



## Full Day Hansard Transcript (Legislative Assembly, 5 May 2011, Proof)

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Extract from NSW Legislative Assembly Hansard and Papers Thursday, 5 May 2011 (Proof).

### HEALTH SERVICES AMENDMENT (LOCAL HEALTH DISTRICTS AND BOARDS) BILL 2011

**Bill introduced on motion by Mrs Jillian Skinner.**

#### **Agreement in Principle**

**Mrs JILLIAN SKINNER** (North Shore—Minister for Health, and Minister for Medical Research) [10.03 a.m.]: I move:

That this bill be now agreed to in principle.

I am pleased to bring before the House the Health Services Amendment (Local Health Districts and Boards) Bill 2011 as the first piece of health-related legislation by the O'Farrell Government. The bill paves the way for giving effect to one of our key election promises, that is, devolution of responsibility and accountability in the health system and a return of decision-making closer to our patients. A key problem of the former New South Wales Labor Government's management of the health system was its policy of overcentralisation, added layers of bureaucracy and red tape and remote decision-making. When Peter Garling, SC, released his report on the review of acute hospital care, he warned that the New South Wales health system was on the brink. The Garling report focused on the disconnect between clinicians and local communities and the administrators who made decisions about hospitals and health services.

The New South Wales Liberals and Nationals believe that those closest to the patient are best equipped to make best decisions about improving health care. We need to ensure that local clinicians and the local community have a real say in decision-making at their local hospital or health service and that they have access to transparent information to make those decisions. That is why we committed to removing the huge inefficient area health services and creating a flatter administrative structure based on districts that cover hospitals and other health services in a particular region. We said in our policy that health districts would facilitate the development of partnerships to provide seamless health care to people, whether that involved hospital treatment or community-based health care services provided by general practitioners, pharmacists or other allied health professionals. We announced that board members would be appointed on merit to include people who have medical expertise, financial and risk management skills and good standing in local communities. We committed to further develop clinical networks that link medical experts across the system. We pointed out that certain back-office corporate support functions would continue to be provided as a centralised service.

Our 2009 policy titled "Making It Work" was about devolution. I emphasise the date of that policy—March 2009. It proposed a flatter management structure with devolution of responsibility to health district boards and hospital general managers, doctors and nurses in charge of units and wards having a say in running their services. The requirement to wait for approvals from distant administrators should be reduced. As I said, our policy was released in March 2009. In response, the former New South Wales Labor Government took every opportunity in Parliament, through the media and in speeches, to criticise our policy. It did so relentlessly until former Prime Minister Kevin Rudd announced before the National Press Club the Council of Australian Governments [COAG] reforms, which were based on giving greater control of health care to local communities. New South Wales Labor had to eat its words, get rid of the dysfunctional area health services and create local health networks. The problem is that it did not go far enough. It did not give proper control to the networks and governing councils that were established. That is the basis for this bill, which I introduce to Parliament today as my first piece of legislation as Minister for Health. I am proud that in the first sitting week of the new Liberals-Nationals Government I am introducing legislation that we promised.

The key changes in this bill are to provide for local health districts and district health boards in lieu of the 15 geographic-based local health networks and their governing councils. I trust that the Parliament will support this legislation so that local clinicians and local communities will have a greater say in how their local health services are run and another election commitment is kept. The revised structures will allow us in an orderly process and fashion to transfer greater degrees of responsibility and accountability to locally based decision-makers where the interests and involvement of patients and community can find a more immediate expression and response. As I previously indicated, changes were made to the structure of the New South Wales public health system in 2010, including the abolition of the area health services. The focus of these changes was to bring the New South Wales governance structures in line with the April 2010 Council of Australian Governments agreement on health reform, to which I previously referred.

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A revised emphasis on local responsibility and accountability in part will be built upon two changes that will be made by this bill. First, item [1] of schedule 1.1 replaces the geographic local health networks with local health districts. The districts will retain the primary purpose of public health and hospital services, which is to provide relief to sick and injured persons through the provision of care and treatment. There will be a clear identification of each local health district with a particular geographically defined region, reflecting the broad remit of local health districts for the overall health of their communities. The districts will be responsible for the delivery of safe, high-quality and appropriate clinical services to their local communities as well as facilitating access to clinical services outside their districts where necessary and appropriate. At this stage I am not planning any revision in the existing geographic boundaries. However, I have indicated to the chairs of the current local health districts—or networks, as they are presently referred to—that minor variations may be contemplated at some time in the future, although none of these would be undertaken without a detailed process of local consultation and discussion. That includes discussions with local clinicians, communities and members of Parliament.

The second change set out in item [2] of schedule 1.1 to the bill concerns the governance of the local health districts and specialty health networks. The term "governing council" directly reflected the provisions of the National Hospitals and Health Network Agreement. I intend to adhere to the localism provisions dictated by that agreement. However, the policy of this Government is to ensure that the governing bodies function as the core accountable bodies and undertake the core accountabilities of boards of statutory corporations, with significant public responsibilities and accountability. It is proposed to reflect that through greater statutory recognition by replacing governing councils with district health boards and specialty network boards. The latter are non-geographic health providers such as the forensic mental health network, which provides mental health services to people in custodial care, and the Children's Hospital network. The St Vincent's speciality network already has its own board.

The role of the boards will be focused on leading, directing and monitoring the activities of their services in a way that is responsive to their local patients, clinicians and communities. The functions are set out in the legislation and include: ensuring effective clinical and corporate governance frameworks are established, and approving those frameworks; approving systems that support the efficient and economic operation of the district, to ensure that the network manages its budget to ensure performance targets are met and to ensure that resources are applied equitably to meet the needs of the local community; ensuring strategic plans to ensure the delivery of services is developed and approving those plans; conferring with the chief executive in connection with the operational performance targets and performance measures to be negotiated in the service agreement for the network and approving the service agreement; providing strategic oversight of financial and operational performance in accordance with the statewide performance framework; seeking the views of providers and consumers of health services and the local community on policies, plans and initiatives; providing information on the district's policies, plans and initiatives to the community; liaising with other districts and speciality networks on both local and statewide initiatives for the provision of health services; and approving the annual report.

The chief executive of each health organisation will be responsible for controlling and managing day-to-day operations and performance of his or her district or speciality network in

line with the Government's policies and local needs or priorities identified by the board. The chief executive is accountable to his or her board for the way in which he or she undertakes these functions. The board has the power to recommend the appointment or the removal of the chief executive. No board can be effective unless this central responsibility lies clearly with it. Devolving this responsibility to the boards is the clearest possible indication of how serious this Government is about enhancing local responsibility and accountability.

The boards will comprise 6 to 13 members who will be appointed by the Minister for Health and who have an appropriate mix of skills and expertise to oversee and provide the guidance necessary for a complex health organisation as well as ensuring local community and clinician representation. The current selection criteria for membership will be retained. It is critical that the boards and members of the boards have the necessary skills in health management, business and financial management and expertise as well as experience in the provision of clinical and other health services, research activities and indigenous health. The devolution of new responsibilities and accountabilities to boards in some instances will require that those boards have greater expertise around the board table in matters such as financial planning and strategic asset management or legal services. I identified those skills in my policy entitled "Making it Work", which was released in March 2009, so the expertise required should come as absolutely no surprise to anyone who works in the health system.

At the same time I draw attention to the specific retained requirement that boards also have members with special knowledge of Indigenous health as this Government is determined to work to close the gap in terms of the continuing and unacceptable lower level of health outcomes for our Indigenous people. In my other capacity as Minister for Medical Research, I am also determined that board membership will include people who are qualified to provide guidance and leadership in this field, which is a priority area for the O'Farrell Government. As the Minister, I also will be responsible for the appointment of board Chairs; although I have already indicated that when a particular board wishes to appoint a deputy chair, I will be pleased to leave that decision, and choice of such a person, up to the board. Most importantly, knowledge and understanding of the community served by a local health district is essential to ensure that local health districts are responsive to their local patient and communities' needs. It is also my intention to ensure that different communities and health service providers at hospitals within a district are fairly represented on boards.

The bill also makes amendments in relation to certain statutory health corporations. Items [3] and [4] of schedule 1.1 amend the Health Services Act to provide for specialty health networks and specialty network boards in lieu of the current non-geographic local health networks and their governing councils. Currently there are two non-geographic based local health networks that will be affected by this legislation—the Sydney Children's Hospitals network and the forensic mental health network. They now will be established as specialty health networks to better recognise the specialist nature of the services they provide. Item [5] of schedule 1.1 completes the changes by applying the local health district board governance structure to these bodies. For the sake of completeness, I should note that at this stage changes are not being made in arrangements that cover the operations of Justice Health, nor to the four so-called pillars established as a result of the Garling review of 2008—the Agency for Clinical Innovation, the Bureau of Health Information, the Clinical Education and Training Institute or the Clinical Excellence Commission.

Schedule 2 of the current Act identifies three Health Reform Transitional Organisations or cluster services. I have announced already that the Government intends to abolish the clusters as they are an unnecessary level of bureaucracy within the health system and are incompatible with our commitment to devolution. I am currently in discussion with the Director-General of Department of Health to determine where the existing responsibilities of these clusters should be located and which of those responsibilities is appropriate for delegation to the new districts. I anticipate that the new arrangements will be in place, subject to parliamentary approval of this legislation, by 1 July 2011. In the meantime I emphasise that until the formal changes are made, all existing arrangements, appointments and responsibilities remain in place exactly as they are at present.

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By-laws and instruments of delegation will continue to progress the devolution of accountability for decision-making and performance to the districts and specialty networks. It is my hope that over time as the expertise and experience of boards increases so too will the

pace of devolution. The primary instrument of accountability will be the annual service and performance agreement between the State and the district or specialty network. The boards and their chief executives will be accountable for meeting a clear set of financial and service key performance indicators set out in the agreements.

I emphasise that these amendments mark merely the beginning of a process for change. We are nowhere near the end. We are sending a clear message to the community about the Government's commitment to increasing local decision-making and local accountability and to honouring its election commitments in health. More work will need to be done. I have met a number of the clinicians in the workforce in rural New South Wales—in Dubbo, yesterday in Tamworth, and in western Sydney during my visits to Penrith and the Nepean Hospital and to Westmead—and this has been warmly welcomed by all. Clinicians very much want to have the opportunity to influence decision-making at their local level.

There will be incremental devolution of decision-making to the front line as the boards and their executive teams settle into their roles and develop their own expertise and capabilities. At the same time we need to ensure that all local health districts and specialty networks receive equitable access to expert support. In an address I gave to the chairs of existing governing councils in the week I became Minister I assured them of this support. I also advised them that they could call upon the expertise of the department in managing this challenging transitional phase. As I said in my policy "Making it Work", there are functions that will need to continue to operate at a statewide level or to be coordinated between districts. We need to maintain a robust performance management framework for our system.

We also need to support and retain clinical networks that link medical experts across the health system. These and other similar functions will need to operate through statewide structures such as the various statutory health corporations and the Health Administration Corporation shared services program. I have therefore asked the Director General of the Department of Health to undertake a more general governance review of the health system. The outcome of this review will involve further administrative changes to redefine how different functions will be undertaken, all with the aim of supporting a system that has the patient at the front and centre of everything we do.

Furthermore, I am well aware that the transition to the 15 existing networks, soon to be districts, has not yet itself been completed. While I am determined that we move swiftly on the necessary changes, I recognise that there is a need for stability in the delivery of health services as we move forward. The work of the transition will continue and, as I have already indicated, the health reform transition organisations that were established to support that transition will continue this role but only until the necessary administrative changes have been achieved.

Policy and administrative changes such as those proposed in this bill do not occur in a vacuum or without an underlying rationale. In this first piece of health-related legislation to come before this Parliament it is appropriate that I speak in more detail about the policy environment in which the New South Wales health system will be nurtured and developed by the O'Farrell Government. In the first instance, this Government requires that everything done and everyone employed in the New South Wales health system has as a principal focus the welfare of patients. Every outcome must have a patient focus and every proposal must include a patient-centred justification. Patient access to timely, quality health care must be improved, and this Government is determined to enhance that at all levels.

Secondly, both best medical practice and simple common sense indicated that our primary activity focus should be upon preventive health measures. Indeed, keeping people out of hospital in a way consistent with their best medical interests is vital. I acknowledge the very important work that my colleague the Minister for Healthy Lifestyles and the Minister for Mental Health will be doing in this regard. Thirdly, in order to allow patients to make better informed decisions about their own health care and that of their families there needs to be greater transparency and access to information across the system. The Bureau of Health Information will have a vital role to play in relation to that and I have already met with the bureau to encourage it to undertake more research and publication of health data and information upon which both governments and individuals can rely to make better decisions and choices. No-one should fear the truth; no-one should fear transparency. The era in which

both were actively discouraged and notoriously absent from the New South Wales health system is over.

Fourthly, the entire tenor of this bill is to encourage and promote devolution in decision-making and accountability. New South Wales has some of the best and most qualified health professionals available. But under Labor policy the system has become too centralised and too unresponsive, especially to the needs of patients and the advice of clinicians. Devolution and discussion will be the hallmarks of the new O'Farrell Government. Fifthly, I say quite clearly that no health system can be truly effective if there is not a real culture of service about it. I have already had discussions with the Director General of the Department of Health about the need to eliminate bullying and harassment from any part of the health system and to move towards the development of a new code of conduct based on what I have called the core values of collaboration, openness, respect and empowerment. Culture change is an absolutely necessary precursor to enhanced outcomes for both the patients and all the people working in the health system at whatever level they may be.

Once it is clear that those of us placed at the leadership level of the health system—the Minister, the director general, senior executive staff, all chairs and chief executive officers—are utterly committed to these principles then I have no doubt that we will find willing and indeed enthusiastic supporters of our reform agenda through every nook and cranny of the New South Wales health system. There are wonderful employees in the health system and they have been busting to have the shackles of the policy of the former Labor Government in central control removed, which took no action in relation to bullying and harassment. A commitment to major reform in the health system of this State was at the very front and centre of the last election campaign which resulted in the New South Wales Liberals and Nationals Government, led by Premier O'Farrell, being entrusted with one of the greatest and most comprehensive electoral mandates in the history of not only the State but also of Australia. The damning verdict pronounced upon 16 years of Labor failure and incompetence speaks for itself. Those days are well and truly over.

**The SPEAKER:** Order! The member for Canterbury will come to order. The member for Wollongong will come to order.

**Mrs JILLIAN SKINNER:** This bill represents a first step in honouring our commitment to the people of this State to work to make it great once again. I commend the bill to the House.

**Dr ANDREW McDONALD** (Macquarie Fields) [10.28 a.m.]: The Opposition will not oppose the Health Services Amendment (Local Health Districts and Boards) Bill 2011 but I have some significant concerns about it. As the Minister said, no-one need fear the truth. Yet, the most complex thing the human race has ever undertaken is modern health care. This proposed legislation represents significant change to the way health care is conducted in this State, yet it is being done in one morning. I received no notification prior to 10 o'clock this morning that this bill would be debated today in all stages. The usual protocol for the passage of legislation is that the Minister in charge of a bill will give an agreement in principle speech and then debate on the bill is adjourned for five days in order that stakeholders may be consulted.

