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INTRODUCTION

The AMA Public Hospital Report Card presents key data on public hospitals published by the Commonwealth, year on year. It uses this published data to assess the performance and capacity of our public hospitals to meet the community’s need for hospital services.

The AMA has consistently called for increased funding of the things that work in health care – prevention, general practice, acute care, and a strong private medical care sector. The strategy should be about investing in the parts of the health system that will deliver better health outcomes.

Public hospitals are a critical part of our health system. Yet public hospitals are facing a funding crisis that is rapidly eroding their capacity to provide essential services to the public. We have been waiting almost two years to have the Commonwealth’s unilateral cuts to public hospital funding reversed. Now we have an inadequate short-term fix and a further three years to wait before governments deliver a long-term solution to the ongoing need for sufficient and certain public hospital funding.

The additional Commonwealth funding announced at COAG in April 2016 of $2.9 billion over three years is welcome, but inadequate. Data published by the independent Parliamentary Budget Office (PBO) shows that funding under the original National Health Reform Agreement would have delivered $7.9 billion in additional public hospital funding to June 2020 compared to funding by CPI indexation and population growth (as announced in the 2014-15 Budget).1

The failure of governments to provide sufficient funding for public hospitals is choking their capacity to provide services to the public. Public hospitals provide essential health care services across the community. Funding for public hospitals is an essential investment in the health of the Australian population, and therefore in the capacity of Australians to participate in the workforce and as members of society. Funding public hospitals is not discretionary.

Governments have justified extreme health savings measures, including cuts to public hospital funding, on the basis that Australia’s health spending is unsustainable. The evidence does not support this. Australia’s health spending is not out of control.

Backed by national and international data, the AMA has consistently argued that Australia does not have a health spending crisis. The Government’s own health expenditure figures (2014-15)2 show total health expenditure in Australia has seen three years of modest, sustainable growth, with 2.8 per cent growth in 2014-15, 3.2 per cent growth in 2013-14, and 1.1 per cent in 2012-13. For the last three years, growth has been well below the long-term average annual growth of 4.6 per cent over the last decade.3 While increasing at these modest, sustainable rates, health spending has also faced pressures from an ageing population and the costs of new technologies in health care.

According to the health expenditure report, health spending was 10 per cent of Australia’s GDP in 2014-15, which is stable and sustainable when compared with the 10-year average of 9.25 per cent.4 Australia is below the OECD average, and achieves better health outcomes for its significantly lower proportional spend than the USA (16.4 per cent), and also spends proportionally less than many other countries, including the Netherlands, Switzerland, Sweden, Germany, and France (all around 11 per cent).5

The Commonwealth Government’s total health expenditure continues to reduce as a percentage of the total Commonwealth Budget. In the 2014-15 Commonwealth Budget, health was 16.13 per cent of the total, down from 18.09 per cent in 2006-07. It reduced to 15.97 per cent in the 2015-16 Budget, and reduced further to 15.85 per cent of the total Commonwealth Budget in 2016-17.6

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1 PBO Submission to Senate Select Committee on Health, 3 February 2016, pg 5, Table 1
2 AIHW, Health Expenditure Australia, 2014-15, pg vii, 6, 40
3 Ibid, pg vii
4 Ibid, pg 7
5 OECD Statistics, Health Expenditure and Financing, at 19 December 2016
Clearly, total health spending is not out of control. The health sector is doing more than its share to ensure health expenditure is sustainable.

Within these constraints, and after two years of low growth, Commonwealth recurrent funding for public hospitals in 2014-15 grew 5.4 per cent to $18.170 billion, a sharp increase compared to 2013-14 (0.9 per cent growth), and higher than the 10-year average of 3.4 per cent. At the same time, expenditure by States and Territories grew by just 0.4 per cent to $25.493 billion, a sharp drop compared to 2013-14 (3.8 per cent growth). Total spending on public hospitals (from Commonwealth, State and Territory, and non-government sources) grew by 2.7 per cent to $48.094 billion in 2014-15 (compared to the 10-year average of 4.4 per cent).

