

COMMUNIQUÉ

MINISTERIAL COUNCIL MEETING

BRISBANE, MONDAY 14 JANUARY 2008

Introduction

As an important first step in delivering a new era of federal-state cooperation, a meeting of Treasurers and Health Ministers in Brisbane today took important decisions towards reducing elective surgery waiting lists, reforming Special Purpose Payments, and developing improved reporting systems for the funding of indigenous initiatives. The meeting reflected all governments' determination to work cooperatively to meet the economic and other challenges Australia faces, and to end the buck-passing and blame shifting that has characterised past state-federal relations. It is in this spirit that treasurers agreed to meet again on 14 March to further advance these issues for the benefit of all Australians.

COAG Elective Surgery Waiting List Reduction Plan

Commonwealth and State and Territory Treasurers and Health Ministers today agreed on the first steps in the joint four year plan for elective surgery waiting lists. Governments agreed that the aim of the Plan is that by the end of four years the backlog of patients waiting longer than clinically recommended for elective surgery will be dramatically reduced across Australia.

As announced at the COAG meeting on 20 December 2007, the Commonwealth will provide \$150 million to the States in 2008 for an immediate national blitz on waiting lists. States and Territories will use this funding to conduct an additional 25,000 procedures to reduce the backlog of patients waiting longer than clinically recommended times for elective surgery in 2008. States and territories also committed to maintain their current efforts in undertaking elective surgery procedures and in providing public hospital services more broadly.

Taking into account the need for and cost of additional services and the capacity of jurisdictions to increase the volume of elective surgery, Governments agreed on the following distribution of extra services and funding:

State	Additional procedures to be undertaken in 2008	Funding from the Commonwealth in 2008 (\$m)
NSW	8,743	43.3
Vic	5,908	34.2
Qld	4,000	27.6
WA	2,720	15.4
SA	2,262	13.6
Tas	895	8.1
ACT	250	2.5
NT	500	5.3
NATIONAL	25,278	150.0

Governments also agreed that to measure progress against Plan objectives and to ensure that additional procedures are being conducted, quarterly reports will be provided on elective surgery waiting lists.

Further information is included in Attachment A.

Reform of Specific Purpose Payments

Commonwealth and State and Territory Treasurers today also agreed to in-principle reforms of Specific Purpose Payments, the grants provided to the States and Territories for specific recurrent and capital purposes.

The Treasurers agreed to rationalise the number of SPPs, reducing their number by at least three-quarters, without reducing their value. This will minimise wastage, avoid duplication and yield greater administrative efficiencies, freeing up resources for frontline services.

Treasurers also reaffirmed their commitment to focus on outcomes and outputs when determining SPP arrangements. In addition, they gave in-principle support to the Commonwealth issuing incentive payments to drive reforms in key sectors of the economy.

Since SPPs are a significant source of funding, supporting almost all areas of State service delivery effort, reform of SPPs will be a complex and difficult task that will require cooperation on all sides. As COAG has requested a report by the end of March 2008, consideration of a new SPP framework needs to begin immediately. A process for taking this forward will involve a Heads of Treasuries Working Party to consider options and develop a new SPP framework. The Working Party will be chaired by the Australian Treasury and have representatives at the Deputy Secretary level from each jurisdiction.

To meet COAG's deadline, the Working Group will be required to provide a draft report to Heads of Treasuries by the end of February, so that the report can be finalised and provided to the Ministerial Council for consideration at its March meeting, in time for it to report back to the March meeting of COAG.

Funding of Services to Indigenous People

Commonwealth and State and Territory treasurers today further affirmed the importance of measuring the cost-effectiveness of Indigenous programs as a means of informing better policy making in Indigenous affairs. To facilitate this, Treasurers agreed that all jurisdictions will cooperate in the development of a national framework for reporting expenditure on Indigenous services.

The national framework will comprise expenditure by all jurisdictions, at both Commonwealth and State/Territory levels and will seek to include both Indigenous-specific and mainstream spending on services for Indigenous Australians in areas such as: education; justice; health; housing; community services; employment; and other significant expenditure. In so doing, the focus will be in relation to on-the-ground services.