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This major change will not happen on this occasion. If they have nothing to fear from the truth they would have no concerns about consulting stakeholders.

As Garling said, we have one of the world's better health services. In fact, the current health services which the Minister spent considerable time talking down are rated by international agencies as being among the best in the world. Today 90 per cent of patients in the current health system rate their care as good, very good or excellent. We run one of the world's better health systems, but that does not mean there is not substantial room for improvement in some areas, especially in Aboriginal health, to which the Minister alluded. Why is this significant change being rushed through without obtaining a considered response by the many health stakeholders?

This proposal really is a battle between centralisation and decentralisation of health, a battle that exists in all health services across the world. This proposal is a return to the past. In 1990 at a meeting with then director general Dr Bernie Amos I, as a junior consultant in south-west

Sydney, was informed in no uncertain terms that the health pie was only so big and the only way I would get more of that health pie was effectively to remove it from another area health service. This was not his job; it was my job. The rest, as they say, is history. The rapid population growth was not catered for under the then Liberal Government. Eventually the demand on health care exceeded the supply of clinicians able to deliver it.

This proposed return to the past should cause concerns to all members who live in growth or rural areas because, despite the best efforts over many years of many people from both sides of government, there remain significant inequities in health care in the peripheral areas of Sydney and rural areas. This bill locks in every health service to a catch-and-kill-your-own mentality. Under this system there will be no mechanism for redistribution of funds. Despite what the Government says, casemix funding has its own flaws, which is why its introduction raises significant concerns worldwide. Removing clusters is regarded by many stakeholders as a retrograde step. It would have been good if supporters of clusters had a chance to advocate for their retention in some way.

Modern health care trends are towards networking care. Clinical networks already cross area health service boundaries. This proposal will mean more boundaries will have to be crossed. Health costs increase by 9 per cent per year; funding cannot possibly keep in line. What will happen through this proposal is that every area health service will become a silo with no mechanism for redistribution to growth or rural areas. This system is a return to the past; it is a system that did not work. I have significant reservations that again it will not work. All stakeholders should have had a chance to discuss the proposal after the Minister's initial speech.

The science on how to run health systems is clear. It matters less how they are run than whether they are funded or staffed properly. That is what it all comes down to. This proposal contains no mechanism for identifying how to properly fund and staff each area health service. What will happen when an area health service proves to be unable to meet its population need? I look forward to hearing the Minister's reply on how she will address the problem of an area health service being clearly unable to meet the needs of the population it serves. An enormous amount of time and discussion has been spent on the makeup of each local area health network. What will happen to them? The Minister needs to tell every member of those local health networks whether they still have a job. I understand and accept the need to possibly increase expertise in some areas, especially as part of financial management. The enormous amount of consultation that was undertaken regarding personnel for each local health network is being undone by this proposal. I want the Minister to indicate clearly that there will be no political appointees of any sort to any of these boards.

We need to hear also from the Minister whether this legislation will put at risk the Commonwealth funding of \$75 million in 2011 and the 488 extra beds. This bill also will re-create a new bureaucracy. It is well known that the amalgamation of the 17 area health services saved \$70 million and 1,100 positions. The Minister needs to identify in dollars and cents how much this re-creation of past infrastructure actually will cost and whether that money will come out of the clinical budget or is part of an enhancement. As I said before, the future of health care is networking. The Minister needs to identify how clinical networks which cross the boundaries of area health services will be maintained and enhanced. For example, trauma, cardiology, complex ophthalmic surgery or neurosurgery networks need to be encouraged and enhanced as they now will cross numerous health service boundaries. How will the Minister support these clinical networks as distinct from area health services?

I am pleased the Minister said that the four pillars will remain: they are vital to the future of health care. As Professor Michael Marmot, one of the world's great demographers, said, "If you are serious about health care you correctly measure what you are doing." The Bureau of Health Information and the Clinical Excellence Commission are vital for this proposal. For that reason I am encouraged by the Minister's firm statements that these services will continue to be encouraged and enhanced. However, as with everything, the proof will be when it actually happens. Words are one thing; we will need to see proof. As I said earlier, health costs increase by 9 per cent per year and true funding cannot possibly keep pace. The future of health care with changing technology and demand is networking. This bill flies in the face of that and does nothing to address the projection that by 2040 health will take up 100 per cent of the State budget. We need to know the Minister's plans to rein in health costs under area

health services. What will happen to area health services that have difficulty meeting their budget or do not spend their budget? Will any of those budget surpluses be returned to consolidated revenue or will area health services be able to retain the money for future needs?

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As I said, growth areas and rural areas are my main concern. I cannot see that these changes will help to provide the expanded services that these areas need.

The proof of the effectiveness of these changes will be what actually occurs. This system has previously been found wanting in growth areas. We need to know whether the system, which has failed in the past, will now work. The Opposition will be watching closely to ensure that the areas that most need enhanced services—that is, the rural areas and the growth areas—receive them. It worries me that the Minister has said that there is more change to come. I can only hope that when these changes are implemented they are foreshadowed and that this is the last time that any Minister for Health treats health workers with contempt by saying that we do not get out of bed every morning with the aim of improving patient care.

**Mrs Jillian Skinner:** Who said that?

**Dr ANDREW McDONALD:** You did. I am one of the 90,000 health care workers to whom the Minister referred. As she said, every healthcare worker must focus on patient care. I can assure her that having spent 30 years in the system—

**Mrs Jillian Skinner:** Point of order: I ask the shadow Minister to withdraw that remark about my suggesting that healthcare workers do not get out of bed every morning with the aim of helping to improve patient care. I said no such thing and he knows that. That comment is offensive and it should be withdrawn.

**Dr ANDREW McDONALD:** I will check *Hansard* to see what the Minister said about the culture of the health system. There is more change to come. This should be the last time that any Minister for Health makes a fundamental change to the way in which we deliver health care with no notification to either the Opposition or the stakeholders and without any opportunity to consider the agreement in principle speech or the legislation in detail. There was no urgency; this debate could have been conducted in five days time. It certainly could have been delayed until those who oppose it had the chance to be heard. This is sausage-factory legislation and this process should not happen again. However, the Minister will be judged by her actions rather than her words.

**Mr KEVIN HUMPHRIES** (Barwon—Minister for Mental Health, Minister for Healthy Lifestyles, and Minister for Western New South Wales) [10.43 a.m.]: I support the Health Services Amendment (Local Health Districts and Boards) Bill 2011. As the Minister for Health stated this morning, the objects of this bill are to amend the Health Services Act 1997 to establish local health districts and boards for such districts and to provide for certain statutory health corporations to be speciality networks with boards, to make related amendments, to enact provisions of a savings or transitional nature and to make consequential amendments to certain other Acts and statutory rules.

What a fantastic day this is. I congratulate the Minister for Health not only on the work she has done to introduce this bill but also on its framework and context. This bill has been at least 10 years in the making; this is not something that has evolved over the past 6 months or 12 months, or even over the past two years or four years. This bill is the culmination of 10 years of hard work undertaken by the Minister. The network that she has developed over the years largely involves health professionals, clinicians and community leaders and members who were sick and tired of the centralisation and mismanagement of health services and a lack of leadership in this area. In fact, they have been witness to a revolving door at the leadership level of health services in New South Wales. Members opposite should not have said that they needed five more days to examine the bill. They have had 16 years to consider the Coalition's proposals in this area.

The Minister for Health has more knowledge of the New South Wales health network than the combined rump of the Opposition has. Health officials who have worked with the Minister were working under the former Government's management. They approached the Minister in

her role as shadow Minister expressing concern, fear and angst about the centralisation of services and mismanagement. Members of the Opposition should not say that this is new news; it is not. This Government has a clear mandate from the people—although it is not quite unanimous—given that the Coalition has 69 members in this place. This Government will make a difference and health was clearly highlighted as a major Coalition priority during the election campaign.

The Minister for Health and the Premier have stated on many occasions that a Coalition Government will serve the people of New South Wales; that is, it does not expect the people to serve the Government. The best way to serve the people of New South Wales, particularly in the health sector, is to give them more say in the provision of services. They should have a say in where those services are delivered and by whom and how they are managed. If members were to canvass the people of this State they would find that the issue of most concern is the mismanagement and lack of leadership demonstrated by the former Government with regard to health service delivery. The Coalition has committed to changing that culture, not only in the health sector but across the board. If a government disengages from the community, particularly in respect of health services, if it abandons the professional advice of the clinicians in particular and if it sidelines them it invites disaster. That is what has happened in New South Wales.

Why is the health budget growing by 9 per cent a year? It is because the former Government continued to move health services to a centralised bureaucracy, to reduce frontline services and to increase backroom services to the point at which hospital beds have been closed in many of the areas that I represent. More money was being spent on vehicles to put people on the road to deliver a minimal outcome. Members opposite should not oppose devolution or decentralisation of health services—that is, putting knowledgeable local clinicians, frontline staff and community leaders in the driver's seat. They traditionally provided those services in our communities until the Labor Government deconstructed that system. As the Minister for Health said, the Coalition will reconstruct that system from the ground up.

The member for Macquarie Fields, for whom I have respect on a number of fronts, said that the health budget has grown by 9 per cent a year. He has probably been expecting me to refer to a rural doctors' meeting held at Bondi a couple of years ago. However, before doing so I will respond to his statement about the increasing health budget. Given the size of this State and its extensive rural and regional areas we cannot continue to centralise health services. The former Government's mantra was that it would bring care closer to home. That cannot happen if local services, particularly in remote areas, are dismantled and people are encouraged to move to major centres for treatment.

The New South Wales Labor Government had no cancer action plan or diabetes plan for western New South Wales. Members opposite should be ashamed about the disparity between Aboriginal health outcomes and the rest of the community's health outcomes and the fact that the gap is widening. The former Government forced people to travel to major centres for treatment by dismantling local services. Diabetes is out of control in many Aboriginal communities but members opposite failed to provide a service delivery plan. That was despite the numerous attempts made by local people in the regions to restore the balance. How could they target a community with an identifiable problem when the Government would not listen? People in rural and remote areas cannot relate to services provided by metropolitan hospitals. Of course we need clinical networks, and we had them until, to their shame, members opposite dismantled them.

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Our philosophy as a conservative-based Government, with the partnership between the Liberals and Nationals, is very clear. There is a distinct point of difference between being in government at this point and what those opposite were providing previously. We do not want to go back to centralised command and control. We will devolve services. We will devolve responsibility back to communities. Why could the former Government not get recruitment in some of the harder to recruit places when the agencies could, when other non-government services could? I am not sure the previous health Minister understood that people on the ground who were working for NSW Health said they were sick and tired of the lack of flexibility, the bullying and manipulation that was going on and the lack of continuity in front-line services. No wonder the previous Minister could not get people to work in those hard to staff places. Why could she not get people to work at the forensic mental hospital if it was

going to be staffed under a NSW Health system? Why did she have to form a partnership with another agency? Because no-one wanted to work for NSW Health. People were sick of the culture. Why are a third of nurses sitting out there in New South Wales, not working—sitting, not working—

**ACTING-SPEAKER (Mr Thomas George):** Order! The member for Marrickville will have her opportunity to speak.

**Mr KEVIN HUMPHRIES:** The member for Marrickville needs a reality check. Those opposite had long enough. They are a disgrace. They failed the people of New South Wales. The nurses supported us in the last election because of the good work the present health Minister was doing but also because they were not going to come back and work for that lousy lot. Because of the inflexibility of the work practices a third of our nurses are sitting out there outside the system. Why were hospitals such as Lightning Ridge being run by agency staff and locums for years and years? I ask the member for Macquarie Fields: Why should the taxpayers of New South Wales, because of lack of management, be paying top dollar for agency staff coming out of Queensland, not even New South Wales, to run some of our hospitals? It is not because other groups could not recruit to some of those remote places; they could and they were. The police were able to recruit and teachers were able to recruit. People in the community services were able to recruit to those places that you people could not because the system failed and the locals lost control of how they wanted to deliver that service and have some say. Please do not say you will be watching; I hope members opposite do watch, because people in our communities want a change.

Why was the 9 per cent annual growth figure—this is the important figure—growing out of control? Because those opposite were relying more on agency staff, on locums and on centralised services. They dismantled services out of many regional hospitals and smaller hospitals. I suspect the health Minister has a pile she cannot jump over of people who transferred from our smaller hospitals where basic procedures used to be undertaken to major hospitals such as Dubbo for procedures such as the taking out of stitches. This is ridiculous. We have costings on all that. Instead of a basic \$75 procedure that could have been undertaken in Coonabarabran hospital people were transported to Dubbo—in the case of one lady, twice—to have a feeding tube inserted at a cost of something like \$4,000 to \$5,000. You were paying not only for the procedure but also the ambulance transfer and the bed being taken up in a major regional hospital—which was blocking someone else who really needed that service—when that procedure should have been undertaken at the local hospital. The former Government systematically deconstructed services that should have been maintained in those hospitals. Labor went to war with those doctors who knew and should have had more say in how those services should have been delivered.

When the member for Macquarie Fields attended the Rural Doctors Conference two years ago or two and a half years ago this question came from the floor: What do we have to do to fix health in New South Wales? The reply of the member for Macquarie Fields was, "Join the National Party." He might well have said to join the Nationals and Liberals, because most of them did. My good friend and a friend of the health Minister, Tony Joseph, head of emergency services at Royal North Shore Hospital, who used to be a supporter of a party that represented working-class people and working families, said, "These people have walked away from all the good advice we have given them. I will not support them anymore." That started a wave of clinicians wanting to have more say in how those services were delivered.

Take heart that the 69 people on this side of the House took the advice of the member for Macquarie Fields, the shadow Minister for Health. Many people did join the Coalition parties. That is many members on this side of the House are from the west, led by our good friend the member for Murray-Darling, who won every booth in Broken Hill. Congratulations on that. People wanted change. Members opposite knew that change needed to happen, and we will deliver.

I commend the bill brought in by the Minister for Health and the fantastic work she has undertaken. District networks will work. As the Minister said, we will reserve the right to adjust some boundaries. There may need to be some tweaking. Are people looking forward to being involved at the local and regional level? Yes, they are. Are they looking forward to taking on the responsibility? Yes, they are. It is what they want. We need to reinstate order and we

need to reinstate a legitimate corporate governance system. That is what we will do. The only way we will get this State back to number one is to be totally committed, and the Premier has given the undertaking to restore community engagement.

Those opposite disconnected from the people of New South Wales, and if 26 March did not give that message hard enough they have problems. They will be on that side of the House for a long time and will occupy only one bench after the next election instead of two. They have to reconnect. We will do that: we have been given that mandate. We will not be compromising clinical care, as the health Minister outlined. We will maintain those specialty services, and the vast majority of people will be looking forward to it. I look forward to working with the health Minister over this term of government. We will help to provide the support needed in the community, to have those step-down facilities that will take the pressure off our whole system, not just in mental health care but also when we start to target some of those chronic diseases in the community. I commend the bill to the House. I commend the health Minister. I commend the Government. Most of all, we look forward to working with the community.

