.

The areas of federal government policy that are singled out for attention because of their negative impact on health care for Queenslanders include:

- The Commonwealth Government's reduction in medical student intakes at Australian universities resulting in shortage of doctors generally and an increasing reliance upon overseas trained practitioners.
- Current Commonwealth Government policy initiatives designed to encourage private health insurance have contributed to the growth in the number of services provided in Queensland's private hospitals, and a climate of heightened private demand which has seen the public sector losing increasing numbers of doctors to private practice.

This review calls upon the federal government to provide additional support in the following areas of federal responsibility

- an immediate increase in medical, nursing and allied health student places;
- support to increase the level of funding available to support the teaching and training of medical students on clinical placements within Queensland's public health system;
- financial contributions to ensure that sufficient funds are available to support the clinical placement of nursing students and allied health workers;
- access to Medicare billing for community based nurse practitioners, in recognition that these roles are taking on functions traditionally performed by doctors;
- reviewing the Medical Benefits Schedule to improve the alignment of the Commonwealth funded health sector and the public health system including providing incentives to address particular areas of need such as rural health and indigenous health; and
- increased funding for enrolled nurses, assistants in nursing and other certificate based health workers.

In addition, the Review proposes that the Queensland Government work closely with your Government regarding

- implementation of a national system of registration for medical practitioners;
- the development of the concept of a universal service obligation for small rural communities with a population of less than 5,000 people to outline a minimum level of health service access;
- the development of safe sustainable service models in partnership with rural and remote communities and other service providers.
- urgently examining the feasibility of the Commonwealth becoming the sole funder of doctors to reduce the current Commonwealth financial incentives for doctors to leave the public sector;
- urgently developing, in conjunction with professional colleges, a timetable for the establishment of all additional specialist medical training positions recommended by the Australian Medical Workforce Advisory Committee, with the Commonwealth Government to provide funding for the training positions; and
- developing pilot sites in Queensland to trial arrangements such as pooled funding and general practitioners working in public hospitals.

Inevitably, the Review has focused on the problematic relationship between our two levels of government in the provision of health care. As you are aware, this has been a matter of shared concern for some time—albeit from our different perspectives. You will recall that we agreed at the Council of Australian Governments (COAG) meeting in June this year to the development of a proposal by our Senior Officials to clarify roles and responsibilities and reduce duplication and gaps in the health system. The Productivity Commission's Health

Workforce Study which we commissioned earlier will shortly release its findings and will inform the work being undertaken by COAG Senior Officials. I remain optimistic that we can achieve substantial incremental reform through this process and look forward to COAG being able to present a shared commitment to substantial reform at its next meeting in February.

However this report calls upon the Queensland Government to seek a National Review. I believe that this provides us with an opportunity to go beyond the COAG reform agenda. It provides us with an opportunity to confront the fundamental problems for the future of our health system in the 21st century. We should invite the community's input on key issues including the scope of services to be provided in the public health system, what the community is willing to pay, and who should have priority access to public health services. Without significant dialogue with the Australian community, we will not be able to achieve the transformation of the system that is likely to be required.

I would appreciate your views on the findings of the Queensland Health Systems Review and your response to those recommendations on matters for which your Government has sole responsibility or shares responsibility with the Queensland Government.

Yours sincerely

PETER BEATTIE MP  
PREMIER AND TREASURER

**Mr BEATTIE:** The Forster final report is a weighty document and the government will further consider the details before making a more detailed response in the near future. On waiting lists, the report says at 2.1.6—

All states, in both the public and private sector, have waiting times between referral from a general practitioner and the date for an appointment with a specialist. These waiting times are not systematically measured but have been the subject of much reported criticism recently in Queensland as well as in some other states which have problems of the same scale as Queensland.

