

Efficiencies, not cash, the key for hospitals: Lawrence Springborg

Michael Mckenna, The Australian, March 31, 2016

The former Queensland health minister who engineered a massive drop in growth in public health costs while cutting surgery and dental waiting lists has warned against “just throwing more money” at public hospitals, saying it won’t work without a drive to improve efficiency in the delivery of services.

Queensland Opposition Leader Lawrence Springborg, who was health minister in the Newman government from 2012-15, said state and federal leaders needed to widen the debate on how to keep health from overwhelming government budgets.

Mr Springborg cut annual funding growth of about 10 per cent to an average of just over 5 per cent in his three years in the portfolio, and delivered rare annual surpluses in the health budget. And while the Newman government was politically savaged over its agenda — including the sacking of more than 4000 health workers and a bruising battle to force public hospital doctors on to contracts — Mr Springborg said it produced a better system for taxpayers and patients.

When the Newman government won power after almost two decades of Labor rule, independent reports found widespread rotting within the system — including the existence of funded “ghost” positions — and doctors being paid hundreds of thousands of dollars in overtime.

Mr Springborg said he did not oppose tax reform to pay for hospitals into the future, but that it could not be sustainable “without expenditure reform”. “The only way to keep ahead of healthcare costs and not allow it to consume the entire budget is to drive productivity and outcomes in the health system,” he said. “The problem with the debate is that governments have convinced people that all the problems are fixed by throwing taxpayer money at it, but it doesn’t address underlying issues of a lack of efficiency, and the need for system improvements and best practice.

“I wouldn’t even call it a sensible discussion in Australia, it’s all about increasing taxes, and nowhere have I heard a serious discussion about improving efficiencies or how well we are spending taxpayers’ money. “Ironically, we seem to accept this parallel universe where government has conditioned people to accept that you fix everything with more money when households and businesses know that how you spend the money is more important than how much they spend.”

At the time, Wayne Swan, the then-federal treasurer, accused the Newman government of jeopardising people’s access to quality care in a free hospital system and said Mr Springborg was “taking a sledge hammer” to Queensland Health.

But Mr Springborg said that despite the job cuts, the LNP left government with more doctors and nurses — receiving better pay — and last year won an extraordinary endorsement for its handling of the health portfolio in Labor’s first budget.

In the Department of Health service delivery statement in the 2015-16 budget, the Labor government said it was committed to “responsible fiscal management” to ensure a financially sustainable public health that met the needs of Queenslanders. “This commitment has been demonstrated through significant improvements in productivity and efficiency, which have led to the generation of surpluses over the last three years while still delivering increased activity across the system,” it said about the years under Mr Springborg.

“This control will be maintained over the current financial year.”

Under his watch, Mr Springborg introduced regional health boards to bring local hospitals into budget — allowing them to keep any surplus.

The LNP cleared the 60,000-plus public dental patients who had been on the waiting list for more than two years, with vouchers of up to \$750 to seek treatment at private surgeries.

The LNP then battled with doctors in pushing them into individual contracts which, while giving them a pay rise, introduced a performance-based component on a quarter of the salary.

“And it drove outcomes, it drove a better system,” Mr Springborg said.