**Ms CARMEL TEBBUTT** (Marrickville) [10.57 a.m.]: I speak today to the Health Services Amendment (Local Health Districts and Boards) Bill 2011. As the shadow Minister has indicated, the Opposition will not oppose this legislation, although I also echo his comments about the short time we have had to examine the detail of the bill not being repeated with future legislation. There are good reasons why legislation lies on the table for five days: to allow the examination of the legislation in detail. There is a certain similarity and familiarity in comments put forward by oppositions.

I take this opportunity to congratulate the Minister for Health on her appointment. As a former Minister for Health I have had the honour and privilege of working with the men and women who make up our health system. It is an honour and privilege: they are inspirational people. I know the Minister the Health has long coveted this role. She now has it, and I wish her all the best in making the right decisions on behalf of the patients of New South Wales. As the Minister indicated in her comments on this bill, the bill seeks to replace networks with districts. The Minister has indicated that at this stage no changes are proposed to the boundaries of the health networks, which will become districts, and that the governing councils will be renamed boards and will take on the functions and key accountabilities of boards.

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I am pleased that no significant changes are being made to the boundaries of the existing health networks. There is no doubt that extensive consultation was undertaken by this side of the Chamber when we were in government to develop the local health networks and to establish the boundaries for those health networks. We released a discussion paper that resulted in extensive consultation with clinicians and communities across the State. We received some 400 submissions that culminated in the announcement by the Government of the day of the 18 local health networks in New South Wales.

Those health networks, now to be known as districts, have really only been in operation for a few months and while the Minister has indicated that she may propose some changes down the track and that there would be extensive consultation if there were changes—and I welcome that—the reality is that change for the sake of change is not usually a good thing, particularly in a system as complex and as large as the New South Wales health system. It is important that the health districts have the opportunity to bed down their operations and be able to go ahead with their important role without the added pressure that a subsequent change in boundaries would bring, so I think this is a good decision.

I am concerned, and I would seek the Minister's commitment, that there will not be changes to both the chairs of the governing councils, now to be known as district boards, and their membership because again there was an extensive process of consultation in the appointment of those chairs and also members of the governing councils. Advertisements were placed in metropolitan and regional papers and a rigorous application process was undertaken. Various stakeholders in the health system were involved in putting together a process to appoint the chairs and the governing councils. There is no doubt that it had to be done in a very timely way because we were seeking to put those in place to meet the requirements of the National Health Reform Agreement but the Australian Medical Association and other stakeholders were involved in putting together a process that everyone

agreed was a very good process. It resulted in chairs and members from a range of different backgrounds such as community leaders, leading clinicians, academics and businesspeople.

I seek a commitment from the Minister that those chairs and governing council members will continue because those people are just coming to terms with their role; they are just gaining understanding and experience. I have heard that the governing councils, now to be known as boards, are starting to work together effectively and it would be a shame if the membership were to be changed. The Minister may wish to appoint additional people—that would make sense because the boards will take on some new responsibilities, but I would like a commitment that there will not see a dismantling of the current membership of the chairs and the boards.

I appreciate that these are early days and that the Minister today is focusing particularly on governance changes. However, there is no doubt that if the Minister and the Government are to address the many challenges confronting the delivery of health services in New South Wales, delivering the right care in the right place at the right time, it will take substantially more than simply governance changes. We need to know—and I will be interested to hear from the Minister—whether the Government will sign the National Healthcare Agreement. We indicated during the election campaign that we were committed to signing that agreement. The Coalition did not make any such commitment. Since the election I know the Government has indicated that it is looking very seriously at signing the agreement. The agreement brings major benefits to New South Wales—some \$1.2 billion over the next four years. That is money for more beds, more surgery and more equipment for our hospitals. Some 488 new beds are being opened across hospitals in New South Wales as we speak and over the next four years it will contribute to a total of 840 new beds and about 800 additional nurses to support those new beds, as well as extra surgical procedures.

If the health system is successful in receiving the reward funding, the funding will go towards our emergency departments and hospitals. I seek an indication from the Minister that the Government will commit to signing the National Healthcare Agreement because if it does not, it will place our health services in New South Wales at major risk. Similarly, we have not heard much about how the Government intends to address the pressure on our hospitals and emergency departments from a growing and ageing population, what it intends to do about the workforce challenges of the future or the rising incidence of chronic disease that is impacting on our hospitals. Both government and the community must embrace lifestyle changes in order to reduce the risks and incidence of chronic disease. We will be closely watching these matters into the future to see how the Government will address these key challenges.

Before I conclude I must address some of the issues that the Minister for Mental Health, Minister for Healthy Lifestyles, and Minister for Western New South Wales raised. It is somewhat unfortunate that the Minister does not seem to have made as yet the transition from Opposition to Government. I am sure he will manage to do that over time but it is going to take more than rhetoric and mud slinging to address the very substantial challenge confronting the delivery of health services, not just in New South Wales but across the country and internationally. These are not New South Wales-specific issues. The delivery of health services is an international challenge with a growing and ageing population and the rising cost of health services. Some of the comments from the Minister demonstrate his failure to make that transition to being a Government member who needs to debate the issues in a substantial way.

The Minister had does not seem to appreciate that New South Wales has the lowest diabetes mortality rate of any State in Australia. When Labor was in government it implemented a chronic disease management program to address precisely the issues that the Minister raised. We established renal dialysis services across New South Wales. Of course there is more to do, there always is, but we have seen a dramatic reduction in the rate of death from cardiovascular disease and from cancer. I urge the Minister to examine these issues and to recognise that if he is to fulfil the responsibilities that the people of New South Wales have now placed in him, we will want to see more than the kind of muckraking that he exhibited in the House today. I will conclude my comments except to say we want to see in the future clear indications from the Coalition Government on how it will address the very important issues that confront the delivery of health services in New South Wales. For the sake of the

patients of New South Wales and the people who work in the health system we will look very closely at these issues into the future.

**Mr ANDREW CONSTANCE** (Bega—Minister for Ageing, and Minister for Disability Services) [11.08 a.m.]: I speak strongly in support of the Health Services Amendment (Local Health Districts and Boards) Bill 2011. First, I congratulate the Minister for Health, and Minister for Medical Research not only on her appointment but also on the years of service that she gave as shadow Minister. She spent days and months travelling around the State talking to local clinicians, hospital action groups, mayors, councils, chambers, medical staff councils, nurses and allied health professionals about this exciting new arrangement for the New South Wales health system.

The Minister and I had an opportunity to meet with the Pambula Hospital Action Group and local medical staff council in the southern part of the State. When the Minister spelt out our intentions, the doctors in particular lit up with excitement about the cultural change that this legislation would bring about. The cultural change is the exciting aspect of this reform. A month into the job we now have what is substantive and major reform that will change the culture. It will devolve decision-making back to local communities. It will empower them to make the right decisions in the interests of patient safety and that is what excites me about this legislation.

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I believe this reform will now stand the New South Wales health system in good stead for many years to come. I believe that in itself is worthy of reflecting on in terms of the introduction of this bill today. Congratulations to our new health Minister in that regard.

First I want to respond to a point made by the shadow Minister for Health when he spoke about this legislation. One aspect the member for Macquarie Fields tried to reflect on but did so badly was that establishing local health districts would mean that no networking would take place across district boundaries. The health Minister made it clear in the "Making it Work" policy that there will be functions that will need to continue to operate at a statewide level and, for that matter, potentially at a regional level, to be coordinated between districts. The health Minister also cited the fact that there is a need to support and retain the clinical networks that link medical experts across the health system. That point did not seem to register with the member for Macquarie Fields. It is important that that be addressed. We will not allow scare campaigns or fear campaigns to emanate from the Opposition when we have clearly made that point and done so strongly.

One of the key features of the O'Farrell-Stoner Government is the fact that we want to devolve decision-making back to communities as best we can, regardless of whether it is in regard to health, disability services, planning, or the like. This legislation is about that change. It is about putting local people back in charge of their local health system. I do not need to reflect on the history of the area health services regarding the way in which they grew and then were dismantled, and then grew again, and everything else that occurred over the past couple of decades. But the point that needs to be made is that we have to trust people in this State to do the right things at a local level. Certainly the breakdown in trust between medical staff councils and the bureaucracy has been a key problem with regard to health in this State.

One of the exciting things about this legislation is that it is designed to reassert trust into the health system, and it is designed to get the bureaucracy and allied health professionals, nurses and clinicians back making decisions together, in the interests of patients. As the Minister for Health said, we are committed to ensuring that every decision and every person working in the health system is focused on patient outcomes. One of the key features of this Government is that we want to be open, consultative and transparent in our approach. Therefore we will be looking for ways to improve access to timely, quality health care across the State, and that means ensuring that the doors are open.

As the member for Bega I can say that in the past 24 hours alone I have started to have constructive dialogue with the chief executive officer of the former local health network. I will now work to make sure that those relationships broaden to the medical staff councils that exist throughout the southeast region. As the Minister for Ageing I can indicate that in the next 20 years we will see a 50 per cent increase in the ageing community over age 65. The very clear instruction from the Minister for Health across the board is that we want to avoid

unnecessary hospitalisation through a greater emphasis on preventative health and better management of people with chronic disease. That drive needs to happen at a local level, and that is where the board structure becomes incredibly important because of the varying demographics across the State.

One of the things that worries me also—and this is something that the incoming Government has now inherited following Labor's mismanagement of the health system—is that we do not have a true feel for the extent of the deficits that exist within the current structures. The local health network deficit in my region is unknown, but everyone knows that there is a deficit. This is the type of thing that will continue to present problems as we move on, in terms of what we are inheriting in that regard, the availability of funding, and the pressure the bureaucrats are currently under because of that availability of funding. In our region we also have a unique situation because we have the interface between the Australian Capital Territory health system and what was the local health network, now to be district health board. That in itself presents some significant challenges, particularly in light of the fact that potentially upwards of \$90 million is being sent to the Canberra health system to treat New South Wales patients, and yet New South Wales patients make up 25 per cent of the waiting lists in Canberra.

We are dedicated to improving facilities and access to appropriate and timely health services on the ground within local communities. That is the pleasing aspect in relation to seeing new health infrastructure, particularly in the southeast area of the State. I am incredibly grateful for the commitment the health Minister has given of providing \$10 million towards the new regional facility to be located in Bega. The Federal budget will be handed down next week, so we will wait to see what happens through that process. However, it was the New South Wales Liberals and Nationals who got the ball rolling in that regard. That new infrastructure development will be well supported, as I said, by the local health district, which will be directly involved in local decision-making and in driving the changes we need to happen at a grassroots level in terms of health.

The New South Wales Liberals and Nationals are about giving real control at a local level. It is terrific that the Minister for Health has introduced to Parliament, as a first piece of legislation, this bill. I am particularly grateful to the health Minister, who has indicated that some minor changes may be made with regard to demographic aspects because of concerns that might exist given vast distances, particularly for rural areas. Country people, in particular, have been extremely passionate about what this proposal means for their local communities.

As I said at the commencement of my contribution, and I will conclude on this note, the health Minister has travelled the width and breadth of this State consulting for many years. This reform is not something that has just popped up in the last five minutes for those opposite. For many years Labor members have commented in this Chamber about the "Making it Work" policy. In fact, both the member for Macquarie Fields and the member for Marrickville have for many years commented on the policy. Although Labor members feign, "We haven't seen this", the fact that *Hansard* proves that Labor members have been providing comment on the policy for many years puts that issue to bed.

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It is very exciting and I congratulate the Minister for Health on this. More work is to be done and this is but the first step of many in driving change.

The member for Marrickville touched on the healthcare agreement. When the former Labor Government was in power it signed up to an agreement, which was reversed. It then was willing to rush into the next agreement. The former Labor Government was willing to hand over the GST funding willy-nilly, without any thought as to what that would mean to the State's finances. We then had another agreement once Gillard tore up Rudd's agreement, which again the former Labor Government was immediately willing to sign up to. Thank goodness New South Wales now has a responsible government that is prepared to act in the interests of the State and take time to work through the fine print. The Liberal-National Government was not prepared to rush into it. That is a healthy sign for the future of this State. Without doubt this is probably one of the most important pieces of legislation we will see in terms of driving reform in the health system of this State.

**Ms NOREEN HAY** (Wollongong) [11.20 a.m.]: I speak on the Health Services Amendment (Local Health Districts and Boards) Bill 2011. Firstly, I congratulate the Minister for Health on

her achievement of that position and I also congratulate the Deputy-Speaker on his elevation. As early speakers from this side of the house have said, the Opposition does not oppose this bill. Following the Council of Australian Governments [COAG] agreement in April 2010 to a \$3.4 billion national funding package to improve access to public hospital services, New South Wales immediately began to see the great benefits of those reforms through the opening of additional new beds in our hospitals. These included enhancements at the following sites that have been announced since May 2010: 12 beds, Prince of Wales Hospital; 20 beds, Campbelltown Hospital; 21 beds, Wollongong Hospital, 26 beds, Nepean Hospital, 27 beds, Sydney Children's Hospitals network; 17 beds, Sutherland Hospital; 22 beds, Royal North Shore Hospital; 16 beds, Maitland Hospital; 16 beds, John Hunter Hospital; 19 beds, St George Hospital plus four special care cots; 10 beds, Mount Druitt Hospital—

**Mrs Jillian Skinner:** Point of order: My point of order relates to relevance. Whilst it is very interesting to hear about the number of beds that have been opened under the Council of Australian Governments reforms, this bill is not about the Council of Australian Governments, COAG. The legislation is about the establishment of local health districts, and the member's contribution is not relevant to it.

**The DEPUTY-SPEAKER (Mr Thomas George):** Order! The bill is about health districts and boards. The member for Wollongong will return to the leave of the bill.

**Ms NOREEN HAY:** The COAG agreement was discussed early and this is part of my address on the bill.

**The DEPUTY-SPEAKER (Mr Thomas George):** Order! A previous speaker referred to the COAG agreement, but it is not part of the bill. The member for Wollongong will return to the leave of the bill.

**Ms NOREEN HAY:** An extra 455 beds to date for our public health system will be at risk—

**The DEPUTY-SPEAKER (Mr Thomas George):** Order! Is the member for Wollongong disputing my ruling?

**Ms NOREEN HAY:** No.

**The DEPUTY-SPEAKER (Mr Thomas George):** Order! The member for Wollongong will return to the leave of the bill.

**Ms NOREEN HAY:** I have stopped reading out the list of hospitals. These are my comments in relation to the Health Services Amendment (Local Health Districts and Boards) Bill 2011, how it affects the health system and how it previously affected the health system. There has been ample discussion here about that this morning.

**The DEPUTY-SPEAKER (Mr Thomas George):** Order! The member for Wollongong will return to the leave of the bill, which deals specifically with local health districts and boards.

**Ms NOREEN HAY:** Mr Deputy-Speaker, part of my contribution is that it is a far more important task than introducing a bill to change the names of governing councils to district boards. Our public system could be at risk if the Liberal-National Government does not sign up to the COAG agreement and that will affect the implementation—

**Mrs Jillian Skinner:** Point of order: My point of order is relevance. I do not believe that the member for Wollongong has got it. This is not a COAG bill. It is about governance of the Health system, introducing local health districts and boards. It is not about COAG or individual hospitals. I ask that the member for Wollongong be directed to return to the leave of the bill.

**The DEPUTY-SPEAKER (Mr Thomas George):** Order! The member for Wollongong will return to the leave of the bill. This is her final opportunity. The bill has nothing to do with COAG.

