

HOSPITAL SERVICES — CONTRACTING OUT

**655. Mrs L.M. HARVEY to the Minister for Health:**

I would like first to acknowledge the year 5 students from St John's Primary School in my electorate of Scarborough.

I opened *The West Australian* today and saw yet another misleading article by Dave Kelly of the Liquor, Hospitality and Miscellaneous Union regarding the contracting out of hospital services in Western Australia.

Several members interjected.

**Mrs L.M. HARVEY:** Do not worry; the member for Cannington can put his iPhone down and ask his own question!

Can the minister outline for the house some successful examples of the contracting out of services for hospitals put in place by both this government and the Labor Party, nationally and in other states, and international examples of private–public partnerships for hospital services?

**Dr K.D. HAMES replied:**

I thank the member for Scarborough. I would also like to acknowledge, on behalf of the government Whip, the year 12 political science and legal studies students from Penrhos College. I note that not only are there representatives from the member for Scarborough's electorate present in the gallery, but also her daughter Elizabeth as well. I am not sure which one Elizabeth is, but I welcome her and hope that she debates as well as her mum does!

I was very concerned to read the opinion column by Dave Kelly in today's *The West Australian*. The first thing I noticed was a blatant untruth, which I am certain that Dave Kelly knew was untrue, yet still chose to print in his column. It was a suggestion that I had given an indication to him that the government intended to contract out hospital services in the other tertiary hospitals for which I have said we would definitely not contract out services during this term of government—namely, Fremantle Hospital, Sir Charles Gairdner Hospital and Royal Perth Hospital. I have said that we would not do that, but he clearly indicated in his column that I had said to him that that was the government's intention. That is a blatant mistruth. I will clarify to the house what I have said; there are recordings, because I said exactly the same thing at a meeting with a group that came to this Parliament, at which Mr Kelly was present. I said that I could not make a commitment for the next government of this Parliament from our side. I said that if the view was taken that we wanted to contract out those services, we would make it clear as we went into the next election. I have to say that that is not my intention, and I do not have any plans to put forward to do so. In fact, I think it is extremely unlikely that it will happen, but I want to make it clear to the house, as I made it clear to Mr Kelly, that that is not the case. Despite me saying this to him on two separate occasions, and publicly, he chose to write something that is completely false.

I do not understand why that particular union is so fanatically opposed to the contracting out of services in public hospitals. We heard Mr Kelly comment outside the house that wages would be decreased, staff would be disadvantaged, employment contracts would not be as good and that patients would suffer. If private hospitals were so bad, why would approximately 50 per cent of Western Australians want to have private insurance? Why would they want to go to private hospitals? Why would all the staff currently working in private hospitals not be banging on the doors of public hospitals saying, "Take us on! Those rotten private hospitals aren't paying us enough!" Why do members think that that is not the case? The simple reason is that private hospitals in this state provide extremely good care for patients and provide good wages for their staff. That is why those people do not want to come to the public system. The government is creating in those electorates an extremely efficient system of service that is of extremely high quality for people who cannot afford private insurance. We are saying that they can have the same standard of service that the private hospitals currently provide in this state without having to have private insurance, and that the government will provide that opportunity. That is what we are doing.

One of the prime examples of a public hospital run by the private sector is Joondalup Health Campus. Members should look at the way that it operates. The statistics show that it has the busiest emergency department in the state—busier than Royal Perth Hospital and Sir Charles Gairdner Hospital. It transfers fewer than two per cent of patients to public hospitals. It is exceeding its targets for elective surgery, and it has a very low level of category 1 patients compared with other hospitals. In every category we look at, including accreditation by the Australian Council on Healthcare Standards and all the comparators we have between state government hospitals and privately run hospitals, we see that it is providing an extremely good service. We want the people of Midland to have that same level of service.

Why is the Labor Party in this state so strongly opposed to the contracting out of services, apart from the fact that it has senior members appointed by the LHMU? Let us look at what happens with contracting out of services in other states. New South Wales, which has a Labor government, has the Royal North Shore Hospital; Victoria has the new Royal Children's Hospital; South Australia has the Royal Adelaide Hospital; and Queensland has the Sunshine Coast University Hospital. All of these hospitals are private-public partnerships with varying degrees of contracting out. Members on the other side of the house argue that the contracting out of services should not be tolerated under any circumstances to the extent that it has a bill before the house that raises serious questions about the future operation of Joondalup Health Campus. Why is the opposition so opposed to public-private partnerships? One need only look at what happened when the Labor Party was last in government. Under the previous Labor government, radiology, dialysis services and pathology services were contracted out to the private sector. When the Leader of the Opposition was the Treasurer he released papers supporting public-private partnerships. I have copies of those papers.

**Mr E.S. Ripper:** We never got a deal that stacked up.

**Dr K.D. HAMES:** Nevertheless, when the Leader of the Opposition was the Treasurer, he released papers that strongly supported PPPs. The other day I was flabbergasted when I heard the interjection of a member opposite. The Fiona Stanley Hospital business case is a publicly available document, so I will not table it. It contains an interesting section. When I said that we would support options for contracting out at Fiona Stanley Hospital, a contract that was initiated by the Labor government, I heard an opposition member interject and say no, it did not. I have the page that shows that the Labor government did. Did the Labor Party, when it was in government, sign a document for the business case of Fiona Stanley Hospital supporting the contracting out of services to the private sector? Surely not. I will read out the line, which is signed by the government.

**Mr E.S. Ripper:** Who signed it?

**Dr K.D. HAMES:** It was signed in December 2007. The Leader of the Opposition was the Treasurer at that time. He can tell me who signed it. It is his government's document.

**Mr E.S. Ripper:** Who signed it?

**Dr K.D. HAMES:** The Leader of the Opposition can have a look at it. I do not care who signed it. I do not know. Who was the leader of the Labor government in 2007? Was it Carpenter or Gallop? The Leader of the Opposition was Treasurer at the time. He should be able to tell me who signed it. I will have a look and tell the Leader of the Opposition later.

Several members interjected.

**Dr K.D. HAMES:** Members opposite do not want to hear these words.

**Mr E.S. Ripper** interjected.

**Dr K.D. HAMES:** The Leader of the Opposition is the one making the allegation.

**The DEPUTY SPEAKER:** Order, members! I ask the minister to please come to the point and answer the question.

**Dr K.D. HAMES:** I would, Mr Deputy Speaker, if I could hear myself speak.

**The DEPUTY SPEAKER:** Minister.

**Dr K.D. HAMES:** The document reads —

Private sector involvement shall be encouraged —

It does not read "may be" encouraged —

where it is complementary publicly provided services.

Private sector opportunities shall be identified where they are complementary to the objectives of the hospital and can support the provision of an efficient integrated health service.

That is exactly what this government is providing.