The national framework will cover spending in relation to all funding sources, not just funding arising from the Commonwealth Grants Commission equalisation process. A report in accordance with the national framework will be provided to COAG annually, and an initial 'stock take' report will be provided for the first COAG meeting in 2009.

The Commonwealth will consult with agencies such as the Productivity Commission, the Australian Institute of Health and Welfare, and the Australian Bureau of Statistics to determine their interest and possible contribution to developing the national framework, as well as possible ongoing involvement in the process. Jurisdictions will provide to the Commonwealth by 21 January 2008 feedback on issues discussed at the meeting, other issues they consider need addressing in this sub-program of work, and any background information regarding current jurisdictional reporting processes.

A further paper will be prepared by the Commonwealth Treasury and interested jurisdictions, outlining methodological issues and a forward work plan, for consideration by the Indigenous working group ahead of the March 2008 COAG meeting.

Attachment A

Further Information

The four year Elective Surgery Waiting List Reduction Plan includes three stages:

1. \$150 million to conduct an immediate national blitz, to help dramatically reduce the backlog of patients waiting longer than clinically recommended for elective surgery;
2. \$150 million to make systemic improvements to the hospital system and improve elective surgery throughput in the long term, including the construction of additional day surgery units; and
3. up to \$300 million in dividend payments to States and Territories that dramatically increase the number of elective surgeries completed within the clinically recommended time by the end of the four year plan.

The performance reporting regime for the program will enable the community to understand the reductions in the number of people waiting longer than the clinically recommended time for elective surgery. Ongoing reporting that is collected through the Australian Health Care Agreements will continue, including information regarding elective surgery waiting times, to ensure the program is not counterproductive to other public patients. The states will report publicly on program performance to ensure full accountability.

They will also provide quarterly data about current throughput to ensure that current effort in elective surgery is maintained. These data arrangements are provided below.

Implementation plans for stages 2 and 3 will be developed for consideration by COAG at its first meeting in 2008. The distribution of funding in stage 2 will take account of the funding allocations for stage 1.

Performance reporting

The performance reporting regime for the program involves information on list status, patient throughput resulting from, and measurement of performance under, the program.

Quarterly Plan reporting

The regime includes:

- submission to the Commonwealth on 7 January 2008, the number of patients in the jurisdiction, by each of the three urgency categories and by surgical specialisation who have been waiting longer than the clinically recommended time for surgery as at 30 September 2007; and
- quarterly updates showing both a snapshot of the number of patients who have been waiting longer than the clinically recommended time as at the end of each quarter and an update on the cohort of patients waiting longer than recommended as at 30 September 2007. Reports will include identification of individual hospitals, urgency category, indicator procedure and surgical speciality (of scheduled doctor), and the date and reason for removal of individual patients from the waiting list over time.

States and Territories will provide this data within 30 days of the end of each quarter, and will provide a baseline report when CoAG meets in March.

Performance indicators for the program

The regime will be based on the following seven performance indicators:

1. the number of additional patients receiving elective surgery from waiting lists;
2. the number of patients removed from waiting lists for reasons other than successful surgery;
3. the number and percentage of patients seen within the clinically recommended time;
4. the median waiting time for the 15 indicator procedures (including knee and hip replacements, cataract surgery, septoplasty, etc);
5. median waiting times by urgency category;
6. the number of elective surgical episodes with one or more adverse event; and
7. the number of unplanned readmissions within 28 days of discharge from hospital following an episode of elective surgery.

Indicators 1 and 3-5 will allow historical and program analysis of annual and quarterly data over several years.

Indicator 2 will be a measure of the integrity of the waiting list management process.

Indicators 6 and 7 will assess safety and quality of care.

States and Territories also agreed to provide a statement of spending under the program, showing the additional procedures and the capital infrastructure that has been funded.

Public reporting

The Commonwealth and States and Territories agreed that the information reported quarterly to the Commonwealth would be made available on each jurisdiction's website and on a Commonwealth website with links to individual jurisdictions, with the exception of date and reason for removal of individual patients.

The public reporting arrangements will be incorporated into the reporting requirements in the new Australian Health Care Agreements.