

**HEALTH SERVICE DELIVERY — BUDGET**

*Matter of Public Interest*

**THE SPEAKER (Mr P.B. Watson)** informed the Assembly that he was in receipt within the prescribed time of a letter from the member for Churchlands seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

**MR S.K. L'ESTRANGE (Churchlands)** [2.50 pm]: I move —

That this house condemns the McGowan government for its budget cuts to the health system and the damage it is causing to frontline health service delivery.

I move this motion off the back of one example: \$300 million has effectively been ripped out of the North Metropolitan Health Service budget. When we compare the 2017–18 budget allocation to the 2018–19 target, there has been a reduction of \$300 million to the North Metropolitan Health Service at a time when we have an increasing and ageing population that is continuing to put pressure on our hospital system and health service delivery in the state of Western Australia. It is simply not good enough to take a razor-gang approach to health budgets when the government needs to take a reform approach so it can continue to deliver and improve on the delivery of health services to the people of Western Australia while being fiscally prudent. We on this side of the chamber understand that is what is needed. We understand that the health budget represents one-third of the total state budget, that it is continuously under pressure and that the only way the government is going to reduce that budget whilst maintaining health service delivery is by taking a reform approach. This government, this Labor government, which promised so much going into the last state election, has simply appointed people to slash budgets. In the example of the North Metropolitan Health Service, the government is not telling the people—the patients—which elements of the budget are being cut. The government is arbitrarily setting targets for health service providers and telling them to slash budgets by \$300 million and to work out how they will do it. As we saw evidenced earlier this year, the government said, “If you don’t do it, we’ll sack all the board members, we’ll appoint one of our Labor mates, we’ll appoint somebody else we know really well and we’ll see whether they can do it.” Again, it is simply not good enough, because the opposition and the people of Western Australia, particularly the patients who need a good health service, will identify the simple fact that the government’s own state-led key performance indicators in the health sector will start to fail.

We are already seeing that in a number of different areas. Ambulance ramping is increasing. We have seen it month on month since Labor has been in government, but particularly this year. The government has had a full year to get itself in order and to work out what needs to be done and to execute or action the way it is going to make improvements. What has been happening in the last six months of the 18 months in which the government has been in power is that it has all been heading south. Ambulance ramping is on the increase. Elective surgery waitlists are completely blowing out to over 23 000 people. People are waiting for up to nine months simply to see a specialist to work out whether they need surgery. How does the government think those patients feel when they cannot even see a specialist to work out whether they need surgery? That is under the government’s current budget construct, without the \$300 million cut just to the North Metropolitan Health Service budget. How does the government think that all those people in that part of Perth are going to feel when their wait times to see a specialist blow out beyond nine months, so they have the stress, worry and concern over their health because they cannot see a specialist to work out whether they need surgery? That is simply not good enough, minister. The Minister for Health needs to reform the system so he can look for budget savings while improving the KPIs, not just accept that a razor-gang approach and falling KPIs are good enough. It is simply not good enough. As I said before, ambulance ramping has increased significantly in our metropolitan hospitals right now and we also have hundreds of children waiting more than a year to see an ear, nose and throat specialist. That is the first area that the government has failed on. It has failed on the basics of delivering an effective service.

The litmus test of any hospital under strain is always going to be its emergency department. All states agreed to a four-hour wait rule. It was a nationally agreed target that 90 per cent of patients would be seen within four hours. Under the government’s watch, those times are blowing out. That means that the wards are either clogged up and hospitals cannot get people moving through the ED and into wards, or the government is closing wards—it is going to take us time and effort to find this out, because the government will hide this from us—and is not making beds available in hospitals simply to save costs. If the government is doing that, it means EDs will suffer, ambulances will be ramping up outside in the street and the people of Western Australia who are getting sick will not be seen in the right time, and they will fail to get the service they deserve. This is all because the government is not addressing the problem with smart reform approaches to fixing things up; instead, it is cutting funding.

Another aspect of this health budget failure on the government’s part is that it is not even investing in health infrastructure. Yes, as we heard the Premier say today, the government has an agenda for Metronet, but I can tell

the government right now that if the people of Western Australia had the choice of a good health system that could deliver health services that they, their partner, their kids or their parents need, they would take it any day over a new train. Although the government has its Metronet agenda—it went to the election with that; that is fine—it cannot at the same time abdicate responsibility for providing an effective health service for the people of Western Australia. The government absolutely must deliver the fundamentals before it delivers the nice-to-haves. That is its responsibility and it is failing in that. It needs to look at infrastructure.

Furthermore, let us look at how the government is going with some of the frontline services for people seeking help. Let us think about the Meth Helpline. How did the government handle the Meth Helpline? From 2015–16 to 2017–18, when calls to the Meth Helpline increased by 35.8 per cent—calls went up—the government cut the budget by \$154 000. That is the equivalent of 10 shifts that would have been able to take calls on the Meth Helpline. Let us look at a mum and dad in the tragic circumstance of coming home and discovering that their child, in their late teens or early 20s, has experimented with methamphetamine and they want to act immediately. They do not know where to go or who to turn to, but they have heard about the Meth Helpline. If they want to make that call, they do not get anybody at the other end of the line! Is that the right approach? Of course it is not. It is a disgrace. What does the government do to address that issue? It says it has built a meth prison. I can tell the government right now that the mums and dads do not want to know that their kid is going to end up in a meth prison; they want to know how to get the kids off meth now. That would actually address the concerns of the community, and the government is failing in that.

