



## AMA Tasmania Community Budget Submission 2025-26

Thank you for the opportunity to provide a submission to the 2024-25 Budget process. As the only Association representing Tasmanian doctors across all disciplines, we welcome the opportunity to present our priorities for health for you to consider as part of your Budget development.

Unfortunately, we have had to submit our document before final approval from our President to ensure doctors have a voice in this year's Treasury process. We would encourage the government to consider the timing of its community submissions, with Christmas being a difficult time to coordinate input in small organisations. Should there be any additions to this document, we will ensure the Treasurer and Minister for Health receive an updated copy.

In summary the AMA Tasmania submission for 2025-26 budget includes:

- **Revenue:** government must increase revenue by maximising available funding streams and increasing taxes to fund necessary healthcare expenditures.
- **Infrastructure Projects:** Focus on the development and redevelopment of key health and hospital infrastructure, including a new acute RHH campus, LGH, St. John's Park, NWRH and MCH as well as the creation of subacute, non-acute, Hospital-in-the-Home and aged care beds to alleviate pressure on acute care hospitals.
- **Diagnostic and Investigation Capacity:** Invest in public system capacity to reduce delays in diagnosis and treatment initiation.
- **Electronic Medical Records (EMR):** Implement a seamless, integrated EMR system to improve communication and reduce errors.
- **Virtual Care Infrastructure:** Enhance virtual healthcare options to support timely access to care and reduce hospital admissions.
- **Robotic Surgery Implementation:** introduce robotic surgery at RHH to enhance surgical capabilities.
- **Primary Care Support:** Improve professional development opportunities and communication between General Practice and hospital-based specialists as well as expand the SEM to help grow the number of GPs in the community. Review the operational structure of Primary and Acute care to ensure both are able to work closely together to ensure optimal use of primary care resources.
- **Workforce:** Government must continue to review and implement coordinated strategies to attract and retain healthcare workers in Tasmania.

By addressing these key issues and recommendations, we can improve the efficiency, effectiveness, and sustainability of Tasmania's healthcare system.

## Key Issues and Recommendations

### The Healthcare Environment

Tasmania's health system is under significant strain, struggling to meet the needs of its vulnerable population from children requiring paediatric care to those struggling with mental illness to the elderly requiring sub-acute care and care in the home. Key data around emergency department waiting times, paediatric outpatient waiting lists, elective surgery cancellations etc all point to a system in need of more resources, not less. The state invests around \$3 billion annually in healthcare, constituting 35% of the annual budget, yet challenges persist. Key contributing factors include an ageing demographic, high rates of chronic disease, low-income levels, poor health literacy, and limited access to private healthcare.

Outdated infrastructure further exacerbates inefficiencies and impedes innovation, leading to higher operational costs and compromised patient outcomes. Renovating or retrofitting existing facilities often proves insufficient to meet modern healthcare standards, necessitating bold new initiatives.

With government debt needing to be reigned in, it is critical brave decisions are made by government to increase revenue rather than cut spending in health. Substantial recurrent and capital resources are needed in health to meet rising demand, allow for innovation and invest in critical infrastructure like a much-needed new RHH acute hospital. Efficiency dividend measures (\$45.3m in 2025-26 increasing to \$67m in 2026-27) and tighter measures on spending is leading to the health system slowing to a crawl and in some cases coming to a complete stop.

#### RECOMMENDATIONS:

- Remove the efficiency dividend on health,
- grow the health budget to cover health inflation and
- increase taxation revenue measures sufficient to support health services to grow, modernise and meet the needs of all Tasmanians.

### High-Priority Areas

#### 1. Hospital Infrastructure and Redevelopment

Experience at the RHH proves that renovating or retrofitting outdated infrastructure is challenging and costly, impacting the delivery of modern healthcare services. Examples of issues redeveloping an existing site include the failure to open new HDU beds for over twelve months due to issues with the roof and difficulties expanding the existing RHH ED underground resulting in project delays and cost blow outs. There are also areas like paediatric outpatients that have had projects moved, delayed and not delivered as first promised. A fragile private sector has also seen more pressure on public services particularly in maternity and mother and baby services.