**Ms NOREEN HAY:** The Opposition considers the move to introduce a bill such as this, which the Opposition does not oppose, is simply to change the names. If I can refer to the former

Government's position in relation to health boards, in November 2010 the former Minister for Health, Carmel Tebbutt, announced there would be 15 chairs to lead the governing councils of the New South Wales local health networks. In December 2010 the former Minister for Health announced the membership of those governing councils, and that as at 1 January 2011 the new local health networks would replace the existing health services with their own budgets, management and accountabilities.

Those governing councils reflect the former Government's commitment to strengthen local decision-making and clinician engagement. As to the establishment of the proposed new local health networks, the former Government had conducted an extensive consultation process with health professionals and community members across the State to seek their input into the new local health networks; issued a discussion paper and a further round of public consultations to inform the configuration of the new health system and what was proposed; passed an Act of Parliament that established local health networks, the Health Services Amendment (Local Health Networks) Act; appointed a chairperson and members of 15 governing councils, the body responsible for ensuring that the local health networks were accountable and the body that delivered effective and efficient health services and performed against targets; and established 18 local health networks, which were made up of eight geographically based local health networks to cover the Sydney metropolitan region, seven geographically based local health networks to cover rural and regional New South Wales, and three specialty networks for children's health, forensic mental health, and services delivered by St Vincent's Health.

Governing council members were appointed by Cabinet following a selection process convened by the chairs, which included independent advice. The final round of recruitment for local health network chief executives was underway at the time of the election. The chief executives were then to report to the governing councils. I place that on the record to illustrate the suggestion that this is merely changing the name of what was the intention as part of the Health Services Amendment (Local Health Districts and Boards) Bill 2011. I am on record several times as saying health service delivery in New South Wales, and indeed, Australia, is the best in the world. Speaking from my own experience, particularly at Wollongong and St Vincent's hospitals, our health service delivery is second to none throughout the world. Without question my youngest son and my grandson, as was recently reported and as I referred to in my inaugural speech, would not be alive today but for the public health service in New South Wales.

But the cost of health service delivery increases every year and the demand on our health system is ever increasing. Without stipulating how we will deal with these increases demands and how that growth in need and costs will be met, it makes it very difficult to see the impact of these kinds of changes.

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I look forward to the Government providing greater detail. As the Minister has indicated, there will be tweaks and changes. In the future we will have to look closely at the agreement with the Commonwealth in relation to the delivery of health services. I understand that the proposed agreement, which will give additional funds to New South Wales, is required to be signed in July.

Very little has been said about the announcements that have been made about the changes. I look forward to increased investment in health infrastructure—particularly for Wollongong Hospital, the main regional hospital in the Illawarra—as has been indicated. The Minister for Mental Health spoke about increased recruitment—how it will be achieved and delivered. I will be interested to see the proposed changes to recruitment processes in regional New South Wales that will achieve the outcomes that have been outlined. I echo the comments of a previous speaker on this side of the House regarding the speech of the Minister for Mental Health. I refer not to what he said but how he said it, which was disappointing. In that regard I hope we see a change in the future.

**Debate adjourned on motion by Mr Ray Williams and set down as an order of the day for a later hour.**

**BUSINESS OF THE HOUSE**  
**Suspension of Standing Sessional Orders: Bills**

**Mr BRAD HAZZARD** (Wakehurst—Minister for Planning and Infrastructure, and Minister Assisting the Premier on Infrastructure NSW) [11.32 a.m.]: I move:

That standing and sessional orders be suspended to permit the passage through all remaining stages at this sitting of the Work Health and Safety Bill and the Occupational Health and Safety Amendment Bill.

Earlier today I mentioned that, as manager of business of the House, I would move a motion to bring on the Work Health and Safety Bill and Occupational Health and Safety Amendment Bill. I gave notice of this motion this morning and I discussed it with the Opposition leader of business last night and this morning. The Opposition understands the need to move this legislation.

**Question—That the motion be agreed to—put and resolved in the affirmative.**

**Motion agreed to.**

**HEALTH SERVICES AMENDMENT (LOCAL HEALTH DISTRICTS AND BOARDS) BILL  
2011  
Agreement in Principle**

**Debate resumed from an earlier hour.**

**Mr STUART AYRES** (Penrith—Deputy Government Whip) [12.03 p.m.]: I congratulate you, Mr Assistant-Speaker, on your appointment. I am sure members from the North Coast of New South Wales are happy to see you in the chair.

Today I speak on the Health Services Amendment (Local Health Districts and Boards) Bill 2011. As member for Penrith it gives me great enjoyment to talk about this bill given that the issues of health were a primary concern to the constituents of Penrith right from the time I put my hand up to represent them in the by-election and again in the election earlier this year. Health was a recurring theme. I door knocked literally every house in the area—whether it be in Leonay, Emu Plains, Cranebrook, South Penrith, Jamisontown—and Nepean Hospital and health care were the prime concerns of residents I spoke to. One of the things that kept coming up was that they were receiving quality health service from their dedicated health professionals and the Nepean Hospital but felt they were continually being left out of the opportunity to be part of the decision-making process. The line that I often heard was that the decisions were too far removed from where the rubber was hitting the road, where the health care engaged with local residents.

I am glad to see the Minister for Health, Jillian Skinner, has taken this on board. When the Liberals and The Nationals were in opposition she was a strong advocate for improving the decision-making process in health and moving to a smaller district health process. This decision-making process is something I heard a lot about when walking around Penrith, talking with local doctors and nurses, people engaged in the process. The measures in this bill are important for the residents of Penrith, not just from a health perspective; it is also a clear sign that we are delivering on one of our key election promises, restoring local decision-making and giving clinicians and local health practitioners and communities a real say in what is taking place in their local health service. The core of this is putting people back at the centre of the health system. For too long we have had administrations and government bureaucracies running our health service and for too long we have been ignoring the people the system is designed to support, the patients themselves.

Every person working in the health system must be focused on the patient. That is the key focus of health. That is what has been neglected in this State for far too long—probably about 16 years. There is a particular focus on making sure that we avoid unnecessary hospitalisation. We want a greater emphasis on preventative health. The combination of sport and recreation and healthy lifestyles—which have been acknowledged by this Government with key ministries—will also go a long way to putting preventative health further up the list, where it should be. If we can keep people out of hospitals not only do we save money but we also make everyone's lives that little bit better.

We also give significant priority to the strengthening of the public health system so we can improve patient access. I do not think I would go a week in my electorate office without hearing about people's inability to access services in my area—whether that involved extended stays in emergency wards because of access block or the simple frustration that exists at Nepean Hospital in being unable to find somewhere to park a car. Only this morning I received a message from an old friend of mine, someone I went to school with. I do not think he had sent me a message for 15 years but he felt compelled to tell me that last night when he was at the hospital for the birth of his first child he was unable to find a car park within kilometres of the hospital. This story is all too familiar.

We have seen growth in wards and an excellent investment in the hospital is taking place, but at no stage through the decision-making process did anyone bother to ask what the biggest frustration was for local residents engaging with Nepean Hospital—their inability to park their cars. They have to pay a set fee to see their relatives who are patients and staff are required to pay for parking. This gentleman pointed out to me that most of the time the car parking at Nepean Hospital is full by 8.00 a.m. and then people have to park on the streets, kilometres away from the hospital. That frustrates not only people trying to access services but also residents surrounding the hospital who can no longer access their own homes because cars are parked across driveways.

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We hope that the move towards these smaller district health boards that the Minister has so passionately advocated in western Sydney will see a fast-tracking of a missing piece of infrastructure in our region, a car park at Nepean Hospital, the opportunity for the community to really engage with local health practitioners and the hospital itself, and provide better targeted health care in our region.

I take this opportunity to acknowledge members of the current board: Professor Patrick Cregan, who chairs the board, Gregory Allchin, Dr James Branley, Graham Danaher, Winsome Matthews, Councillor Karen McKeown, Professor Michael Peek and Professor Jennifer Reath. There has been considerable engagement with local practitioners and the strong engagement with members of the Nurses Association at Nepean Hospital is also worth noting. They have been forthright in their views but they have been always available to come to us with solutions. It is always refreshing to engage with the Nurses Association in an open and transparent way and to work together to provide better working conditions for nurses at Nepean Hospital, but also other members of the senior medical council at the hospital.

I take this opportunity also to talk about Professor Mohamed Khadra, who has done fantastic work in providing innovative ways to engage with health professionals in the region. He has been a driving force behind the Telehealth commitment that the Coalition made during the election. Telehealth enables easier engagement with Health by the community, particularly those who have a disability and who find it difficult to get to a hospital or medical practitioner. They can use the Internet to engage with their local practitioner. When we met with Professor Khadra in his rooms he gave the example of a patient who owned a bottle shop in Bathurst. He had a heart condition and was required to visit Professor Khadra for updates on his latest blood test. This patient's story could be repeated in countless electorates across the State. Nepean Hospital is the major teaching hospital for the regional districts of New South Wales and this small business owner had to close his bottle shop, forfeit his income for that day, get in the car and drive over the mountains to see Professor Khadra for half an hour to receive the results of this blood test, just to be told that everything was all right. He then had to drive back over the mountains and then reopen his shop.

The work done by Professor Khadra, in conjunction with the Minister, has allowed patients to use Telehealth and the Internet for things such as the results of blood tests. Patients can watch the screen, engage with their health professional using voice protocols and avoid the need to travel long distances. These smaller health boards will allow for more engagement with communities. They will lead to more innovative ideas and improve the way people access health, whether it is the BWS liquor store gentleman in Bathurst or someone in Glenmore Park who cannot leave their house to travel to Nepean Hospital.

I note the work of the member for Mulgoa, who has done a fantastic job in raising issues facing her residents with respect to access to Nepean Hospital. I am sure that the move

towards smaller and localised health decision-making will have a great impact on the residents of Mulgoa, as it will on the residents of Penrith. We did not just reach this decision by thinking it was a great idea; we listened to experienced people such as Peter Garling. We can no longer ignore messages such as those in the Garling report. We have taken the health system in New South Wales to the brink. On 26 March 2011 the people of New South Wales acknowledged that: they made the decision to give a new government the opportunity to bring the health system back from that space, to stop it falling off the cliff and to involve the community in the decision-making process. This bill does that: we are delivering on the commitment to make it work.

The former Government accused the Coalition of having no policies and opposed this type of legislation. Kevin Rudd made his Council of Australian Governments reforms and all of a sudden we had the change. They were a bit late. The Minister had been advocating this and every time we sat in this Chamber Labor kept saying, "Come up with a policy". This is our policy and we are making it work by providing local health district boards and bringing communities back to the centre of decision-making and, what is most important, finally putting patients at the centre of health in New South Wales.

**Mr JOHN WILLIAMS** (Murray-Darling—The Nationals Whip) [12.15 p.m.]: I support the Health Services Amendment (Local Health Districts and Boards) Bill 2011. There is no doubt that what we see here today is a work in progress. It has been a work in progress during my time in Parliament, certainly for four years, acknowledging that we need to listen to local communities. The previous Labor Government stopped listening, which was demonstrated on 26 March 2011 when the people of New South Wales realised that they needed to make a change and elect people who are prepared to listen to their communities.

For a long time people were saying that the removal of local area health boards was a big negative for health services, particularly in regional and remote communities. The contribution made by those individuals who served on those boards allowed people in those communities to feel they had ownership of their health facilities, giving them a say in the process of administering health in their community. It allowed them to identify shortfalls in services and gave them the opportunity to improve the level of services that they received. The Minister was prepared to listen. In this House in opposition we spoke about district area health boards and every time the then shadow Minister stood up in this House she was abused by the then Government for talking about an issue that it thought it had resolved.

The Federal Government, when it started to listen to communities, found out the exact same thing that the Minister had been hearing for so long, that we needed to return to the status quo that had existed in the past and give the communities the opportunity to participate, to have a say and to improve their health services by direct communication. The former Labor Government approach was a return to the centralised management of the State of New South Wales and the Department of Health was only one aspect of it. The unfortunate fact is that it was the old case of father knows best and the former Government had its own grandiose ideas on how it could run a health system. We had seen constant and continual failures in the health system that could have been avoided if local communities were allowed to solve their own problems.

This is a great move and I look forward to much improvement and better involvement from local communities because they will be able to have a say in how their health services are managed. I compliment the Minister. I know the work she has done over the years in putting together this legislation. It is a great day to see this legislation passed in this House.

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**Ms ROBYN PARKER** (Maitland—Minister for the Environment, and Minister for Heritage) [12.19 p.m.]: I speak in support of the Health Services Amendment (Local Health District and Boards) Bill 2011. As the member for Murray-Darling said, this is a great day and it is a great credit to our Minister for Health, the Hon. Jillian Skinner, that she has driven this reform and has been passionate about and committed to it for so long, because it is the right thing to do. For so long it has been absolutely clear that the way in which the former Government reorganised and centralised area health services was a failure. The former Government took local management, the health care professionals and the clinicians out of the picture, and patient care was lost. This reform is about restoring local decision-making and giving local clinicians and local communities a real say in their local hospital and health service. That is

what the Liberal-Nationals Government is all about. We are about ensuring that decision-making takes place at a local level, and that local people have a choice. This reform is about delivering real change for New South Wales. I say to the health Minister: It is a great day to see this legislation introduced as the first health legislation introduced in this House.

Labor had 16 years to improve the health system, but it failed to do so. Labor was focused on decision-making being driven by what was best for Labor rather than what was best for patients. The Liberal-Nationals Government wants to ensure that the resources are used more efficiently and more effectively, to promote good health and to ensure better management of the early detection of disease and the treatment of chronic illness and that our ageing community is planned for and cared for. One of the ways in which we can do that is by ensuring our hospitals are managed by people who know their local communities, that they understand the role and responsibilities of the clinicians that are providing the care, and that the front-line health services understand the key issues in relation to their hospitals. Every hospital is different and every area is different, and therefore making decisions from a centralised body is absolutely the wrong way to go.

The key problem with overcentralisation was that there were layers and layers of red tape and remote decision-making, and as a result patients' interests got lost. That trend proved to be particularly inappropriate for decisions concerning patient services and clinical treatment. All of us in our local electorates talk to health care providers. We talk to the doctors, nurses and front-line staff. We also talk to people who are managing and involved in the health care system. They tell us—and they have been telling us for a long time, and the Hon. Julian Skinner has been listening—that they need to get back to being more involved in that decision-making so that their hospitals are run without the red tape. Of course, they are the best placed to ensure that their local hospital management is responsible and accountable.

This reform is about being accountable and responsive. It is about making sure decisions are made that provide a seamless range of healthcare services and that those healthcare services are provided for the people who need them. Regardless of whether it is hospital treatment, community-based health care services or the services provided by general practitioners, pharmacists or other allied professionals, our system will ensure that those people are linked together and working efficiently to provide the best health services for New South Wales. Our health policy is about putting patients first. It is about getting rid of a huge, inefficient area health service. It is about creating a flatter administrative structure and ensuring that particular regions have a focus.