Furthermore, if we look at suicide prevention, very, very sad and upsetting statistics came out this year that pitched Western Australia as the worst performing state in the country, with a 10 per cent increase in the suicide rate. I would think that, with those types of indicators, those very concerning statistics, the government would increase the prevention aspect of the Mental Health Commission budget. What did the government do? It has slashed it by 10 per cent. It does not make sense. If there is a health or mental health problem in the community, the government should not address it with its budget reform agenda sitting over the top, it should address the need. If the government needs to make some changes to its forward estimates and its budget; it should make changes to the forward estimates in areas that are not essential and look after health and mental health, which are essential. The people of Western Australia deserve that to be the government's primary focus, not a nice-to-have focus: "Let's take \$300 million out of the North Metropolitan Health Service and all the other health services and just let them sort it out." That is simply not good enough. Just when the opposition started looking at how the government was managing the sector, the most damning of Corruption and Crime Commission reports came down last year—the one into the North Metropolitan Health Service. Sure, some of that damning, terrible stuff happened under our watch when we were last in government; we know that. We also know that it started before we got into government.

Frankly, the information that is reported is just information; what the government does with that information and how it responds is what matters. What has the government done? It has appointed the Minister for Health's former employer as chair of the North Metropolitan Health Service board. It has wiped out the most highly qualified members of that board in Western Australian history, and said that they were not up to budget management, when the government set completely unachievable budget targets, because it has no reform agenda to support them. Not only did the government appoint Jim McGinty, but we found out today in question time that it has appointed Danny Cloghan, Minister McGinty's former chief of staff, to be the inquirer into the problems uncovered by the Corruption and Crime Commission. Does the government think that is acceptable? Of course it is not acceptable. The government's own approach to matters reported by the CCC is appalling. It should have done nothing less than appoint a completely independent inquirer, not the minister's mate, to put together a report that the government will be happy with when it is published. That is not gold-standard transparency, as outlined by the Premier going into the last election. It is simply not good enough, Minister for Health, Premier of Western Australia, and all the backbenchers, who know that their constituents write to them about their concerns with the health system in Western Australia. The government owes it to its backbench, to us and to the people of Western Australia to fix up this mess.

**DR M.D. NAHAN (Riverton — Leader of the Opposition)** [3.01 pm]: I would like to follow on from that. There is no doubt that health is the most difficult area to get right in the state government, and is an area that the population weights very high, if not the highest. The costs are high, and it is a challenge. We faced it, and the present government has faced it. The question is: how is the government facing that challenge? Is it doing it right?

**Mr R.H. Cook:** We've got it right so far.

**Dr M.D. NAHAN:** That is what the minister says, and let us look at that. Today, we asked a simple question about the government's inquiry into the corruption. The minister's first response was that it was all the fault of the previous government. That is the essence of the response by this government to every issue. If the government is facing a difficult problem, it blames the previous government, bureaucrats or somebody else. It does not cop it sweet. Even when the government backflips, it does not cop it sweet. If the government cannot cop it sweet, it cannot solve the problem. Anybody reading the CCC report knows that the issues of corruption in the

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Mr Sean L'Estrange; Dr Mike Nahan; Mrs Liza Harvey; Mr Roger Cook; Mr Simon Millman; Mr Ben Wyatt

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North Metropolitan Health Service procurement started back in the 1990s and went through the 2000s. Blaming it only on the previous government means that the minister is not concerned about the systemic nature of the corruption.

Also, on the payouts, that great minister, the Attorney General, was bragging here recently that he would force all those people who took redundancies to pay the money back. As we heard today, no such luck. They are not going to, and they never were. He also said that all the payouts were under our watch, but a Mr Ensor, who is one of the officers identified by the CCC as taking corrupt payments, received a payout on 28 June 2018. That was when the CCC report was out, and it was under the present minister's watch. Okay, some payments took place under our watch, but it is a systemic problem, and the government must cop it sweet.

The issue came up of the sacking of the North Metropolitan Health Service board. I will read out some of the names of the people on the board: Professor Bryant Stokes, AAM, a highly distinguished neurosurgeon and former acting director general of Health; Associate Professor Rosanna Capolingua, former head of the Australian Medical Association, director of general practitioner liaison at St John of God Hospital; Margaret Crowley, an icon—the list goes on and on. This is a top-flight board, as it needs to be. The North Metropolitan Health Service accounts for about 30 per cent of metropolitan health expenditure, so it is very important. We asked the minister why they were going. They did not cop it sweet. We heard rumours. We thought it might be because the minister was parachuting in Jim McGinty and so had to boot the rest out. But the minister stood up and said it was he who told them to leave. Most of their terms were coming up, but the minister told them to leave because they were not hitting the fiscal targets. He went on to say that the other health service providers were doing well—the East Metropolitan Health Service has completely retrieved its financial position; the South Metropolitan Health Service, despite all the issues it had with Fiona Stanley Hospital, has retrieved its position; north metro had not done so, so the minister wanted to see some renewal in leadership.