#### RECOMMENDATIONS:

- Build a new acute hospital to be operational in southern Tasmania within seven to eight years near the current Royal Hobart Hospital (RHH) site, with all the wards and

services required to support the pre-eminent tertiary trauma referral hospital for Tasmania, including adult emergency services, inpatient medical and acute surgical wards, an acute trauma unit and offer specialised cardiothoracic, neurosurgical, vascular, and interventional radiology services. Dedicated medical inpatient care, including an acute stroke unit and geriatric and rehabilitation services. Feature an upgraded medical imaging department to support statewide needs, fully modernised pathology services, and a southern heart centre possibly integrating both public and private cardiology care.

- Either include a new mental health emergency department and acute inpatient facility in the new RHH or at St John's Park depending on the site chosen for a new RHH, as the built and natural environment is an important part of recovery.
- Retain and repurpose elements of the current RHH site to:
  - establish a Women's and Children's Hospital, offering a paediatric emergency department, neonatal intensive care unit, co-located dedicated private maternity ward, co-located private paediatric surgical ward, and rebuilt women's and paediatric clinics onsite. A dedicated women's health centre could include public IVF and a mother and baby unit. This would allow the proper integration of public and private services onsite.
  - retain a cancer centre at the current site for complex cancer surgery and radiotherapy.
  - retain an elective surgery centre on the current site, which would require an ICU and medical imaging for outpatient and elective surgery. This would decrease the likelihood of elective surgery being cancelled due bed block in the acute hospital.
- Deliver the LGH, NWRH, MCH and St John's Park masterplans within ten years to realise much needed developments to meet growing demand and provide modern healthcare facilities. Note: AMA Tasmania supports a single new hospital for the North West as our preferred position.

## **2. Subacute and Non-Acute Care**

Initiatives aimed at unblocking acute beds have formed part of the recommendations of government and parliamentary reports into Ambulance Ramping and Emergency Department blockages. The solutions are there, they just need sufficient funding allocated to operationalise them at a level across the state that will make a difference. There is also the need for new medical team led HITH services that support people with chronic and complex medical illnesses over longer periods, not just episodes of care. For some of these people the gap between GP care and hospital care is just way too vast, and many unnecessary admissions may be prevented.

## **RECOMMENDATION:**

- Increase subacute, non-acute, in-the-home and aged care bed capacity across public and private to facilitate timely discharges and reduce acute care hospital overcrowding.
- Develop a Hospital in the Home (HITH) program for chronic and complex illnesses to reduce hospital admissions in partnership with the NGO sector.
- Expand medical services outreach into Aged Care facilities to reduce transfer of patients to hospital, who could be cared for in situ.

### **3. Diagnostic and Investigation Capacity**

To ensure patients are receiving the right treatment as quickly as possible, it is important the backlog in radiology and pathology is addressed. The earlier an illness is addressed, the better the outcome for the patient and health system. In radiology, we believe there are savings to be had should the government choose to stop outsourcing radiology work to the private sector (save around \$5m), invest in its own service, including staffing the Angiography/ CT suite at the RHH, and bill appropriately all billable patients, which could raise up to \$3m.

## **RECOMMENDATION:**

- Implement the recommendations of the KPH Report into Radiology in THS- South and reduce outsourcing of work and increase billing for those billable patients.
- Immediately fund the radiologist and nursing staff required to open the new Angiography/ CT suite at the RHH which is completed but not seen one patient due to lack of staffing.
- Further invest in public system capabilities to reduce delays in investigations, diagnosis, and treatment and reduce reliance on private providers for essential diagnostics such as CT scans, ultrasounds, and echocardiography.
- Avoid unnecessary pathology tests and radiology scans through more sharing of information across primary and secondary care through a proper DMR/ EMR as well as empowering radiologists to determine whether additional scans are required.