After all, it is our doctors, nurses and the allied health professionals who work in our hospitals who are the key. They are the ones who have kept the hospital system afloat. The health professionals who work in my electorate of Maitland are no different from the health professionals who work in other electorates. They do an incredible job, in spite of the problems that were dealt to them over the 16 years for which Labor was in office. After 16 years of the former Government creating an "us and them" mentality between the health professionals and the administrators our policy will work towards breaking down those barriers and fostering greater cooperation. This is part of seeing our election policy delivered in practical terms. The only way to make our election policy work is to ensure that healthcare professionals, nurses and doctors have every opportunity to excel, to make sure their patients are best cared for. Our health policy is about empowering local communities and making sure that information is exchanged in the way we know it needs to be exchanged. It is also about making sure there are transparent and accountable outcomes. This is how we plan to approach health care generally. Our health policy is about community ownership and making sure that medical experts are involved in the decision-making process.

This reform is also just the beginning, as the Hon. Jillian Skinner said. It sends a clear message to the community that we are committed to increasing local decision-making and that we are honouring our election commitments. We know there is more work to be done, and this reform is about starting that work. It is about addressing the disconnect between clinicians and local communities that the Hon. Jillian Skinner has spoken about over and over again. As Peter Garling, SC said in his report on the review of acute hospital care that NSW Health was "on the brink". In his report he cited the "disconnect" between clinicians, local communities and the administrators who make decisions about hospitals and health services. We believe that those who are closest to the patient are best equipped to make decisions

about improving health care. In regional and rural New South Wales it is also critical to ensure that local health districts and specialty networks have equitable access to expert support.

This is a great day for New South Wales. Our reform will support doctors, nurses and health professionals throughout New South Wales. It will benefit every healthcare provider. It will ensure that our commitments are honoured, it will empower local communities, and it will ensure that decision-making is at the heart of those communities and at the heart of the provision of health care. This reform is a great start, and it is only the beginning. I support the bill.

**Mr RICHARD AMERY** (Mount Druitt—Opposition Whip) [12.27 p.m.]: The objects of the Health Services Amendment (Local Health Districts and Boards) Bill 2011 are:

(a) to amend the *Health Services Act 1997*:

(i) to constitute local health districts and establish boards for such districts, and

(ii) to provide for certain statutory health corporations to be specialty networks with boards, and

(iii) to make related amendments and other minor amendments, and

(iv) to enact provisions of a savings or transitional nature, and

(b) to make consequential amendments to certain other Acts and statutory rules.

I am aware of the debate that was initiated by the now Minister for Health some years ago in relation to, I think in her words, empowering local communities to be involved with their local hospitals, and so on. As the member for the Mount Druitt area I have been approached by a number of constituents who have had a long history with Mount Druitt Hospital, in particular, and who are great supporters of the previous hospital board. Indeed, I can indicate to the House that prior to my becoming a member of this House, and also during the first few years of my being a member of this place, I was a director of the Mount Druitt Hospital board. When the board was done away with sometime during the 1980s the archdiocese council was formed—obviously run by Catholic Health Care Services—and I remained on that council until the election of a Coalition Government. Out of respect for the health Minister at the time, who I think was Peter Collins, I withdrew from that council because I felt that as the local member my involvement on the archdiocese council would in some way distract the work of the archdiocese council and its cooperation with the then Government.

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Since this public debate arose in the past couple of years I have been interested in it. A lot of local people felt it was about re-establishing hospital boards but as this legislation indicates that is not the case. Even in recent times people felt this debate was about bringing back the 1980s, 1970s and prior policy of having a board at each hospital—and there were some great advantages to that old system.

When I first joined my board I was a serving member of the police force and I worked with other members of the community such as Steve Parry, who was the president of the Rooty Hill Senior Citizens Association—he is now deceased but he was a good friend of mine—as well as nurses from the local community. We participated with the Catholic Health Service and government officials so there was direct access from the community to the board. It would be cheeky to suggest that that local representation actually improved health services. It was not a clinical board although members of the medical health service council were obviously involved with it. There has been an expectation, fuelled by the current Federal Leader of the Opposition, that changes were coming and that we were reintroducing hospital boards. It should be indicated very clearly, as the Minister has also indicated across the table, that that is not the case. The public should be aware that the passage of this legislation will not mean a return to the policy of every hospital having its own board. We need to make it clear that irrespective of what Tony Abbott is saying, and whatever impression is given by this legislation, it is not going to happen.

The next question is: What are locally constituted hospital districts and boards of those

districts? As a local member and a person interested in health services I will be interested to see what the difference is between a board for a district and the current arrangement of changes to boards that have occurred as a result of the changes to the health system over the last couple of years. Perhaps the Minister for Health might comment on that in reply. For example, will there be more of these district boards than the current boards? Will they have a larger catchment area or a smaller catchment area? Will there be more local people, residents and non-medical people involved in these? Will there be actual consumers of the product or people who have an interest in the provision of the health services involved? The subtle word "district" did raise some expectation certainly amongst my constituents that we were returning to some sort of local hospital board and some people find that a very attractive proposition.

I am speaking on this bill because I heard some of the speeches that were made earlier, in particular the speeches of the member for Penrith and the member for Mulgoa. The member for Penrith launched into an attack on the health service in New South Wales. We have a new government now and it is putting out the message that everything is going to be better in the health service. The member for Penrith said that the health system in New South Wales was "at the brink".

**Mrs Jillian Skinner:** That was Peter Garling.

**Mr RICHARD AMERY:** No, he was talking about "at the brink". The member for Murray-Darling also commented that the health service in New South Wales was a product of the Labor governments of the past 16 years, and perhaps even before, and that the situation is so devastating that we need these radical changes to the health system, which the new Government intends to fix. The fact is that every external assessment of the health services in New South Wales rates them as among the best in the world—not just in Australia. The Minister for Health should be very proud of the fact that while she may have spent many years attacking the health service and underpinning some values of individuals or whatever happens in the health service, generally speaking our health system as a whole, no matter what sort of audit or what sort of measuring stick is used, on any independent assessment of the service provided by our nurses and doctors, of the standard of equipment and investment within our hospital system, is not only amongst the best in Australia, but stands up with many countries throughout Europe, the United States of America and so on. Members would know that many visitors come to this country and say, "Wouldn't we like to have a health system like the one you have here." That fact is so easily derided.

In closing I wish to respond to a political argument raised by some of the members present today who have all had cheap shots about the former Labor Government being so soundly defeated at the last election and so on. In Western Sydney we have a fantastic cluster of hospitals. Westmead Hospital is the jewel in the crown of Sydney's west. We had an old Blacktown Hospital, built in about 1961—I ask the Assistant-Speaker to note the year. We now have a new Blacktown Hospital, built only in the last few years. The Mt Druitt Hospital, which I was a member of, was built in the term of the Wran Government. We had an old Fairfield Hospital some years ago on the Horsley Drive, which was made out of old army huts back in the 1950s—I know that because I was a patient there in the 1950s. We have a relatively new hospital there now.

The member for Mulgoa and the member for Penrith should be aware that the Nepean Hospital has actually been a building site for years. Absolutely tens of millions of dollars have been going into that hospital year in, year out, budget in, budget out. For the benefit of our new regional members, we have a new hospital at Lithgow and new hospitals down the South Coast. I ask members to think about the list of hospitals I have just given off the top of my head, but there is an even more comprehensive one. What do all those hospitals have in common? They were all built by Labor governments.

**Mrs Jillian Skinner:** Tell us about the Children's Hospital at Westmead, Richard.

**Mr RICHARD AMERY:** When I was a policeman at Parramatta, the hospital for Parramatta was an old hospital on Marsden Street. It now provides community health services and so on. When we talk about health services to Western Sydney, the Whitlam Government decided to put in I forget how many hundreds of millions of dollars in 1970s figures to build that fantastic

hospital at Westmead.

**Mrs Jillian Skinner:** Tell us about the Children's Hospital at Westmead.

**Mr RICHARD AMERY:** Are you knocking the Children's Hospital? I welcome the interjection by the Minister for Health because Westmead is a federally funded hospital by the Whitlam Government. Bob Askin and his crew tried to take some credit for it.

**Mrs Jillian Skinner:** The Children's Hospital at Westmead was built by the Coalition Government—

**Mr RICHARD AMERY:** Oh, she actually found one. She found a wing somewhere—

**ASSISTANT-SPEAKER (Mr Andrew Fraser):** Order! The member for Mount Druitt will direct his comments through the chair.

**Mr RICHARD AMERY:** Let me close on this point—

**Mrs Jillian Skinner:** Get your spin right if you are going to persist with it.

**Mr RICHARD AMERY:** Let me read them out again. The old Blacktown Hospital, the new Blacktown Hospital, the Westmead hospital, the Mount Druitt Hospital and a number of wings and additions to it, the new Fairfield Hospital, the massive upgrade of the Nepean Hospital, and Lithgow Hospital. If I got a few more members in here I could give you another 20 or 30.

**Ms Carmel Tebbutt:** Shellharbour.

**Mr RICHARD AMERY:** The Shellharbour Hospital, thank you. Can the next speaker please give us a list of all the hospitals that your side has built? All the hospitals I have mentioned were all built, refurbished, extended and funded extensively by Labor Governments and we are proud of it

**Mr RAY WILLIAMS (Hawkesbury) [12.38 p.m.]:** I start by commending Jillian Skinner, our new Minister for Health. The former Government, which I hate to keep harking back to because of the dark years between 1995 and 2011 are behind us but sometimes I need to make reference to it because the former Government always questioned us about policy. Today I heard the previous Minister for Health remark that the Opposition has only had seven or eight hours to go through this policy announcement. The now member for Marrickville—only just the member in that very tight marginal seat of Marrickville—has actually had a decade. Jillian Skinner has put this policy about local area health boards forward for the past decade.

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Election after election this was our commitment. We never changed the policy and we have followed through on it. We stayed true to our beliefs that this was the way to improve health services on behalf of the people of New South Wales. Ms Jillian Skinner has been acknowledged by Premier O'Farrell as having a greater knowledge and understanding of health services in New South Wales than any other person who has had responsibility for the Health portfolio. I fully endorse the Premier's words. We commend her and congratulate her on bringing forward this policy. As she has stated time and again, the care of patients is paramount. It is upfront on our agenda and it is our first commitment. The Opposition continued to believe that health is about politics. It is not, it never was and it never will be under this Government. It is about the care of our constituents.

I acknowledge the number of speakers who have spoken in this debate. No less than five Ministers have spoken on this bill. The member for Penrith, who was elected at the by-election, knows full well the problems in the Nepean. As I look around the Chamber I see the new Coalition members waiting with bated breath to raise the concerns of their constituents, who have spoken to them about the shortfalls in the health services of New South Wales. From Newcastle, Charlestown, Miranda, right across the State, the members have issues they want to raise. The Nationals Whip raised issues about health in his electorate of Murray-Darling. Finally, health has been put first and foremost on the agenda and this Government will address the issues on behalf of the people of New South Wales.

The previous speaker, the member for Mount Druitt, spoke about all the hospitals built by former Labor governments. He was talking about a time when former Labor governments had a heart and implemented measures on behalf of the people. They lost their heart over the past 16 years and they neglected the needs of the people. That is why only 20 members are sitting on the Opposition benches. Interestingly, the member for Mount Druitt spoke about Mount Druitt Hospital, where he sat on the board. I cannot count the number of times that I was asked by Jillian Skinner when she was the shadow Minister for Health to leave this Chamber early and venture out to Mount Druitt to meet with dozens of people who had concerns about Mount Druitt Hospital. If I remember correctly, the Labor Government closed the emergency department at Mount Druitt Hospital, forcing all the people in the massive growth area of Mount Druitt to go to Blacktown Hospital. I was more than happy to attend those many meetings to hear the concerns of the people. The member for Mount Druitt never turned up to those meetings and he never raised a murmur about the Labor Government closing down the emergency department. Yet he has the hide to inform the House that he sat on the board of Mount Druitt Hospital.

The model in this bill may be cast on a hospital that is close to my heart—Hawkesbury Hospital. Twenty years ago it was proposed that Hawkesbury Hospital would link with CatholicCare and become a public-private hospital. The residents of the Hawkesbury rose up. They were incensed that their public hospital would be put in the partial hands of CatholicCare. The community protested. CatholicCare held meetings with the community to discuss the type of hospital they wanted and proposed a local area health board comprising professional and local people. That was 20 years ago. Today statistics show that 86 per cent of patients are completely satisfied with the care they receive at Hawkesbury Hospital. It would be difficult to find that level of satisfaction across the rest of New South Wales. The local area health board at Hawkesbury Hospital is still in place. Some of the board members are well into their seventies and eighties and they have been on the board for many years. It is a great hospital and it is a great example of how to improve the culture and put the care back into health.

When people are ill and attend hospital, they do not want to talk to a secretary or administrator. They want to see a nurse and a doctor and they want to get better. Jillian Skinner wants to put the heart back into health care. I support this bill, which implements a health policy that she has proposed for a long time. I also acknowledge the great work of former Chief Executive Officer of Hawkesbury Health District Centre, Dr David Marr. He is a wonderful person. As the member for Hawkesbury I often have visited Hawkesbury Hospital and talked to Dr Marr. As an example of the great appreciation in the community for the hospital, the women's auxiliary at Hawkesbury Hospital has 140 volunteer members who raise over \$100,000 a year. The former Labor Government wanted to get rid of women's auxiliaries. They did not want women's auxiliaries associated with hospitals. They did not want women's auxiliaries selling cakes, knitting babies clothes and raising \$100,000 a year. The Hawkesbury community is so appreciative of their hospital that 140 women are proud to be members of the women's auxiliary. Those women do not get a cent. They are proud volunteers building a better health service in my area. That is the model we hope to implement across New South Wales to get the heart back into health care.

The shadow Minister for Health, Dr Andrew McDonald, has his nose out of joint because of matters I raised with him when he was the Parliamentary Secretary for Health. I have received many complaints from constituents about hospitals across western Sydney. I do not criticise anyone in this regard but improvements are needed. One constituent who came to me was a father of five who lived in Rouse Hill. He went to the doctor with dizzy spells. His doctor sent him for tests at Westmead Hospital. Whilst undergoing an MRI scan he suffered a stroke. It was detected immediately and he received the best of care in relation to the stroke. When he was discharged from the hospital he went to pick up his discharge report. He was incensed to find that some clown had made a claim on his discharge report that he was almost a drug addict and that he was trying to satisfy his needs for medication while he was a patient. He asked for his medical reports to take to his general practitioner, but his request was refused.

When he returned home he made a freedom of information application for his test results, which his general practitioner had requested. Three weeks later he received a ream of

papers, which included one page that showed that the MRI scan had detected a five millimetre aneurysm in his brain. He showed the report to his general practitioner, who admitted him to Westmead Hospital under specialist care in two days' time. As the aneurysm had now grown to 12 millimetres, he was unable to have keyhole surgery to repair the aneurysm through his veins and had to have a section of his skull removed. That situation should not have happened. If he had received his papers immediately, he would have been readmitted to hospital and undergone a simpler procedure. He ended up having a life-threatening procedure. He gave me his documents and I wrote a letter to the then Minister for Health requesting an explanation. I received a letter from the Parliamentary Secretary for Health in which he said that he had looked at all the documentation and considered that the MRI report was acceptable.