Let us look at the data that comes out in the annual reports. We find that every metropolitan health service had blown its budget relative to the targets provided. Not all those health services had their targets cut. The largest cut to the target, and therefore the largest blowout, was in north metro. Some of the services had no cuts at all to their targets. The essential issue is, how are these targets set? In 2016–17, when the government was elected, it inherited the new area system, which was still bedding down. It was put in place by the previous government, and probably needed some tweaking. However, when the government sets targets and the services do not meet them, it should investigate why, and come up with systems to assist the services to achieve the targets. If they miss the target, it is simply not good enough to go back the next year and reduce the target even further. That is what the government has done for the North Metropolitan Health Service. In 2017–18 and 2018–19, it did not meet the target. What did the government do? Did it give a new assessment of the target? It lowered the target each year.

The government has assisted the north metro and other health services to achieve some of those targets by tightening its wages policy and, to an extent, reducing the senior executive service. However, that was mainly in the Department of Health; hospitals do not have many senior executive service members. The government has assisted with that, but it has given the services no other guidance. As the member for Churchlands said, the area health services have certain powers and responsibilities. If they are given completely unrealistic targets and they cannot meet them, it is not good enough to just go and fire them, unless the government is going to replace them with a headkicker who is going to meet that target, but at the cost of delivering services to the patients. We are talking about hospitals. The objective is to service patients, not to meet targets, which is an important but secondary objective, as long as those targets are appropriately set.

Let us look at the latest annual report of the North Metropolitan Health Service. The key issue is whether it is meeting its targets in costs per unit of service. Is it meeting its efficiency targets? That should be the bottom line. It cannot control demand, and it cannot control a lot of the industrial relations systems, but it was given money and asked to meet an efficiency target. If it meets that target, it should be applauded. In 2017–18, the North Metropolitan Health Service met its efficiency targets by a substantial margin. The average admitted cost per weighted activity unit—a technical term for basic cost per patient—was \$7 285. The actual was \$7 000. That is a remarkable achievement. Another efficiency indicator is the average emergency department cost per weighted average activity unit—in other words, the cost per patient going into the emergency system. Again, the target was \$7 000, and the service did it at \$6 000.

That is remarkable. Why did the North Metropolitan Health Service not meet its targets? It is not efficiency; it is demand. The government got the demand wrong. More people showed up to the North Metropolitan Health Service, and it has been more costly and there have been more complex requirements than expected. The government gave the health service a fixed budget based on demand. The service used that money efficiently, but the government underestimated the demand. What did the government do when a crack service, with some of the best and knowledgeable people in the health system, did not meet its requirements? It met efficiencies but the demand overwhelmed it. It fired the board. The government said, “Bryant Stokes, AM, get out of here. Rosanna Capolingua, leave the door. Dr Crowley, an icon, go.” Then it sticks Jim McGinty in there.

**Mr P.A. Katsambanis:** Mates.

**Dr M.D. NAHAN:** A mate. Then what does he do? He brings in another mate. Hospitals are not there for mates; they are for patients, for performance and for meeting the needs of the sick and ill of our state. This is no way to run a health system. First, cop it sweet and, second, make sure the targets are right, and put in the best people rather than mates. The minister yelled out that in terms of driving efficiencies, “We’re doing it.” I can tell him that we will be here day in, day out, every day that Parliament sits, reminding the government of the queues in the hospital system, in the emergency rooms and of those waiting for elective surgery. Watch them swell, and the government will no longer be able to praise itself.

**MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition)** [3.11 pm]: I, too, rise to support this matter of public importance today. I was galled to hear the Minister for Health today take credit for the Perth Children’s Hospital and then in the next breath completely deny responsibility for the pain his budget cuts are causing to the kids of this state. In August, 23 851 people were on the elective surgery waitlist. Do members know how many people that is? That is 2 671 more people than in the entire electorate of Pilbara. More people than those living in an entire electorate are on the public hospital waiting list. It is galling to hear the minister try to take responsibility and credit for a construction build and then to deny responsibility for the pain his cuts are causing. Of those 23 851 people on the waitlist, 2 425 are kids. That is up 13.7 per cent compared with August last year. Of those kids, 151 are waiting longer than is clinically acceptable for their surgery, compared with just three in August last year. That increase from three to 151 is because budget cuts have closed surgeries. Theatres have been closed at Perth Children’s Hospital because there have been staff and budget cuts, and kids are waiting longer for surgery. What happens when a child, or any human being, waits longer than is clinically acceptable for surgery? If it is cancer, they could die. They die, but their life could have been saved had they been seen. That can be the outcome. Do members know what happens if a kid waiting for ear, nose and throat surgery has to wait longer than is clinically acceptable? The bones of their inner ear erode and they end up with permanent hearing damage. They are the problems we are having in the Perth Children’s Hospital because of budget cuts by this minister.