Mr Forster also confirms that patients needing elective surgery are more likely to receive it in Queensland than in the rest of Australia—the Queensland rate of surgery being 30 patients for every 1,000 people compared with the national average of only 26. The report also points out that Queensland Health has undertaken significant mental health reforms including: increased expenditure on mental health

initiatives from \$240 million in 1997-98 to \$418.7 million in 2003-04—an increase of 74 per cent; more equitable distribution of in-patient mental health services across the state—by 2002, Queensland Health had completed a process of decentralising in-patient beds from large psychiatric institutions to 18 districts, enabling more treatment of patients closer to their home; development of community mental health services, particularly in regional, rural and remote areas where no services had previously existed—community staffing numbers increased by an estimated 350 per cent between 1993-94 and 2004-05; and an expanded range of adult community health services.

In rebuilding Queensland Health, we will draw on information and advice from the Forster final report, from the Davies inquiry and its final report when available, and the new Productivity Commission report. I should emphasise that the central document for reform will obviously be the Forster final report.

Our work begins in earnest today. I will provide to the parliament next week a document outlining our first response to this report. Over the next month we will dedicate ourselves to the development of a full implementation action plan and the funding arrangements to underpin it. This implementation action plan will be published along with the mini budget on 25 October. They will be done together.

There is no doubt that the review and inquiry process has been painful. It has been painful for those patients and families who gave evidence to and sat through the Morris and Davies inquiry hearings. It has been painful for Queensland Health staff who helped uncover the problems and issues in the system. It has also been painful for dedicated and professional Queensland Health staff to witness the fall in community confidence in the system. And it has been difficult for my government. I make no bones about that.

I accept the challenge of creating a strong public health system—this is my government's top priority. We will build a system that is focused on people and delivering quality health services—a system focused on patients. We will renew services, restore public confidence and respect the people who work in the system and the people who use it. We will run a major strategy not only to implement this report but also to restore public confidence in the system. Mr Forster says—

Queensland Health must restore its reputation with the community and with its staff or this may have dire consequences for its ability to continue to recruit staff and therefore provide services.

It is time for the media to stop misinforming Queenslanders about the state of our health system and to now deal with the facts identified in the Forster report. The independent verdict is that it is as good as any in Australia—and it is going to get a whole lot better. I repeat what Peter Forster has said. Peter Forster has said—and this is the independent verdict—that our health system is as good as any in Australia. I repeat that again: the independent verdict is that it is as good as any health system in Australia.

I want to let everyone in Queensland Health know that you are valued and there are thousands of Queenslanders who can tell their families, friends and neighbours about the magnificent service they received in one of our public hospitals. I give a commitment to Queensland Health that we, as a government, will do everything we can to help you restore your reputation.

This is a comprehensive review. It has never, ever been done in Queensland before. This is the first time that any government in the history of Queensland has had the guts to face up to the health issues head on. No other government anywhere in Australia—

**Opposition members** interjected.

**Mr BEATTIE:** You see, Mr Speaker, our difficulty is that when we face up to problems head on we have those who are interested in cheap politics rather than patients. I say to opposition members today that now that we have the report they can either be part of the solution or part of the problem. I will say very clearly to Queenslanders that we are about to improve a system that is the equal of any in Australia. We are about to make it the best in Australia. Let me make it clear: I will not stand by and allow the opposition to try to undermine Peter Forster's report even before it has been tabled in the parliament. If Queenslanders want to know where the opposition stands on this, it simply stands for cheap politics; it does not stand for a solution.

Let me finish by saying this: we have a unique opportunity in Queensland—a very unique opportunity—to work with these recommendations to end up with the best health system in Australia. I would urge everyone in Queensland Health and anyone who is involved in health, I would urge Queenslanders and I would urge our political opponents to work with us in a bipartisan and constructive way to ensure that we have the best health system in Australia. I urge the opposition not to get involved in cheap politics but rather to work with us to put patients and Queenslanders first. That is what Queenslanders want. They are sick of the politics. They are sick of the problems. They want solutions. They want answers. Today I table those answers for the people of Queensland. The work of building the new Queensland Health starts today.