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That letter was signed by the Parliamentary Secretary who is now the shadow Minister for Health, the member for Macquarie Fields. I do not believe that the member for Macquarie Fields does not understand an MRI report, because I believe he is a good doctor. I do not think he read the letter. I think that letter was written by a bureaucrat and the member for Macquarie Fields just signed it or his signature was attached to the letter. That is why I was furious and that is why I raise this matter on behalf of Suren Naidoo, a constituent in my electorate. It is not good enough that we have health services like that. It is not good enough that we have some clown issuing a discharge report like that. It should not happen. We need to improve the culture and put the care of the patients first and foremost.

Only a responsible and progressive government would put the care of the weak, the sick, the aged and the frail front and centre of their policy, and that is what this bill does. It is a great start and I commend the Minister for bringing this bill into the House. It has my full endorsement, as it should.

**Mr GEOFF PROVEST** (Tweed) [12.50 p.m.]: I make a contribution to debate on the Health Services Amendment (Local Health Districts and Boards) Bill 2011. This is a subject very dear to my heart and I join with other speakers in this debate in applauding the Minister for Health for bringing this bill to the Parliament. My electorate of Tweed has probably more seniors than any other electorate in the State. As we know, seniors are heavily dependent upon the health system. Currently just over 40 per cent of Queenslanders are being dealt with in our health system. I am a big supporter of our local clinicians, our doctors and nurses. I meet with senior members of our medical council nearly every month, every three months I take a guided tour throughout the hospital and I even meet regularly with our united auxiliary, who last year raised more than \$200,000 for the health system.

Apart from delivering on an election promise, this bill is about a clear future; it is about transparency and giving power back to the local community and supporting them. Over the past four years—in my short time in this place—I have witnessed those on the other side of the House continually erode the confidence of our hardworking doctors and nurses. The Tweed has experienced the situation of not being able to fill positions: doctors and nurses are available but they choose to go to work in another State because of the better conditions and the respect that they are shown. We were told that the Government was going to increase front-line staff, and John Della Bosca, who was then Minister for Health, made a big statement about it. However, one example of what happened was that one day a person was classified as a receptionist and the next day she was classified as a patient support officer No. 2. I went to the then Minister for Health privately and said, "How can you announce publicly that you have increased front-line staff when all you did was change titles?" He said, "I don't know. It was some bureaucratic thing they wanted me to do. I don't really believe in it". That is factual and it explains the lack of confidence of people in the Tweed.

Currently the general manager of the Tweed Hospital cannot set foot on the premises; she must do so remotely because the medical council has threatened to withdraw all services if that administrator sets foot in that hospital again. That is a deplorable situation. I like to be hands-on and, apart from talking to the doctors and being with them, every three or four months I do a 16-hour shift in the back of an intensive care paramedic ambulance on a Friday or a Saturday night when the ambulances are at their busiest. I see the hard work of the paramedics and their interaction with the emergency department at the hospital, but the emergency department is often at bursting capacity. I sat in on the Garling inquiry when evidence was taken for three days in the Tweed and I just shook my head at some of the

horror things I heard. In the 2009 year the hospital treated 1,200 people in corridors. When I went to school 100 per cent meant full, but at times our hospital is running at 107 or 110 per cent.

Earlier today the Deputy Premier introduced the Occupational Health and Safety Amendment Bill 2011. If I was a cleaner and I left a bucket and a mop in the corridor I could be fined for an unsafe work practice. I would like to know what is the difference when a patient on a stretcher is put in a corridor. This is not the way of the future; it is more Third World country type stuff. It all comes back down to the basic administration. The hardworking doctors and nurses are spectacular in what they do and I applaud the Minister for her work in relation to the boards and the key performance indicators. Last year in this place I asked more questions on notice than anyone else—around 700. There were a few chasing me. Today I inquired about the number of questions on notice I asked about health and I discovered that the number is up to around 234. But what answers did I get back? I got back one-liners saying that the matter would be taken into consideration, or answers of that nature.

It is important that we bridge the gap between the health system and the local community. Like some other members in this place have experienced in their electorates, a little while ago my electorate had a problem with hospital suppliers. I remember when the Minister for Health was in Dubbo, staff from the hospital had to go down to the vet to borrow bandages and so on. The suppliers of surgical supplies in my electorate came to me because they had not been paid for 120 days and they said they were not bound to supply the hospital anymore. The chief of the medical council said, "Geoff, unless we get supplies by Friday"—it was Wednesday then—"we cannot do any more surgery". I took the matter to the media and there was some action by the local board, which resulted in the suppliers being paid some money. But the then Minister for Health—and we have had a few so I lose track of who it was at the time—criticised me for creating fear in the community. But doctors were standing on the footpath outside the hospital telling the media exactly what I had said. I am not a doctor and I do not profess to be one, but I put a lot of faith in the doctors and nurses in the Tweed.

We have to now rely on the Queensland health system. About two years ago I requested a cross-border health document under freedom of information. Labor governments on both sides set up an inquiry to analyse the future needs of the health systems across the border. The New South Wales component said, "We can access all the services in Queensland. We do not need our own cancer treatment facilities; we do not need anything like that because we can just go over the border". We have access to a lot of Queensland media in the Tweed and it appears the Queensland health system ain't that flash at the moment; they are struggling to even pay their doctors and nurses on time. Queensland has a rapidly expanding population and Tweed is one of the fastest growing regional areas in New South Wales, currently growing at around 3 per cent per annum. In the next three to five years another 20,000 home sites are due for approval. That is why this bill will give real hope to the doctors and nurses.

I will be meeting with the Minister for Health in the near future because I want to explore greater cooperation with the Queensland Government, considering that 40 per cent of Queenslanders use the New South Wales health system, and I know that there is a percentage of people from New South Wales who use it as well. But this is another clear endorsement of the Liberal and Nationals Government's openness and transparency and its empowering of the public servants and the doctors and nurses so they can continue to do their fine work and deliver the services. After all, is that not why we are here? Is that not why we have been elected—to look after the people in the fine State of New South Wales?

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I commend the Minister for her fine work. I know that she has worked on this legislation diligently over many years. She has visited the Tweed and listened to our complaints. I want to continue this discussion. This legislation is a great start and it will implement many great policies. The key change is the establishment of local health districts. Recently I had a discussion with my local medical council and the members expressed relief that finally there is a light at the end of the tunnel and that there is reason to hope. Like many other members, I continually hear about problems with the provision of health services, and it all comes back to the way in which the health system is managed. Before I came into this place I was a member of the local health services quality assurance committee. The committee met every two months to discuss issues and its views were presented to the hospital administrators. The problem was that it was a one-way street. We would provide information and raise issues, but

we would get no response. The community would ask the council what was happening, but we could tell them nothing and the problems we raised were not being addressed.

Despite the fact that Murwillumbah District Hospital services many local clinicians, the former Government downgraded it over the past three years. It is operating at 75 per cent capacity whereas the Tweed Hospital is operating at 107 per cent capacity. That is difficult to understand. There must be greater cooperation. The Deputy-Speaker and I went to a street rally held about two years ago and attended by about 6,000 locals. The crowd was so large that the main street of Murwillumbah had to be closed. Many people from the Tweed also attended the rally because they wanted to support their fine doctors and nurses and to show their appreciation for their hard work. Doctors and nurses have resigned because of the state of the health service. Two public dentists in the Tweed told me that they could no longer work in the area because they had no support from the health administrators. We did not have a public dentist for six months. After asking many questions I established that the unused funding allocated for those dentists' salaries was absorbed by some other service. We need clarity with regard to the health system and I believe that this bill will provide it. Once again, I applaud the Minister for her foresight and commitment.

**Mr Daryl Maguire:** She is a great Minister.

**Mr GEOFF PROVEST:** Yes, she is. Once again, I am 100 per cent for the Tweed Hospital.

**Mr ROB STOKES** (Pittwater) [1.01 p.m.]: I support the Health Service Amendment (Local Health Districts and Boards) Bill 2011. The objects of this bill are to amend the Health Services Act 1997 to constitute local health districts and establish boards for such districts, to provide for certain statutory health corporations to be specialty networks with boards and to make related amendments and other minor amendments. This is an important bill because it delivers on one of the new Government's key election commitments.

**Mr Daryl Maguire:** It is a hallmark of the Coalition's election platform.

**Mr ROB STOKES:** Yes, it is a hallmark of the Coalition's policy to ensure that communities are properly empowered to be involved in the decisions that affect them. The Labor Party's approach of centralising services has been evident since former Premier Iemma introduced massive, bloated area health services. Some were larger than European countries. I believe that the far western service covered an area larger than Germany and the New England service covered an area larger than England. That enormous, unwieldy, overly bureaucratic and heavily centralised approach to the provision of health services has failed the communities of New South Wales and, most importantly, the sick and the injured. We need a health service that is responsive and devolved so that local communities are properly represented and the needs of local hospitals and clinicians are reflected in the decision-making process.

We have heard countless examples of local clinicians not being authorised to make simple decisions about funding that need to be made very quickly in order to serve patients effectively. The Mona Vale Hospital ran out of slings and no-one had the authority to order fresh supplies. As a result, one poor bloke who had broken his collarbone at a rugby game was given a makeshift sling. That is one example of why the New South Wales health system must work more efficiently and effectively. Examples such as that highlight the key difference between the Coalition approach and the Labor Party approach to the provision of health services.

Members on this side believe in devolution of authority wherever possible so that decisions can be made locally. However, the Opposition believes that decision-making should be centralised according to a Soviet-style central planning model. It is ridiculous that trivial local decisions must be passed along massive hierarchical chains to people who have no idea of the conditions on the ground. I recall the infamous story of a leading clinician who did not have the authority to order sandwiches to be served at a meeting despite his role as a clinical director supervising 1,500 professionals on an annual payroll of about \$100 million. Professor Mohamed Khadra, a renowned and respected Sydney surgeon, has published an excellent book entitled *Terminal Decline*, which I urge all members to read and in which he states:

I see great differences between the system as it is currently and the one in which I trained in the 1980's. The overwhelming difference is the lack of empowerment in the faces of all those around me who are working at the clinical interface. "We are powerless to fix it" is the mantra that is heard in the corridors of our hospitals and health facilities.

This bill is all about fixing the system and giving local communities a say in the decisions that affect their hospitals and health facilities. It will restore a process that will enable decisions to be made efficiently and effectively at the appropriate level to ensure that local problems have local solutions and that local clinicians are involved. Of course, we must get the balance right. It is obviously not appropriate to take a medieval approach with each hospital treated as a separate castle with its own discrete resources. We must have appropriate efficiencies. Some medical equipment, such as magnetic resonance imaging machines, can be very expensive and can be usefully shared. We must have an efficient system, but one in which authority can be exercised at the local level.

My community has seen first-hand the adverse effects of the overly bureaucratic and centralised decision-making processes that plagued the former Government. In its wisdom—use that word advisedly—the Labor Government sat by idly while the maternity ward at Mona Vale Hospital was covertly closed despite the enormous and increasing demand for maternity services in the local community and on the northern beaches and the fact that more than \$735,000 had already been spent on renovations.

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This closure resulted in a 40 per cent cut in the number of public maternity beds available to local women and the centralisation of all maternity services on the northern beaches at the far end of the peninsula. The only winner in this situation has been the bureaucrats because it has made it much easier for them to plan, whilst local women and their families are left to deal with the uncertainty of where they will have their babies, what will happen in an emergency and how they will manage to fight through northern beaches increasing traffic woes to access the token services they have been left with at the opposite end of the peninsula.

I suppose this makes wonderful bureaucratic sense in an ivory tower because it resulted in a significant reduction in the number of women choosing to have their babies locally in our public hospitals, and it makes the statistics look better because there are fewer patients. While that might work terrifically well from the perspective of an ivory tower that is not at all interested in the service, it does nothing to serve the health workers, the obstetricians, the midwives and the local communities that depend on these services. For example, there were 16 beds in the maternity ward at Mona Vale Hospital and 17 beds in the maternity ward at Manly Hospital. In contrast, there are now only 20 beds in the new improved maternity ward at Manly Hospital. The former Government wants us to believe local mothers now have access to better services even though it cut local maternity beds by 40 per cent and shifted them all to one end of the peninsula. The makers of *Yes, Minister* could easily have made another episode about this debacle. Under the former Labor Government, Sir Humphrey Appleby was certainly alive and well, wielding his magic in the health Minister's office.

At a local level, in the hardworking maternity unit we have been left with at Manly, staff members are frustrated as they work in an overcrowded and duplicated maternity ward where there is low morale and where their requests, suggestions and concerns are not being heard. Midwives have been telling me of the hierarchy with which they have been left because the system does not allow for local decision-making or for local clinical voices to be heard. Midwives have also told me how they must go through the nurse unit manager, the divisional manager, the director of nursing and the general manager before an issue can progress through the health network. If it makes its way through the local hierarchy it then goes to the Department of Health where it is passed around—and effectively this is just to get a yes or a no decision. The issue then has to filter back through the same network before the decision can effectively be changed. This daily occurrence is enormously frustrating for health workers.

Members in this place—including members of the Opposition, if they were fair dinkum about it—would know that health workers are frustrated and impeded by the system of governance within which they are forced to work. That system of governance must be changed and an appropriate balance must be restored so that local communities and local clinicians can ensure that their voices are heard and that decisions are made at an appropriate level. This

terrific legislation, which is long overdue, will restore our health system and ensure that the governance system that has been forced on our hardworking health professionals will work for them and not against them. I commend the bill to the House.

**Debate adjourned on motion by Mr Daryl Maguire and set down as an order of the day for a later hour.**



## **Full Day Hansard Transcript (Legislative Assembly, 5 May 2011, Proof)**

**Proof**

Extract from NSW Legislative Assembly Hansard and Papers Thursday, 5 May 2011 (Proof).

### **HEALTH SERVICES AMENDMENT (LOCAL HEALTH DISTRICTS AND BOARDS) BILL 2011 Agreement in Principle**

**Resumed from an earlier hour.**

**Ms KATRINA HODGKINSON** (Burrinjuck—Minister for Primary Industries, and Minister for Small Business) [5.24 p.m.]: I congratulate you, Mr Assistant-Speaker, on your elevation to that most prestigious position. It is a pleasure to address the House with you in the Chair this evening.

I support the Health Services Amendment (Local Health Districts and Boards) Bill 2011. I congratulate the Minister for Health on her appointment to that role. I look forward to working with her as she unravels the disastrous mess left to her following 16 years of Labor Government mismanagement. I would not wish that task on anyone but the most capable person. She is such a person and I know that she will do a wonderful job, not only for people in the metropolitan area but also those of us living in rural and regional New South Wales.

Health services are of enormous concern to the residents of regional New South Wales. The object of this bill is to amend the Health Services Act 1997 to provide for local health districts and district health boards and to create specialty networks with boards in accordance with the commitments made by the Coalition over many years. I am delighted that the Liberal-Nationals Government has introduced this important legislation in the first week of the parliamentary session. Our Government obviously has the confidence of the people of New South Wales given the sizeable electoral swing away from the former Government. I know that many people across regional New South Wales will be delighted to learn that the Government has acted so quickly to establish the long-promised local district health boards. The bill provides for the establishment of local health districts and district health boards in lieu of geographic health networks and governing councils and specialty health networks and speciality network boards in lieu of the non-geographic local health networks and their governing councils.