What happens when people stay over boundary for surgery? What are the outcomes for elderly people staying over boundary for bowel, knee or hip surgery? Their post-operative outcomes are poorer. I have heard stories from nurses in my constituency who work at Sir Charles Gairdner Hospital and the Perth Children’s Hospital. They tell me that they have been told not to provide antibiotics to patients when they are being discharged because of budget cuts. Patients are sent home with a script. If a patient looks after their health and is responsible, they might fill the script and take the antibiotics. But if they are given them by the hospital, they will go home and take them and will not get a secondary infection and end up back in there again, taking up another bed, if one can be found. Nurses at Charlies are telling me that patients are waiting on gurneys in corridors because there are no beds. Wards are closing because the hospitals do not want to pay for the staff; they do not want to put on full-time staff. That is what I have been told is happening because of these savage health cuts.

The minister makes excuses. He blames the shift from private health cover and says that is putting pressure on public hospitals. Yes, it is, but how does he expect those hospitals to perform when he cuts their budgets? If there are more patients in the public system, more funding is needed—you do not cut funding. Why are people not on private health cover? They cannot afford private health cover because they are busy paying \$700 extra a year in fees and charges that have been put in place by this government. When they cannot pay their power bills, water bills and council rates, private health cover gets jettisoned. They jettison private health cover with confidence because they know the Liberal–National government left this state with a top-class health system—world class—in which there were magnificent hospitals. The staff were happy. There was high morale in our hospitals because the staff were not being told to compromise on patient care so that the government could save money to put into its pet projects. That is what we are seeing now. Ask the nurses at Perth Children’s Hospital how they feel about kids who come in with damage to their auditory system because they are not able to see a specialist in time and who have to wait for a theatre to have their surgery. It is those outcomes the Minister for Health will be responsible for.

The last time we saw this and the last time we saw headlines like “Surgery blowout” and “Big waitlist at kids’ hospital” was when this mob was in charge in 2008. There were headlines like “Hospital ED risk ‘worst in the nation’”, “Emergency doctors may quit if State doesn’t act on staffing levels”, “Coroner criticises surgery wait list” and “Grandmother waited 40 hours for operation”. That is exactly what we are seeing now in 2018. Labor was put in charge of the health system and it punishes it. Nurses at Perth Children’s Hospital who call in sick because they are so stressed and overworked are not replaced. That means that the nurses left on shift have a bigger workload. What does that do for patient care? I will tell you what it does. It means that kids wait longer to get pain relief. It means kids wait longer to get wounds redressed. That is what it means. That is what savage cuts to health do.

While this is happening, the minister and Treasurer are busy down at the big end of town, slapping themselves on the back, talking about how they have reined in spending on health. I expect the big end of town have private health cover! I expect the big end of town can probably afford it! But what if they were one of the people waiting

40 hours for surgery on a gurney? What if it was their mother, daughter, sister or wife stuck in an ambulance, ramped outside a hospital because no beds were available? Then if they did get a bed, they would have to wait for surgery because theatres are closed. This is what the government has done. This is the damage that the government has done in just 19 months on the job. I find it galling. People come into my office saying, “You’ve got to do something. I can’t give incontinence pads to my patients. They have to lie in their own urine because we have been told we cannot afford large incontinence pads.”

Members can imagine the humiliation of that patient lying in their own urine on a gurney in a ward in what used to be a first-class hospital system, and being told by the nurses that if they vomit they cannot give them IV Panadol, “Suck it up, it’s too expensive”. Nurses, of course, would not say that! This government’s budget cuts are hurting people and they are now hurting more people than the equivalent number who reside in the entire electorate of Pilbara. That is the size of this problem under the watch of this minister. The longer he pats himself on the back with the big end of town about his budget cuts, the better it will be for the Liberal and National Parties because our record on health is outstanding. Dr Kim Hames did a tremendous job in the health portfolio. He left the system in very good shape indeed. The nurses loved him. All the nurses and doctors who worked under this mob last time are dreading what will happen with Jim McGinty on the board of the North Metropolitan Health Service.

**MR R.H. COOK (Kwinana — Minister for Health)** [3.20 pm]: Mr Acting Speaker, thank you for the opportunity to speak on this motion. As I said last week in private members’ business when the member for Scarborough gave the exact same speech, members have to have two things in this place—first, they have to have a narrative and, second, they have to have evidence to back it up. In question time today, opposition members said I was spending too much on health, but in the matter for public interest immediately following, I was cutting the budget! I will go through a few of the issues that the member for Churchlands raised to clarify some of the points he made.

One of his assertions, in stark contrast to his point in question time, is that I have slashed the budget of the North Metropolitan Health Service by \$300 million. It is true; the North Metropolitan Health budget shows a figure of \$300 million, but it is not a cut—rather, it is a transfer to the creation of PathWest as a single service provider. Member for Churchlands, it is not a cut in hospital services but simply the transfer of activity from PathWest as part of North Metropolitan Health Service to PathWest as a standalone health service provider. That was one of the reforms the government made this year and, as a point of fact, it is simply not evidence that we are cutting the activities budget of the health service.

