



Legislative Council

MEDIA RELEASE

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RELEASE OF INTERIM REPORT IN RELATION TO THE COST REDUCTION STRATEGIES OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

A Legislative Council Sub-Committee investigating the cost reduction strategies of the Department of Health and Human Services has found patient outcomes have been adversely affected by the budget cuts including the significant impact on elective surgery, that the budget cuts are not sustainable and that there was an alarming lack of documentation and Government strategic direction associated with the development of the strategy.

The interim report into the cost reduction strategies was released late yesterday and includes a range of critical interim findings and recommendations in relation to the process by which the strategy was developed, the significant consequences of the cuts on the Tasmanian community and health workforce and the difficulties experienced by the Sub-Committee in obtaining information during the inquiry process.

“The Sub-Committee has found that the Department was given insufficient time or strategic direction by the Government to develop a sustainable strategy, could not provide documentation in support of the full range of savings options that were assessed and did not consult appropriately with stakeholders. In addition, a culture has developed over time within the Department whereby additional funding from the Government has been taken for granted when requested which contributed to the Department being slow to respond to the task at hand”.

Sub-Committee Chairperson Ruth Forrest MLC said the Sub-Committee had made a range of significant interim findings and recommendations in relation to the budget cuts including the urgent need for an independent assessment of the strategy; the need for appropriate consultation with stakeholders to be initiated; a taskforce to develop a sustainable health workforce strategy; the permanent reinstatement of a Business Control Team to provide an additional oversight function of the Department’s budget and a cost benefit analysis of the one versus three Tasmanian Health Organisation model to be completed in light of the difficult budget position.

Ms Forrest said that the Sub-Committee was also alarmed by the failure of a clear communication strategy within the Department in the development of the strategy, which caused significant confusion amongst the Chief Executive Officers in relation to their task and restricted their ability to appropriately consult with stakeholders during the development the strategy. The Sub-Committee also noted the absence of clear health planning having been associated with the decisions about the cuts due to the task having been primarily motivated by the requirement to find cash savings in a restricted timeframe.

Ms Forrest said that the Sub-Committee had been unreasonably hindered by the Minister for Health, Treasurer, Department of Treasury and Finance and Department of Health and Human Services in obtaining a range of information in a timely manner during the course of the inquiry.

“We invited the Minister for Health to a hearing to discuss her decisions as the responsible Minister but she has to date refused to participate in the inquiry process. The Sub-Committee has found the Minister is either unwilling or unable to account for her actions as the responsible Minister. In addition, it was necessary to issue summonses for the provision of information that the Department of Health and Department of Treasury and Finance had refused to provide and there were significant delays in the provision of a range of other information.”

Ms Forrest said the inquiry remained ongoing and, amongst other things, would consider the full impact of the cuts in relation to the provision of hospital services in the peak winter season. The Sub-Committee intended to conclude the inquiry by the end of the calendar year.

The Sub-Committee will be providing further comment and taking question on the interim report at a press conference that is scheduled for 12.00 PM today Friday in the Parliamentary media room.

Further information about the Inquiry including terms of reference, transcripts, published evidence and the Inquiry Report are available at:
http://www.parliament.tas.gov.au/ctee/Council/GovAdminA_Health.htm

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FURTHER INFORMATION: Ruth Forrest MLC on 0419879524