It would be remiss of me not to remind the House again of a couple of situations in my electorate that were ignored by the Labor Government for a long time. I refer first to the Grenfell Hospital. I made a commitment to the local community that I would raise this issue at the earliest opportunity and that is what I am doing. Grenfell Hospital has been without the services of a full-time visiting medical officer since 1 October 2009 when Dr Albadran resigned. I have frequently sought to have the situation resolved by the Greater Western Area Health Service, its successor the Western New South Wales Local Health Network and the former Minister for Health Carmel Tebbutt. I have met and had telephone conversations with her chief of staff to discuss the situation. About 800 local residents attended a community protest meeting in Grenfell in November 2009. I have also met with representatives of Weddin Shire Council, including the mayor, on many occasions about this dire situation. The council is being blamed for this situation, but the blame fairly rests with the former Government. I have also met with representatives of the Greater Western Area Health Service on many occasions to find a solution. I have lodged petitions in this place bearing some 750 signatures and made dozens of formal representations to the former Minister for Health on behalf of constituents, the council and community groups such as the United Hospital Auxiliaries of NSW Inc., Legacy and Lions International. However, the situation remains unresolved.

A locum visiting medical officer is supposed to attend Grenfell Hospital once a week on Fridays for about four hours, but that does not happen on a regular basis. As a result, frail elderly nursing home residents are forced to travel long distances to towns such as Orange, Cowra or Forbes for minor services that require a doctor such as the renewal of a prescription or the administration of an injection. I know that the new Minister for Health is not afraid to tackle these issues and I am

sure that she has been made aware of similar issues by other regional members after 16 years of disappointment under the Labor Government's administration.

A letter published in the *Yass Tribune* this week outlines yet another health issue. Jasmin Jones, an expectant mum, wrote of her concern about the safety of pregnant women and their babies in Yass and the surrounding districts. She called on me to renew the fight for action in Parliament to ensure the urgent restoration of emergency obstetric care at the local hospital. In November 2004, the Greater Southern Area Health Service decided to stop providing maternity services in Yass. The normally quiet local residents turned out in their hundreds at a meeting in the memorial hall at which I spoke. They were furious that their local hospital, which was established using money raised by the community and which had always provided maternity services, was suddenly stripped of those services. I understand that the Labor Government closed about 45 maternity units across the State. That is disgusting.

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If we want families to live in regional communities they should at least be given access to the most basic of services. I do not know how long it will take to get maternity services back. There has to be support staff, doctors, anaesthetists and others, and as I tried to explain to Labor I do not know how many times, the longer you leave it the harder it is to bring services back.

I want to reassure Jasmin Jones and all the other people. I was in that situation myself; I was born at Yass hospital. It is shocking when services close not only in your own town but in 45 other communities right across New South Wales. It is heartbreaking and it was heartbreaking for me at the time. Seven years have now elapsed since that service was closed. Jasmin Jones goes on in her letter to explain that Calvary Hospital in Canberra, which is the next closest hospital and the one to which Yass women are sent to have babies, is full. It is too full to accommodate Jasmin Jones's baby, which is due in July, I think, so she will have to go to The Canberra Hospital in Woden Valley, which is another 35 minutes drive for her. If she delivers her baby within 30 minutes, what is going to happen? She will have the baby on the side of the Barton Highway. No woman should be put in that situation. What does it take for a civilised township the size of Yass, which has a population of 13,000, to get a maternity service?

We have suffered under Labor. It has been a miserable experience and there have been so many frustrations in relation to health matters. I could go on and on about many of the hospitals in my electorate. At times Young hospital has had no visiting medical officer [VMO]. I note that the member for Monaro, John Barilaro, is in the Chamber and I congratulate him on his emphatic victory. Queanbeyan Hospital, in the Monaro electorate, has been without a VMO on many occasions. That is absolutely outrageous in a city the size of Queanbeyan. That is why we need to get rid of these unwieldy area health services. That is why we need to wind them back to local district hospital boards.

I say again how delighted I am not only to be standing on this side of the Chamber, in front of the government benches, but also to have the Minister for Health, Jillian Skinner, in the chair. Finally we are in a position in this first week of Parliament, under a new Government, to introduce a bill such as this, which will have a great impact on regional health services in our electorates.

**Mr RICHARD TORBAY** (Northern Tablelands) [5.32 p.m.]: I very strongly support the Health Services Amendment (Local Health Districts and Boards) Bill and commend the Minister for introducing the legislation. This is good policy. I will take a few moments to explain why that is so. I will focus particularly on the regional and rural perspective but I am sure the Minister could enlighten us on metropolitan issues as she has done for many years. From a regional perspective, as the member for Burrinjuck and Minister for Primary Industries indicated, it has been an enormously frustrating process, particularly in relation to health. The underinvestment, not just of capital but also from a staff retention perspective, has been very significant. One of the great benefits of having a Minister who held the shadow portfolio for such a considerable period of time is that she has been able to hit the ground running. I commend her in every respect for that. There are so many people in the health area who are looking forward to positive change; there are very high expectations. No doubt the Minister is aware of that.

There has been much criticism of what happened in the past and members have referred to the frustrations that people experienced. I could add to them but I want to commend the very hardworking staff of our health system in both the country and the city. Country people get tremendous support from metropolitan health services, as my father experienced recently when he needed that help in very serious circumstances. I can assure the Minister the staff were fantastic. As a son of somebody who was in a facility I could see how hard those staff were working and the enormous pressure placed on them through the extraordinary demands of the front line. As I said,

this legislation is good policy, but let us never forget that these people are working frantically in the front line of our hospitals and other services to meet people's expectations, including my dad who is still suffering. They treated him very well and did a tremendous job in supporting not only him but all of his family who were around him at that time.

Taking control closer to the people is a good thing. The Minister may remember that I moved a motion in this place some time ago. I looked at it again when this bill was introduced. The motion said:

That this House call on the Government to reintroduce community hospital boards with budgetary powers.

That was the first motion moved on this particular issue and I am pleased to say I was the mover. It is in *Hansard* on 14 March 2002. I am happy to say that the Labor Government of the day opposed the motion, so they have been consistent in relation to this, but the then Opposition, now the Government, supported it. Of course it was not carried but the speakers included the member for Upper Hunter, who is now a Minister, who indicated his strong support and that of the Coalition for the motion, as did my colleague the late Tony McGrane, the then member for Dubbo. There was also strong support from the Leader of the National Party, who is now the Deputy Premier, for the reintroduction of autonomy for local health boards. I acknowledge that my motion was simply responding to what the community wanted. That is why I am encouraged by the Minister's comments, particularly that part of her speech where she said, I think courageously, that we should not fear the truth. That is a very refreshing comment, particularly in relation to health, which in my view is one of the most difficult areas in which to be transparent. I acknowledge the Minister's intent, which is very genuine.

There are real opportunities in health despite the very high expectations. It is a positive sign that the community feel that they are being listened to and are part of the engagement process that these boards will produce. As I understand this legislation, networks will become districts and governing councils will become boards. They are two very positive steps, but I am glad the process will stop there for now. I took great heart from the Minister's comments that the Government is going to see how the reform process goes. Let us remember there is a workforce—there are clinicians and networks have been established. The Minister will be aware that in the New England area a medical school was established at the University of New England jointly with the University of Newcastle. That has been a tremendous success. I also acknowledge the recent announcement about Tamworth Hospital, which is very much part of that network of hospitals. I am keen to speak with the Minister about Armidale Hospital and the planning process for places such as Inverell, Glen Innes and Tenterfield. They are very important parts of the New England community, which has suffered so many frustrations as members have said today, in relation to not only capital spending on health but health spending generally.

I will conclude by saying, as so many members have done, that in regional and rural communities distance, remoteness and access to services are critical. I acknowledge there are still huge demands and pressures in Sydney that we in the country place on the city system. I was contacted some years ago by a patient in Inverell who was on dialysis treatment and had to travel to Tamworth because there were no dialysis services in the whole Northern Tablelands area.

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Can members imagine having to travel 3½ hours each way by ambulance with family three times a week to try to get the basic dialysis treatment? The person who rang me could not say hello when I first answered the phone. The person broke down in tears. This is the sort of impact it has. To be fair, the previous Government did install dialysis services—a four-chair unit in Inverell and a six-chair unit based at Armidale. They are now oversubscribed and people in communities such as Glen Innes and Tenterfield are having to travel enormous distances. As I said, is not just the impact on patients; the impact on their families is very significant. Listening to local communities is going to be critical, as it should be, and having these sorts of local board structures will make a tremendous difference, not only in their better understanding of the day-to-day impacts on people but also because it is good policy because clinicians and the community in that local area know best about the services and provisions in the area.

I look forward to strongly supporting this and the other initiatives that flow from it. I commend the Minister on having the courage to say the things she has said in this debate and also for starting so early to take corrective action in an area where the community has such high expectations. These are the sorts of initiatives I am keen to support and I look forward to the hospitals, particularly in the New England area—other than Tamworth, which has just received a very

positive announcement—benefiting from these sorts of proposals. I look forward to further discussions with the Minister. I commend the bill to the House.

**Mr STEVE CANSDELL** (Clarence) [5.41 p.m.]: Congratulations, Mr Assistant-Speaker [Mr Andrew Fraser], on your elevation to your new job. I fully support the Health Services Amendment (Local Health Districts and Boards) Bill 2011. I congratulate our new Minister for Health, and Minister for Medical Research. It is a pleasure to have her here. I have been in this place for eight years and have seen Craig Knowles, Reba Meagher, Morris Iemma, Carmel Tebbutt and John Della Bosca go through the revolving door of Ministers for Health having no understanding of the portfolio. The member for North Shore was the shadow Minister before I came here and she has a full understanding of and empathy for everything that is happening in health in New South Wales, both city and country.

This bill is about delivering our own election promise. It is exciting. This is only the second day and we have already passed the Miscellaneous Acts Amendment (Directors' Liability) Bill 2011 and the Local Government (Shellharbour and Wollongong Elections) Bill 2011. We are in the process of passing the Health Services Amendment (Local Districts and Boards) Bill 2011, and we are already talking about the Occupational Health and Safety Amendment Bill. This is doing things that Labor did not have the courage to do in 16 years. In two days we have runs on the board and are moving fast through other legislation.

This bill is about restoring local decision-making and giving local clinicians and local communities a real say in their local hospitals and health services. In my eight years clinicians have approached me regularly from Grafton, from Maclean, from Lismore and even from Coraki, concerned that they were not being heard. If anyone should know the needs of the patients and the needs of the hospital, it is the doctors and nurses at those centres. They should not have to come to me; they should be talking to the board or to the head of the health service. In the past they have not done so but this bill will ensure they are. I support the bill 100 per cent.

We need to put patients back at the centre of every decision in the New South Wales health system. Labor has had 16 years and it bogged the system down with red tape and a bureaucratic jungle one had to get through to get anything happening. These local boards will bring the decision-making back to the doctors, nurses and community leaders, who know what is going on in the community, and they will pull together the hospitals that feed off each other. Grafton hospital and Maclean hospital work together very well. They work together on a more senior basis than Lismore hospital.

It is great that we had a recent \$20 million redevelopment of Grafton hospital—operating theatres and accident and emergency—paid for by the Federal Government, not the former State Labor Government. The state-of-the-art operating theatres have attracted a senior and highly credentialed orthopaedic surgeon ready to start in the next few weeks. It is exciting for the area and this will save local patients needing hip and knee replacements and children with broken bones from having to travel to Coffs Harbour or Lismore. They will be able to stay in town, save them travelling, save the State a lot of money and families a lot of grief. I could go on about this bill but I just commend the Minister for bringing this in as soon as our Government was in office. It will get things moving, bring real change and will be a positive input for people in New South Wales, rural New South Wales in particular. I commend the bill to the House.

**Mr THOMAS GEORGE** (Lismore—Deputy Speaker) [5.45 p.m.]: A lot has been discussed this afternoon about individual hospitals. I compliment and thank our new Minister for Health. Her experience has come to the fore in being able to produce the Health Services Amendment (Local Health Districts and Boards) Bill 2011 and to be finalising it within two days of Parliament commencing. Everyone I know and represent is happy to have district health boards in operation. The main thing the bill has provided—although we have not seen the full benefit of it yet—is that it has given local control back to the people. In addition, it is providing boards that can make decisions. These boards can make decisions and provide direction and implement actions, and they will answer to the local people. They will also be able to make budgetary decisions.

I have been in this House for 12 years, and I cannot believe that members on the other side are making critical comments about this bill. I suppose we will have to face that for the next few years. Everyone on this side of the House supports the bill. Prior to the 2007 election this was the policy of the then shadow Minister. We have been calling for this for years and have been acting on it, and that is why within two days of Parliament commencing we are voting on it. I could go on for hours but I want to compliment and thank the Minister. Everyone in the Lismore electorate appreciates having a board that can make a decision, take actions and provide a budgetary

response to hospitals in the area. I am only too happy to support this bill.

**Mr DARYL MAGUIRE** (Wagga Wagga—Government Whip) [5.47 p.m.]: I make a brief contribution and acknowledge the words of all other speakers today on the Health Services Amendment (Local Health Districts and Boards) Bill 2011. I commend the Minister for Health. I have known the Minister for Health for a long time. This is something she has been passionate about, as have many members in this Parliament. The newly elected members of this Parliament, those who were successful on 26 March, are supportive of this bill. A raft of them are here tonight listening to this debate, and when they make their inaugural speeches I imagine they will raise issues such as this, a Government delivering on its promises with the Health Services Amendment (Local Districts and Boards) Bill 2011.

As the member for Lismore said, we campaigned on this initiative in 2007. Again at the last election this was raised throughout my electorate. I know that in Coffs Harbour the public were talking about the need to return decision-making back to local communities.

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I know that when the member for Swansea was campaigning, the electors were saying that they wanted to be involved again in the delivery of health services and make decisions for their local community. The bill will achieve that, and it has not been difficult to introduce the legislation. Just three days into the session, already the Government has introduced and dealt with a number of bills that have been sent to another place for consideration. This legislation has been highlighted in the media. Tomorrow, after the Minister's press release confirms that the legislation has been introduced and the Government has honoured its election promise, there will be a reaction not only from the community but also from health professionals who work in the health system. The major complaint I receive is that nobody is listening to health professionals who work within the system. They work under stressful and terrible conditions, yet they have held the health system together. The community regards hardworking doctors, nurses and clinicians as saintly because they often have to work in terrible hospital infrastructure. Some hospitals are virtually falling down. The Labor Government did not support them. Importantly, this legislation will give them and the community a voice. It will enable them to have concerns addressed. It will deliver local control back to communities. I commend the Minister for Health for this initiative. I wish her well. I know that she will be the best Minister for Health that the State has had. I look forward to her making more announcements, bringing more policy in the form of legislation into the House—and of course getting Wagga Wagga's hospital built!

[*Business interrupted.*]

### **BUSINESS OF THE HOUSE Suspension of Standing and Sessional Orders: Bills**

**Motion by the Mrs Jillian Skinner agreed to:**

That standing and sessional orders be suspended to permit the conclusion of the Health Services Amendment (Local Health Districts and Boards) Bill prior to notices of motions (general notices).