I will go through the stats of the budgets of the health service providers, because right across the board they show that approved budget expenditure has grown by 2.2 per cent between 2017–18 and 2018–19, with further growth of 3.3 per cent in 2019–20, 3.5 per cent in 2020–21 and 3.69 per cent in 2021–22. That is to fund approved activity growth of 2.1 per cent in 2017–18, with further annual growth across the forward estimates of 2.3 per cent, 2.4 per cent and 2.5 per cent. The basis of this whole MPI—that we have cut the North Metropolitan Health Service budget by \$300 million—is simply not true. We could have wrapped up this whole debate in the first couple of minutes, but the opposition, as is its duty, made a number of other assertions about the overall budget. I make it quite clear that growth in the hospitals, in their budgets and activity, is writ large right across the forward estimates. The member for Churchlands said that about 23 000 people are on the waiting list. It is true that Western Australia has a bigger population, but the fact of the matter is that 93 per cent of patients continue to be seen within clinically recommended times, and that number has stayed fairly consistent throughout the last few years. Despite the fact that we have reined in the budget of the health system, we have continued to provide clinical services as required within the recommended time.

On 14 February 2016, a man said in *The Australian* —

We don’t need to reduce services to cope; we need to be more efficient and work smarter with the considerable resources we have.

That man was Hon Kim Hames, who the member for Scarborough was keen to laud earlier. The problem for the former Liberal government is that although it knew what was required and it understood what it had to do, it never did it. We now have a government that is taking control of things. We are continuing to drive activity growth off the back of modest expense growth. That is what is needed to increase the efficiency of the system, which refers to weighted activity costs. Essentially, that shows that the gap between the state average for activity and the national efficient price is starting to reduce. That is the first time that has happened since activity-based funding was brought in around 2012–13. That is a turning point for the health system, which is to be commended. We are getting it right. We are entering into what the member for Churchlands described as fiscal prudence but, at the same time, we are making sure that we maintain a level of service that the WA people deserve.

As the member for Churchlands said, we need a reform agenda around that, and that is exactly what we are implementing. We are making sure that we have alternative pathways for patients who come into our emergency departments to ensure that we take the pressure off emergency departments so that they can get to patients earlier. The member for Scarborough was keen to point out that people are littered across our EDs and that our ED wait

times are appalling. Members of Parliament might be pleased to hear that in 2016–17 we were in the middle of the pack amongst all the states in ED performance in meeting the four-hour target. But in the April–June 2018 period, Western Australia had the best outcome in the four-hour rule of any state in Australia. We are the best and that is borne out by a rate of 76.6 per cent, with the next best being New South Wales with 74 per cent. The fact of the matter is that the narrative that the opposition tried to prosecute this afternoon is simply not borne out by the evidence. It wants to be able to say that elective surgery wait times are getting worse. However, as I pointed out last week in the chamber, in August 2016 the percentage of patients on the elective surgery wait list who were treated outside the recommended waiting time was 7.2 per cent and in August 2018 it was 6.7 per cent. We are getting to more patients faster than occurred in 2016. In addition, in terms of category 1 patients, in August 2016 the number of patients who fell outside the recommended waiting time for treatment was 17.5 per cent, but under this government, it is 14.5 per cent. Member for Scarborough, Leader of the Opposition and member for Churchlands, there is simply not the evidence to back up your claims. The member for Churchlands talked about the waiting-to-wait list. The member for Churchlands may be interested to know that when the waiting-to-wait list was introduced in 2008–09, 39 000 people were on it.

By the time the government left office, there were 76 000. There was no laudable performance by the previous government to say that it did it well and that our government has done it badly. It is simply not borne out by the numbers.

**Mr S.K. L'Estrange:** Is it increasing or decreasing under your watch?

**Mr R.H. COOK:** As I pointed out to the member, it is probably increasing, as is the waitlist, but what is important is that we are getting to people within the clinically recommended waiting period. The fact of the matter is that our performance in 2018 compared with the previous government's in 2016 simply shows that we are doing better than it was.

**Mr S.K. L'Estrange:** Good luck selling that.

**Mr R.H. COOK:** That is the fact of the matter. It does not matter how loudly the member speaks in this place, the fact of the matter is that the system is improving. In addition, we are also improving the situation with the budget. That is an ongoing piece of reformist work that we are very proud of and will continue to undertake.

The member for Churchlands also talked a lot, and loudly, about the issues in the Corruption and Crime Commission report that was brought down in August this year. He tried to conflate the issue around the appointment of Daniel Cloghan as somehow being the envoy or agent for the government to investigate the CCC claims. Again, that is fine if members have the evidence to back them up, but the fact of the matter is that Mr Cloghan was appointed in June this year for a project that was to run from June to November to look into the employment practices and processes in the North Metropolitan Health Service.

**Mr S.K. L'Estrange:** No, that is not true. I have the parliamentary answer to the parliamentary question here.

**Mr R.H. COOK:** That is the fact of the matter, member.

**Mr S.K. L'Estrange:** No; you are actually misleading Parliament. That is not what he was appointed for—what you just said.

**Mr R.H. COOK:** In general terms, that is what he was appointed for.

**Mr S.K. L'Estrange** interjected.

**The ACTING SPEAKER:** Member for Churchlands!

**Mr R.H. COOK:** Danny Cloghan is a highly qualified person to take on this task. Why do I say that he is highly qualified? Obviously, I know him, as the member for Churchlands was keen to point out in his conspiracy theory. The fact of the matter is that you, in government, highly valued his work as well. In fact, you appointed him as the executive —

**Mr S.K. L'Estrange:** Me—the member for Churchlands?

**Mr R.H. COOK:** As in the Liberal government. When the member was in government, Danny Cloghan was appointed as executive director of corporate services at the Department of Health in 2010. He may still even be in the employ of that department. No; he was appointed to the Fair Work Commission in 2010.