### **4. Robotic Surgery at the RHH**

Last year, AMA Tasmania advocated for robotic surgery to be introduced at the LGH and we were pleased to see this funded. This year, we are advocating to introduce robotic surgery at the RHH as the state's tertiary referral and teaching hospital and one of the few public hospitals in a state capital city in the country without a robotic platform. Patient outcomes are better with robotic surgery. There is significantly reduced blood loss, reduced complications and as a result, reduced length of stay from six days to one day, freeing up beds for more patients. Less complications also means less return visits to emergency department or general practitioners for follow up care. In addition,

patients return to work and function faster as well as there is emerging evidence of better oncological outcomes.

As new surgeons are training with robots, it is imperative the Government and THS have a strategic plan to build robotic surgery into the Tasmanian elective surgery capability for Gynaecology, Urology, General Surgery and head and neck surgery.

**RECOMMENDATION:**

- Fund the purchase of a surgical robot for the RHH

## Improved Efficiency in Service Delivery

### 1. Healthcare Leadership

A strong supportive, consultative, listening and celebrating success culture brings the best out in people. Happy staff will contribute more, suffer less burnout and be more efficient. Strong leadership skills can be developed with appropriate training for those in leadership roles.

**RECOMMENDATION:**

- Improve leadership training, mentorship, and accountability at all levels. Skilled leadership enhances productivity, reduces staff turnover, and mitigates burnout.

### 2. Integrated Electronic Medical Records (EMR)

In this modern digital era we all live in, it seems ridiculous to be still advocating for a proper Electronic Medical Record to be introduced, which can also be accessed by primary care providers. While government has funded an EMR, the process of developing and introducing such a system is too slow and the inefficiencies as a result continue. For example, a patient being sent to a rural hospital with no discharge paperwork and appropriate medication was about to be returned to the hospital as the GP and rural facility could not take on the care of the patient without appropriate handover. Access to an EMR would have helped in this instance.

**RECOMMENDATION:**

- Deliver the much-anticipated seamless statewide EMR system to eliminate redundant tests, enhance real-time communication, and improve collaboration across healthcare providers. Fully transitioning to digital records will reduce administrative delays and errors and improve efficiencies.

### 3. Supporting Primary Care

A focus on improving the professional development and communication channels between General Practice and Hospital based specialists to keep patients supported and managed in their community by their care provider. This could be via modelling work done in other states using technology to

support asynchronous consulting and virtual consultations where a GP is able to access timely meeting/appointment with a non-GP specialist colleague to discuss the appropriate management of a patient (with or without the patient present). This both upskills the GP in the management of conditions while also keeping patients off outpatient waiting lists and provides faster access to timely care.

With a shortage of General Practitioners being experienced across the state, an expansion of the Single Employer Model (SEM) would also encourage more doctors in training to consider General Practice as their area of speciality. The current SEM is over-subscribed and would benefit from an increase in the number of placements available under the scheme.

#### **RECOMMENDATION:**

- Strengthen communication channels between General Practice and hospital specialists.
- Expand telehealth and virtual care infrastructure to provide timely consultations, reduce avoidable hospital presentations, and support early discharge.
- Expand the Single Employer Model further to support more doctors to move into General Practice without losing benefits through their Registrar years their hospital counterparts continue to enjoy.

#### **4. New Governance for Rural, Community and Home-Based Care**

Tasmania's health system includes public and private hospitals and community-based health care services. The Australian Government funds primary healthcare through MBS, while the Tasmanian Government supports rural hospitals and intermediate services. The Long-Term Plan for Healthcare in Tasmania 2040 prioritizes integrating the health system to support patient transitions and strengthen primary care relationships. Current community-based services are fragmented under various structures, leading to inefficiencies and siloed operations, including an underutilisation of rural beds for appropriate patients that would free up acute care beds.

Primary care and general practice leadership and organisation within the DOH needs to be elevated and consolidated to integrate services better. Primary healthcare decision making and executive organisation leadership much be under Medical leadership to enable the critical role of primary healthcare capability, capacity and resources to be better integrated within DOH and Government.