### **HEALTH SERVICES AMENDMENT (LOCAL HEALTH DISTRICTS AND BOARDS) BILL 2011 Agreement in Principle**

[*Business resumed.*]

**Mr ANDREW FRASER** (Coffs Harbour—Assistant Speaker) [5.52 p.m.]: I strongly support the Health Services Amendment (Local Health Districts and Boards) Bill 2011 and I compliment the Minister for Health on introducing the legislation so swiftly. On many occasions as the Opposition's Health spokesperson, the Minister visited the Coffs Harbour electorate. She almost knows the doctors currently working in the Coffs Harbour Health Campus and many others as well as I do. Bill Ross is an exceptional surgeon in my electorate and he speaks very fondly of Jillian Skinner, as she speaks of him.

During my 21 years of service to the Parliament, I witnessed the election of the Minister to this House in 1994 and her appointment as shadow Minister in 1995. Coalition policy, in Opposition and in Government, has always included district health boards. After legislation was introduced by a former Coalition Minister for Health, Ron Phillips, to establish health boards, we copped a fair bit of flak from directors and others who served so well and for so long on local hospital boards because the savings made by networked hospital districts were not retained by those hospital boards. In my electorate, hospitals at Dorrigo, Macksville, Bellingen and Coffs Harbour were working as a network. The former Minister copped some flak because, unfortunately, the efficiency created by networking was in a sense far too good, and savings made by networking were taken

from us. That continued when a Labor Government succeeded the Coalition. Despite being the most efficient hospital in country areas of New South Wales, Coffs Harbour's budget was cut. Ever since then, we have been doing more with less.

At that time Dr Mike Ridley was a member of the Coffs Harbour hospital board and later became President of the New South Wales branch of the Australian Medical Association [AMA]. The services he rendered to health as a visiting medical officer [VMO]—and I mean a real VMO—at the Coffs Harbour Health Campus have been recognised by the Government conferring on him an OAM. He often used to do work at the hospital and not charge for it. He thoroughly deserved the recognition he received by being honoured on Australia Day. When the North Coast Area Health Service was created and extended basically from Port Macquarie to the northern State border, I did not have a great deal of time for the Chief Executive Officer of the North Coast Area Health Service, Mr Clout, who was based in Port Macquarie. At one stage I told him not to return to my electorate office until he was prepared to start telling the truth, and he has not been back since. The district changed again and later was controlled by Chris Crawford, who was based in Lismore.

We were constantly promised that the savings we made would be retained, but while the bureaucracy expanded dramatically, the medical and cleaning staff decreased. Those factors, combined with the loss of local hospital savings, meant we ended up providing a reduced level of service. We reached the point at which Dr Alan Tankel, who is in charge of the emergency department, struck a deal with the North Coast Area Health Service with the result that although we required eight additional registrars and doctors in the emergency department, we were given four. That is not good enough. Decisions were taken out of local hands and budgetary control was shifted away from us. However, under the model proposed by the current Minister for Health, local clinicians and interested people will be given a greater say.

When the Minister gives consideration to geographical boundaries for health boards, I appeal to her to consider reinstating the network of Dorrigo, Macksville, Bellingen and Coffs Harbour hospital campuses and the possibility of including Port Macquarie, Taree, Wauchope and Kempsey in that district. That will avoid two health campuses or base hospitals in two separate health districts competing with each other for very scarce resources. As the Minister has stated many times, resources are finite whereas demand for services increases daily.

I commend the staff of the Coffs Harbour, Dorrigo and Bellingen health campuses for their great work that is being performed under extreme duress. The stress they have suffered in recent years has been enormous. In 2008 the Coffs Harbour Health Campus experienced one of the largest outbreaks of vancomycin resistant enterococci [VRE] in Australia's history. I believe that was caused not only by inadequate cleaning services but also by doctors and staff at the Coffs Harbour Health Campus who knew about the problem being ignored by the North Coast Area Health Service. If notice had been taken of what those trained staff members were saying, I believe the outbreak would not have occurred. Among the many Ministers for Health appointed by the previous Labor Government, the most effective Minister was Morris Iemma. Craig Knowles listened but did nothing.

When the Coalition was in government prior to 1995, we identified a suitable site for a new hospital, but Bob Carr delayed construction. Construction was finally completed in 2000-01. It was hell trying to treat patients in an antiquated hospital. When the Coalition was in government, a public committee did not accurately identify the number of beds required. When the site for the health campus was identified, the Minister refused to purchase more land. As the health campus has expanded, parking space has become inadequate, which is forcing staff to park across the road and across the highway from the health facility. That is the subject of many complaints. However, as a result of this legislation, Coffs Harbour will have a far better arrangement because local people will be making decisions based on local needs, instead of decisions being based on budgetary priorities. I commend the Minister for her great work since 1995. I look forward to the great changes that will be made under her stewardship.

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**Mr GREG APLIN** (Albury) [5.59 p.m.]: I take the time of the House to commend the Minister on introducing the Health Services Amendment (Local Health Districts and Boards) Bill 2011 and draw attention to the fact that a prototype of this concept, which was announced two years ago by the Minister, was in fact introduced into what is now known as Albury Wodonga Health. It came about on 1 July 2009, so it is drawing close to its two-year anniversary. In looking at the way in which the board is formulated and what it represents, it is exactly as the Minister has said. She hopes to introduce across this State a range of experience from people who have a stake in their immediate area, importantly, including clinicians and persons drawn from universities, where appropriate. In Albury Wodonga Health we see a concept that should be supported across the

State, indeed, supported by the Federal Government because this very idea is something that relates to local people and is accountable to the local people; it is transparent to the local people. However, I need to give reasons why the Minister has seen fit to introduce the bill. I quote from a surgeon in 2007, who stated:

- Patient care in the public sector is in crisis in the bush.
- Albury Base Hospital could provide our society with a far greater service than it does. However, it is my belief the main aim of the hospital administration is to stay within budget and control the doctors.
- Treating the sick and injured is a minor consideration only.

This goes to the very heart of what the Minister has been talking about today. He continued:

- There are two surgical wards at Albury Base Hospital, but one was closed shortly after the opening of the hospital. There are four operating theatres and rarely are more than two of them utilised at any one time. Theatre three is used permanently as a storeroom.

Let me fast forward to this year, in fact, to Tuesday 22 March 2011, just prior to the State election. Yet another surgeon wrote to me, and this is four years later. He states:

As you are aware the Albury Base Hospital has been choked to death by [the] New South Wales Labor Party for many years to the point where it is almost non-functional and poorly funded with poor infrastructure.

I am sure you would agree with me that as a priority, and as your priority, Albury Base Hospital needs to be supported with adequate infrastructure and we need to work with the medical colleges to improve medical man power in the area.

We will never recruit or retrain medical specialists and GPs if we do not inject funds into the local health system to increase the number of theatre nurses, beds, ward staff and supporting allied health. Did you realise that only two of the four theatres are functioning at any one time at Albury Base Hospital? This is due to a lack of funding.

He is not entirely correct. It is generally the case that only two theatres are functioning, but three theatres are in fact commissioned. The point is that if the third theatre were functioning for longer periods it would generate the need for more beds and therefore more nurses, but that has not been the case for the past 16 years. He concludes by stating:

I for one will not continue to work under such poor local conditions, even though I have been a strong advocate of public health.

That is why we need the bill and all it stands for. I commend the Minister.

**Mrs JILLIAN SKINNER** (North Shore—Minister for Health, and Minister for Medical Research) [6.02 p.m.], in reply: I thank my colleagues for their responses in this debate and their support for this important legislation, the Health Services Amendment (Local Health Districts and Boards) Bill 2011. It has been overwhelming to hear the comments of my colleagues. I know those sitting in the Chamber both now and during the earlier part of the debate who have not yet made their inaugural speeches have listened with a great deal of interest and I thank them for that. I know from my visits to their electorates not only over the past few months before the election but also over the many years previously that health has been an issue that has resonated with all of them. I can see lots of heads nodding. If they could speak I know they would. I am also very grateful for their support for this very important legislation.

I thank also the many clinicians and staff in the New South Wales health system who have spoken to me about their concerns and ideas over the years. Over the past 16 years I have visited all of the major hospitals in New South Wales and most of the smaller ones. I have had the opportunity to talk to hundreds of staff, to clinicians and members of the communities they serve. These discussions have helped to shape my own views and have helped the Government refine its policy initiatives. I make it clear that I intend to continue this process of visiting and stopping to listen to the views of patients, their carers, members of local communities and local clinicians. Staying in touch is a vital component in improving government policy and maintaining public trust. I give my commitment to my colleagues sitting in this House and those outside that this will continue to be the case.

This bill represents the beginning of a process for implementing these policies and implementing real change in the New South Wales health system. The aim is to empower local decision-making by clinicians and hospital managers, and provide a structure for significant community involvement. I note that a number of issues were raised in debate and I shall briefly address those.

Concerns were raised by a number of members about the impact this legislation will have on the State's participation in future national health reforms. Concerns were also raised by the member for Macquarie Fields about the need to ensure future funding for our hospitals. This legislation does not affect the New South Wales position on the national health reform agenda. The bill simply addresses the Government's election commitment to provide for local health districts and local health boards.

The new boards and districts will retain the key governance features identified in the April 2010 National Health and Hospitals Network Agreement, in other words, the Council of Australian Governments agreement. The bill also clearly identifies that the districts are to be considered hospital networks for the purposes of that agreement and any related Commonwealth legislation. The Government is committed to negotiating with the Commonwealth Government on continuing reform to the health system and is examining the heads of agreement signed in February. The Government will not, however, sign up to any financial deal that compromises patient care or leaves New South Wales in a worse financial position than it is now. I note that is exactly the position of the former New South Wales Government, which had not signed up to the next round of the heads of agreement—it is simply spin to suggest otherwise. It had identified problems, just as I had. I put those problems in a letter I wrote not only to the Federal Minister but also to the then State Minister.

As part of the negotiating process we will look at proposed funding models. While activity-based funding is a key element in the negotiations, it is essential to maintain and protect appropriate funding levels for our rural districts. I make this point absolutely clear to country members and those representing the smaller hospitals. To this end, agreed block funding will protect small rural hospitals with low levels of activity. In a media response on the very day that the former Prime Minister Kevin Rudd made his Council of Australian Governments announcements in the National Press Club I raised the concern that activity-based funding should not disadvantage small country hospitals, particularly those with low levels of activity. I also restate and re-emphasise that the Government will not sign any Federal financial deal that compromises patient care. Patient care, and improving patient care, remains the Government's key objective.

I was also asked about the future of current governing council members and whether they will be required to reapply for their positions. The bill makes it clear that council members will remain eligible for reappointment. The Government does not propose to conduct another lengthy appointment process for board members or require that current council members will have to reapply in order to continue in their roles. I will undertake a review of the existing council appointments to assure myself that each board does, in fact, have the appropriate mix of skills in its membership, and where I am satisfied that this is the case I will confirm existing members in positions on the new boards. In fact, the shadow Minister acknowledged that with the newly strengthened role and expectations of these boards there are likely to be skills gaps, particularly in the financial governance and legal areas. I look forward to my conversation with chairs of the current networks and others in those local communities to make sure that we have the right skills on those boards.

I shall deal specifically but briefly with some of the issues members have raised. The member for Macquarie Fields, the shadow Minister, called this significant change but I note that the Deputy Leader of the Opposition had previously interjected, "It's only a name change." The member for Marrickville acknowledged that there were no significant changes to the boundaries, although I have said we will look at boundaries at a later date. I expect that there might be some tweaking or minor changes, but if that is the case there will be wide consultation with local communities and clinicians.

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The member for Macquarie Fields said that this bill was a return to the past. The reality is that these districts and boards are based on the local health network legislation introduced by his Government following the Council of Australian Governments April 2010 agreement.

**Ms Linda Burney:** Why introduce it?

**Mrs JILLIAN SKINNER:** It provides a much greater and significant role for the boards by giving them real clout and real decision-making powers, and enabling them to be responsive to their local communities. A number of boards' members and chairs have said to me, "Thank goodness. We'll be able to put together proposals that we can actually implement" without having to go through all the bureaucratic red tape layers that extend all the way to North Sydney. That is not important for people in the Barwon, Murray-Darling or Northern Tablelands electorates.

**The DEPUTY-SPEAKER:** Order! The member for Canterbury had the opportunity to contribute to the debate.

**Mrs JILLIAN SKINNER:** People in rural and regional areas are desperate to have decisions on health made locally. The shadow Minister said that remote communities would not receive growth funds. I found it quite extraordinary that he criticised also activity-based funding, given that his Government signed up to it in the Council of Australian Governments agreement. He really did not listen to my speech. The member for Macquarie Fields knows about the agreed block funding for smaller hospitals. He said also that clinical networks might be lost. He was not listening. In the Coalition's Making it Work policy and in my introductory remarks in the agreement in principle speech we support clinical networks and their enhancement through the Agency for Clinical Innovations. The member for Marrickville acknowledged that the bill does not introduce significant changes to boundaries. I have addressed her questions about the chairs of the boards and the remaining role of the boards. The member for Wollongong frankly did not know what the bill was about.

Coalition members representing the electorates of Barwon, Murray-Darling, Clarence, Burrinjuck, Lismore, Wagga Wagga and Coffs Harbour raised particular issues of relevance to people living in rural and remote areas and also praised the quick introduction of this legislation. The member for Coffs Harbour spoke about VRE—vancomycin-resistant enterococci—in his local hospital, which has a particular significance as today is International Hand Hygiene Day. I am pleased to be able to inform the House about such an important event. I acknowledge the member for Tamworth also because it was Heather, whose name I had forgotten, who handed us little bottles of disinfectant when we visited Tamworth hospital yesterday. I compliment her on bringing International Hand Hygiene Day to our attention.

I have identified a number of issues other members raised highlighting the continuing commitment to clinical networks and local initiatives that come forward when locals have the right to make decisions, such as the Telehealth Technology Centre being provided by Professor Mohamed Khadra in Penrith. The member for Maitland pointed out that every district and hospital is different and local decisions will be relevant and tailored to those communities. Clearly, the member for Tweed is well acquainted with the Tweed hospital, its medical staff and council. I commend to all my colleagues to establish those important relationships. I thank the member for Northern Tablelands for his contribution and for highlighting the frustrating process from a regional and rural perspective, and for acknowledging the hardworking staff—a point I made in my agreement in principle speech. I thank him also for his remarks about my insistence on transparency and openness. In conclusion, I thank the members representing the electorates of Macquarie Fields, Marrickville, Wollongong, Mount Druitt, Barwon, Bega, Penrith, Murray-Darling, Maitland, Hawkesbury, The Tweed, Pittwater, Burrinjuck, Northern Tablelands, Clarence, Lismore, Wagga Wagga, Coffs Harbour and Albury for their contributions. I commend the bill to the House.

**Question—That this bill be now agreed to in principle—put and resolved in the affirmative.**

**Motion agreed to.**

Bill agreed to in principle.

#### **Passing of the Bill**

**Bill declared passed and transmitted to the Legislative Council with a message seeking its concurrence in the bill.**