**Mr S.K. L'Estrange** interjected.

**The ACTING SPEAKER:** Member for Churchlands!

**Mr P.A. Katsambanis** interjected.

Mr Sean L'Estrange; Dr Mike Nahan; Mrs Liza Harvey; Mr Roger Cook; Mr Simon Millman; Mr Ben Wyatt

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**The ACTING SPEAKER:** Member for Hillarys!

**Mr R.H. COOK:** The point I wish to make is that Danny Cloghan is not there to investigate the report of the CCC. Does the member understand that?

**Mr S.K. L'Estrange:** Your answer —

**Mr R.H. COOK:** Does the member understand that?

**Mr S.K. L'Estrange:** Your answer to the Parliament says that he was employed to conduct a review to evaluate and identify any issues related to the governance and effectiveness of the workforce and integrity functions of the North Metropolitan Health Service. That is your answer, minister.

**Mr R.H. COOK:** Yes, that is right—the workplace arrangements and the systems relating to that.

**Mr S.K. L'Estrange:** And integrity functions and governance.

**Mr R.H. COOK:** But the member understands that he is not there to investigate the findings of the CCC report.

**Mr S.K. L'Estrange:** Who is?

**Mr R.H. COOK:** It is the Public Sector Commission. This brings me to my final point. As the other side rightly knows, the Public Sector Commission has been engaged to do a thorough examination of the systems and processes in place.

**Mr S.K. L'Estrange:** Who does the Public Sector Commissioner answer to?

**Mr R.H. COOK:** The Public Sector Commission answers to the Parliament of Western Australia.

Several members interjected.

**The ACTING SPEAKER:** Members!

**Mr R.H. COOK:** I simply point out to the member that it is looking for an independent inquiry into the work of the North Metropolitan Health Service. I think the Public Sector Commission is also looking into other health service providers. I can think of no better independent function of government to undertake this work than the Public Sector Commission. That is a point of fact. We know the conspiracy theory that the member for Churchlands is trying to cook up. We know that he is desperate to find some sort of narrative that clicks in relation to health, whether it is that we are spending too much or cutting too much or whether we are working better.

**Mr S.K. L'Estrange** interjected.

**The ACTING SPEAKER:** Member for Churchlands!

**Mr R.H. COOK:** The member for Churchlands has a conspiracy theory about the North Metropolitan Health Service that has somehow been cooked up. We are here to run on behalf of the people of Western Australia a health service that is effective and efficient and puts patients first. There are some things we have to do to clean up the mess that we found once we got here. This boils down to the problem of what we have in this place. When we came to government, we found not a wonderful health system, as the member for Scarborough claims, but a health system with some significant problems, and not just the situation with Perth Children's Hospital and the inadequate contracts for the car park at the Queen Elizabeth II Medical Centre campus. We are driving a process of reform right across the sector. We need to do it to make sure that the Department of Health remains the most effective department within government so that we get the health services to the people of Western Australia where they live and when they need it. We have to make some decisions and we have to get the situation under control. The previous government failed to constrain costs inside health. It failed to deliver efficiencies inside health. It failed in a range of circumstances in the oversight of the system. We are here to fix the problem. We are doing that. We are getting on and putting patients first, and we are doing it because the previous government could not.

**MR S.A. MILLMAN (Mount Lawley)** [3.36 pm]: Royal Perth Hospital was founded when the Swan River Colony was founded. On 14 July 1855, it was located at its present location on the corner of Murray Street and Victoria Square. Royal Perth Hospital is the jewel in the health crown in Western Australia and it serves the people of Western Australia through its state trauma centre, but more particularly it serves the people of the inner north in suburbs like Perth, East Perth and Mt Lawley through the excellent service that is provided by the doctors and nurses who work there. It serves the people of Western Australia and it serves the people of my electorate.

**Mrs L.M. Harvey** interjected.

**Mr S.A. MILLMAN:** I did not interject once on the member for Scarborough. I am talking to the chamber and to my community about how valued Royal Perth Hospital is and how proud I am that it is an integral feature of Western Australia's health system. I am also very proud that the Minister for Health is now responsible for —

**Mr Z.R.F. Kirkup** interjected.

**The ACTING SPEAKER:** Member for Dawesville!

**Mr S.A. MILLMAN:** If the member wanted to speak on the matter, he could have spoken on the matter. Supercilious interjections from the back stalls are not welcome or warranted or, frankly, needed in this debate.

**The ACTING SPEAKER:** Member, through the Chair.

**Mr S.A. MILLMAN:** All I am talking about is the fantastic work that the doctors, nurses, orderlies and health professionals throughout Royal Perth Hospital do. How grateful are we that those professionals are now supported by the expert and professional Minister for Health? We have a health service that requires mature, sensible custodianship. It requires a steady, sensible hand on the tiller. It requires a vision for the future. It requires the interrogation of all its funding to make sure that it is placed on a sustainable foundation so that we have a health service not for the member for South Perth, but for the member for Dawesville and for the member for Dawesville's children, and so that we have a health service that endures for generations. Royal Perth Hospital has been in operation near my neighbourhood since 1855 and it needs to be in operation in 2055 and beyond. The only way that that will be achieved is if we have a sustainable health system that the community can afford.

