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Transcript: AMA President Professor Brian Owler, 774 ABC Melbourne with Jon Faine, 28 January 2016

Subject: AMA Public Hospital Report Card 2016

JON FAINE: The AMA, the Australian Medical Association, released an annual report card on public hospitals, and this year their report card warns of what they say is a black hole which is going to, in a year or two, have potentially catastrophic consequences for public hospitals around Australia. Professor Brian Owler is President of the AMA, the Australian Medical Association. Professor, good morning to you.

BRIAN OWLER: Good morning.

JON FAINE: We're constantly hearing from doctors that there's not enough money for health. Indeed, it's not just a black hole, it's as if it's a bottomless pit.

BRIAN OWLER: Well, we know that our public hospitals have not been able to cope with the demand that's there and, in fact, the demand has been increasing. We're seeing sicker, more complex patients presenting to our emergency departments, and a lot of effort that's gone in to actually improving our public hospital performance. But the big issue now is that, from the 2014 Budget, the changes to public hospital funding from the Commonwealth will mean that there'll even be less money, and I think many states and territories are going to really struggle, not only to maintain clinical services on their targets, but just to- they'll be looking at rationalising services, and I think people are going to wait longer for elective surgery, and in emergency departments as well.

JON FAINE: Well, speaking of elective surgery, for Victoria, having a look at the graphs and the report that you've released, the report card, in fact waiting times for elective surgery in Victoria have dramatically improved in the last 12 months. In fact, the graph shows a nosedive, a steep nosedive, a bit like the Chinese stock exchange at the moment.

BRIAN OWLER: Well, that's on the back of, of course, several years of it increasing and then plateauing. Last year for some reason the median wait time went down, but actually the...

JON FAINE: [Talks over] but it's back to where it was more than ten years ago...

BRIAN OWLER: Yeah.

JON FAINE: ... and either they're fiddling the books and using tricky definitions or something dramatic has improved.

BRIAN OWLER: Well, and you're looking at the same page that I am, and of course you can also see that Victoria is nowhere near meeting its performance targets in terms of category two patients, and in fact it hasn't actually improved very much at all. In fact, it's pretty much stagnated. And this is the problem; we've got stagnation, and now we're actually going to see further changes in funding that are going to flow on as of 2017. So the states are only going to be funded in terms of growth on the basis of CPI and population growth, and that is not going to be adequate to fund public hospitals. The premiers themselves have all been saying that this is a difficult problem. Mike Baird in New South Wales described it as a funding cliff for states

and territories, particularly for those smaller states and territories that have small economies that are not going to be able to make up the difference.

JON FAINE: Turning it around Professor Owler, and yes, of course, everyone would like to fund every hospital for every particular possible scenario that may ever develop, but if you did so you'd basically... the country would go broke.

BRIAN OWLER: Well, that's not what we're looking at. We're looking at just maintaining the basics of clinical services. I mean, elective surgery is not cosmetic surgery. I mean, elective surgery is cancer operations, people with disabling painful conditions that need to have operations. It's coronary bypass surgery, for example. I mean these are important operations, and when people wait longer it's not an inconvenience, it affects their health. So people, for instance, that can't walk, or exercise, or even work, usually get diabetes, they get overweight, they get more heart disease. They end up sicker and more unwell by the time they get their procedure. And longer waits in emergency departments again are not an inconvenience, it means that there is greater morbidity and mortality; the evidence says that. That's why we have the focus on elective surgery and emergency department performance, because this is affecting people's health...

JON FAINE: [Talks over] Understood, but...

BRIAN OWLER: ... and as performance tails off and it goes back to where it was, we are going to see people being sicker and more unwell.

JON FAINE: Understood, but I guess the thrust of my question more was about how do you find the money. You either take it from other departments, you either cut spending in other areas, or you increase taxes.

BRIAN OWLER: Well, the fundamental question here is what do we value in terms of our country in terms of health. I mean, health needs to be a foundation for building everything else. You can't, you know, get an education, training, you can't innovate, unless you've actually got a healthy nation to begin with. This is about maintaining services that people, particularly the most vulnerable, the sickest patients, those people on low incomes, children, that rely on the public hospital system for when they become unwell, and of course all of us, should some sort of trauma or severe illness confront us in the future, we all rely on the public hospital system. And so this has spawned a conversation about how we raise revenue. That's what the COAG leaders retreat was about last July, it was about the conversation of raising the GST or the Medicare levy as Daniel Andrews has suggested. It's not for the AMA to say what the best way of doing this is, but what we do want to do is make sure that we adequately fund our public health system to make sure that it meets the future demands of all Australians.

JON FAINE: Thank you indeed for your time this morning. Professor Brian Owler, president of the AMA.

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