#### **Key Issues:**

- Lack of integration and coordination of primary and intermediate care services.
- Governance of District Hospitals and rural services is nurse-led, lacking multidisciplinary leadership.
- General Practitioners face challenges with integration into the THS, impacting workforce retention.
- Coordination during the COVID-19 pandemic was challenging, highlighting the need for better future planning.

- Australia faces a GP workforce crisis, with significant shortfalls impacting patient care and hospital presentations.

**Proposal:**

- Create a new Chief Executive position under the Deputy Secretary of Hospitals and Primary Care.
- This position would oversee statewide service delivery, including District Hospitals, Community Nursing, Care@home, Telehealth, and Community Allied Health.
- Support the Chief Executive with three Executive Clinicians from Medicine, Nursing, and Allied Health.
- Absorb current Primary Health North, Primary Health North-West, and THS-South Sub-acute, Aged and Community Services into this new structure.
- Identify critical regional hospital infrastructure funding needs.
- Create the role of Medical Director for Primary Care within acute hospitals to improve utilisation and support for rural facilities.

**Benefits:**

- Improved integration and efficiency of services.
- Clear accountability and decision-making by those with relevant expertise.
- Enhanced training and educational opportunities for community health professionals.
- Better clinical governance and support for GP Registrars under the SEM.

This new structure aims to streamline service delivery, improve patient care, and address workforce challenges in Tasmania's health system.

**RECOMMENDATION:**

1. Introduce an operational structure for Primary and Acute care to ensure both are able to work closely together to ensure optimal use of primary care resources.
  - Create a new corporate and clinical structure integrating Primary and Intermediate Health Care in Tasmania led by a Chief Executive of Rural, Community and Home-Based Care, and supported by an Executive team consisting of an Executive Director of Medical Services, Executive Director of Nursing and Executive Director of Community Allied Health.
  - Create a Medical Director for Primary Care within hospitals to better co-ordinate the use of rural facilities.

**Cost Savings and Funding Options**

AMA Tasmania is aware of the Deloitte Report commissioned by the Department of Health into possible savings and income measures, including better utilisation of bulkbilling practices as well as Private Health insurance, travel insurance, MAIB and Worker's Compensation Insurance claims to cover the cost of medical treatment for patients with appropriate cover. While we are yet to see the

report, we are willing to work with government to see efficiencies achieved and income maximised. However, we also believe government needs to look at wider revenue measures through the taxation system to increase revenue for government services, particularly health services, where costs to deliver services are rapidly growing. We also see a benefit from a public health perspective to help people make better choices for their health by taxing those products we know are causing the most harm – sugar, fats and alcohol.

In addition, AMA Tasmania has consistently advocated for Tasmania to be trialled as a site for a new Single Funder model for healthcare, which would enable one level of government to break down the barriers that exist between primary and acute care due to different governments funding priorities and requirements, allowing for a more seamless transition between both levels of care.

#### **RECOMMENDATIONS:**

##### **1. Tax Reforms and Subsidies**

- Introduce taxes on sugar and unhealthy fats to incentivise healthier choices.
- Introduce an alcohol floor price/ tax
- Introduce other tax measures to grow revenue

##### **2. Optimising Resource Allocation**

- Reduce reliance on interstate locums by optimising initiatives in the Medical Practitioners Agreement to support THS doctors to support out of region hospitals with short-term cover.

##### **3. Trial a Single Funder Model for Tasmania**

##### **4. Housing**

- Address housing affordability to improve health outcomes for homeless and vulnerable populations.

#### **Conclusion**

To meet Tasmania's healthcare demands, AMA Tasmania urges the government to adopt a forward-thinking approach. This includes prioritising leadership excellence, investing in modern infrastructure, enhancing community-based care, and leveraging innovative technology.

These strategies will not only improve healthcare outcomes but also ensure sustainable and efficient service delivery for future generations. The time to act is now, with an unwavering commitment to the health and well-being of every Tasmanian.

*Lara Giddings*

For Dr Michael Lumsden-Steel  
**President AMA Tasmania**