The fact of the matter is that the Liberal–National government allowed the budget to run away. The bigger the legacy that we have inherited, the harder we have to work to remedy it. When it comes to health, there is no bigger legacy that we are now responsible for fixing. The opposition has the gall to criticise this government's management of the health portfolio. It is incredible.

One of the great features of the rejuvenated Royal Perth Hospital is the commitment —

**Mr Z.R.F. Kirkup** interjected.

**Mr S.A. MILLMAN:** A nothing contribution.

**Mr Z.R.F. Kirkup** interjected.

**The ACTING SPEAKER:** Member for Dawesville!

**Mr S.A. MILLMAN:** Is Royal Perth Hospital open? Are we talking hypotheticals or are we talking facts?

**Mr Z.R.F. Kirkup:** We kept it open with the Royal Perth Hospital Protection Act.

Several members interjected.

**The ACTING SPEAKER (Mr S.J. Price):** Member for Mirrabooka! Members! Member for Mount Lawley, speak through the Chair, please.

**Mr S.A. MILLMAN:** We are dedicated, and I am dedicated, to the future of Royal Perth Hospital. A range of commitments that will be implemented by this minister will ensure that it has a sustainable and credible future. The McGowan government has made a range of commitments in health that will put patients first, driving innovation, integration and cultural change. The minister has already quoted the former Minister for Health, Kim Hames, when he said that what we need to do is not reduce services to cope; we need to be more efficient and work smarter with the considerable resources we have. I thought that would have been the sentiment of the Liberal Party, but unfortunately it has abandoned its principles. It no longer wants to govern efficiently. It does not want to govern in a sustainable, economically responsible manner. It has some Norman Lindsay *Magic Pudding* view of the world in which it spent, spent, spent without fear or favour and without proper consideration of the consequences.

Back to Royal Perth Hospital, because it is so important to our community. It is so important to the people of my neighbourhood of Mt Lawley and it is so important to the state of Western Australia. The FutureHealth research and innovation fund commits the government to establishing a \$1 billion fund to drive medical research and innovation. It will include a cancer research plan for the next decade, an innovation hub at the rejuvenated Royal Perth Hospital, and incentives for corporate and philanthropic contributions for health and medical research. Just think about that last point: philanthropic contributions for health and medical research. That could be straight from the old Liberal Party playbook, yet it has abandoned these ideals. One sits here wondering what the Liberal Party stands for these days.

I was very privileged to be at Royal Perth Hospital in May this year when the Minister for Health and the Premier opened the first urgent care clinic, toxicology, at Royal Perth Hospital. This is something we campaigned on during the course of the 2017 election. People who I spoke to in Mt Lawley were saying one of the problems with the emergency department is how stressful the experience can be. I was there with my young son who had bumped his head and there were people coming in who were clearly under the influence of alcohol and drugs. All these people are mixing in the emergency department and it is provoking anxiety and distress. In opening this urgent care clinic for drug and alcohol-affected patients, we have reduced waiting times at Royal Perth Hospital and made it much easier, safer and less stressful for people attending the emergency department. That does not just include the patients; it also includes all the staff who are required to work in that environment. The McGowan government is continuing to implement the urgent care network. This will help deliver primary care

throughout public emergency departments and help with making our health system, which is so important to the welfare of everyone in Western Australia, so much more effective and yet also so much more sustainable. I agree with this proposition: this innovative model is being implemented to free up time and resources for emergency departments to care for those who genuinely need the level of care that an emergency department can provide. We see that as part of ensuring a sustainable health system.

It saddens me to have to compare the excellent approach of the current Minister for Health, with his commitment to improving health outcomes for Western Australians, with that of the previous government. There is a case study—the Perth Children's Hospital. Members of the opposition put it up. I am impressed by the temerity and audacity of members opposite to point to this project as an example of what they contributed to the people of Western Australia: contractors were not being paid; there were faulty handbasins; 900 fire doors needed to be replaced; kilometres of piping had to be ripped out and replaced; it cost hundreds of thousands of dollars to pay for a car park that was not being used; and the basement was flooded by a burst pipe, yet they continue to point to this project as some example of how good they were in managing the health system. I can only assume that my good friend the member for Kalamunda achieved his 13 per cent swing against the former Minister for Health on the back of the judgement that the people of Western Australia passed on the job he had done as minister. That is not to say anything. I have not yet said one word about the fact that we had asbestos roof panels and lead in the water in a children's hospital. All members know how devastating those elements can be for children and yet on the former government's watch, member for Scarborough, it built a children's hospital —

**Mrs L.M. Harvey** interjected.

**Mr S.A. MILLMAN:** Lead poisoning in health; thank you for the interjection. This is from the World Health Organization. I was not going to go here, but the member for Scarborough persists in interjecting. The WHO states —

Young children are particularly vulnerable to the toxic effects of lead and can suffer profound and permanent adverse health effects, particularly affecting the development of the brain and nervous system.

That is no less an authority than the World Health Organization. The former government had lead in the water at the children's hospital. That is a disgrace. I cannot believe the temerity and audacity of the opposition in bringing this matter on. I am so grateful and so proud that the adults are in charge and we have a minister who knows what he is doing and will be the custodian of a fantastic health system for years to come.

**MR B.S. WYATT (Victoria Park — Treasurer)** [3.46 pm]: I rise to make some concluding remarks. I think the Minister for Health and the member for Mount Lawley have summarised things very well, but there are a couple of points I want to emphasise for the benefit of members and for those who may be listening at home.

I want to start with a thank you to and an acknowledgement of the director general of the Department of Health, Dr Russell-Weisz. It has been a huge effort to keep the health spend at two per cent growth. It is not easy doing that. I want to make this point because it was forgotten by the former government. Health had grown from about 22 per cent of the budget to 29 per cent under the term of the former government. That is because expenditure growth in health was running, on average, at 8.5 per cent per year, every year. Inevitably, a government has to decide whether to keep doing that or get out of other areas—child protection, education, police, justice, prisons—to allow for that health budget that was galloping out of control under the former government. It consumed a bigger part of the pie. Indeed, had we simply done what the former government did and run along at 8.5 per cent expense growth each and every year, by 2021–22 it would have moved from 29 per cent of the budget to 37 per cent, and had another \$7 billion net debt impact. Clearly that is not sustainable. I kept making that point when I was in opposition: that at 8.5 per cent a year, something will have to break.

With some of the biggest budget structural reforms that we have seen in the last 20 or 30 years, we have managed to deliver an average 3.3 per cent per annum increase in hospital service expenditure to deliver on that activity growth. There is no budget cut. Yes, it is not growing at 8.5 per cent each and every year, as it did under the former government, but it is still growing. I want to commend the director general of Health because he has managed to increase the efficiency of the operation of the health department. And that is important—strangely, this was maligned by the Leader of the Opposition—because more can be done with the budget we are given. That is what we have been doing. That is why, when we compare ourselves with the national efficient price—it is all about activity with the budget—we are closing on that. We are still a long way short of the national average, but for the first time—I think the first time ever since this came in—the WA health budget started to close that gap. That is something we should all celebrate, otherwise every member of Parliament will have to make decisions around what areas of government we are getting out of as the health budget consumes more of the budget pie.

In the last two minutes, I will remind my friends on the other side of this place that when we came into government, a series of assumed savings were built into the forward estimates. They were not allocated to projects; they were simply global provisions allocated to agencies. At the same time as trying to fix the budget, we also had to deliver on the former government's assumed savings. It is hard to believe, in light of the former government's trajectory

**Extract from Hansard**

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Mr Sean L'Estrange; Dr Mike Nahan; Mrs Liza Harvey; Mr Roger Cook; Mr Simon Millman; Mr Ben Wyatt

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of debt and deficit, that any assumed savings were in the forward estimates, but they were considerable. The biggest single assumed saving was in the health budget. It was a 2.6 per cent effective cut, which impacted across the forward estimates as \$240 million. The first thing we had to do, standing still, was deliver on the cuts, apparently, that the former government had already assumed in the forward estimates of the health budget. The biggest single impact was in the health agency—\$240 million. Thankfully, as the Minister for Health has outlined, we managed to deliver increased expenditure for hospital services—increased expenditure—at only 3.3 per cent. Yes, it is not 8.5 per cent, but the efficiencies mean that activities continue to climb. That is something that every Western Australian should be pleased about. The whole basis of the matter of public interest about the government's budget cuts to the health system is simply wrong. There have not been budget cuts and we are well on the way to an efficient health system.

*Division*

Question put and a division taken, the Acting Speaker (Mr S.J. Price) casting his vote with the noes, with the following result —

Ayes (17)

Mr I.C. Blayney  
Ms M.J. Davies  
Mrs L.M. Harvey  
Mrs A.K. Hayden  
Dr D.J. Honey

Mr P. Katsambanis  
Mr Z.R.F. Kirkup  
Mr A. Krsticevic  
Mr S.K. L'Estrange  
Mr R.S. Love

Mr W.R. Marmion  
Dr M.D. Nahan  
Mr D.C. Nalder  
Mr K. O'Donnell  
Mr D.T. Redman

Mr P.J. Rundle  
Mr J.E. McGrath (*Teller*)

Noes (30)

Dr A.D. Buti  
Mr J.N. Carey  
Mrs R.M.J. Clarke  
Mr R.H. Cook  
Ms J. Farrer  
Mr M.J. Folkard  
Ms J.M. Freeman  
Ms E. Hamilton

Mr W.J. Johnston  
Mr D.J. Kelly  
Mr F.M. Logan  
Mr M. McGowan  
Ms S.F. McGurk  
Mr S.A. Millman  
Mrs L.M. O'Malley  
Mr P. Papalia

Mr S.J. Price  
Mr D.T. Punch  
Mrs M.H. Roberts  
Ms C.M. Rowe  
Ms R. Saffioti  
Ms A. Sanderson  
Ms J.J. Shaw  
Mr C.J. Tallentire

Mr D.A. Templeman  
Mr P.C. Tinley  
Mr R.R. Whitby  
Ms S.E. Winton  
Mr B.S. Wyatt  
Mr D.R. Michael (*Teller*)

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Pairs

Ms L. Mettam  
Mr V.A. Catania

Mr J.R. Quigley  
Mr M.P. Murray

Question thus negatived.