This single year increase in Commonwealth funding, offset by lower State and Territory funding, meant growth in total funding was still well below the long-term average. And, even with this one-off increase, all Australian governments unanimously agreed at COAG in April 2016 that the Commonwealth clearly needed to inject more funding into public hospitals.

These funding levels are reflected in the performance of our public hospitals. The AMA Report Card shows that, against key measures, the performance of our public hospitals is essentially frozen at the unsatisfactory levels of previous years. This is the direct effect on patient care of reduced growth in hospital funding and capacity.

Bed number ratios have remained static. Emergency department (ED) waiting times have worsened and, in most cases, remain well below the target set by governments to be achieved by 2012-13. The percentage of ED patients treated in four hours has not changed over the past three years (since 2013-14), and is well below target. Elective surgery waiting times have worsened, while treatment times have only improved marginally.

Without sufficient funding to increase capacity, public hospitals will never meet the targets set by governments, and patients will wait longer for treatment.

Services provided by public hospitals are essential, and public hospitals require sufficient and certain funding to deliver these essential services.

There is no reason why governments cannot act together in the interests of the health care of all Australians.

There is also no reason why governments cannot work out a sensible, practical agreement to ensure public hospitals have sufficient and certain funding over the long term to meet the public’s requirements for hospital services.

Dr Michael Gannon
President
February 2017
1. NATIONAL PUBLIC HOSPITAL PERFORMANCE

Public hospital capacity

One of the best baseline measures of hospital capacity is to compare the number of available beds with the size of the population.

The population aged 65 years and older is a useful way to measure the hospital-using population, because older people have more hospital episodes than young people.

Graph 1 shows the year-on-year decline in the number of public hospital beds for every 1000 people aged 65 years and older. In 2014-15, this ratio remained at its lowest level for the past 21 years.

Graph 1: Number of approved/available public hospital beds per 1000 population aged 65 and over

Total public hospital bed numbers increased by 1,773 in 2014-15.

Bed numbers as a ratio per 1000 of the general population increased marginally to 2.55 in 2014-15 from 2.51 in 2013-14. This ratio is essentially unchanged since 2009-10.

Public hospital capacity is not keeping pace with population growth, and is not increasing to meet the growing demand for services.
Emergency department waiting and treatment times

Two performance indicators that measure the capacity of emergency departments to provide timely care are:

- 80 per cent of emergency department presentations are seen within clinically recommended triage times; and
- 90 per cent of patients leave the emergency department within four hours.

Patients seen within clinically recommended times

Under this target, agreed by all Australian governments, from 2012-13, 80 per cent of emergency department presentations will be seen within clinically recommended triage times, as recommended by the Australasian College for Emergency Medicine.

Performance against this target is now heading in the opposite direction. Only 67 per cent of emergency department patients classified as urgent in 2015-16 were seen within the recommended 30 minutes.

Graph 2: Percentage of Category 3 emergency department patients seen within recommended time

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – Australia

Performance continued to worsen in 2015-16. Now further below the 80% target set for 2012-13


8 ACT emergency department/elective surgery data for 2015-16 is not reported in relevant AIHW publications and not included in relevant graphs

9 National Partnership Agreement on Hospital and Health Workforce Reform, 2009, pg 28, clause D11
Patients leaving within four hours

Under the National Emergency Access Target (NEAT), 90 per cent of all patients presenting to a public hospital emergency department will either physically leave the emergency department for admission to hospital, be referred to another hospital for treatment, or be discharged within four hours\(^\text{10}\). State and Territory governments committed to progressively achieve this target by the end of 2015, with incremental targets over four years for each State and Territory.

In 2015-16, 73 per cent of all emergency department visits were completed in four hours or less. This figure has not changed over the past three years (since 2013-14), and is well short of the 90 per cent target set to be achieved by the end of 2015.

Graph 3: National performance against the Four Hour National Emergency Access Target

![Graph 3](image)

Source: Australian Hospitals Statistics 2011-12 to 2015-16: emergency department care (AIHW)

\(^{10}\) National Partnership Agreement on Improving Public Hospital Services, 2011, pg 30, clause C1
Elective surgery waiting and treatment times

Elective surgery is any form of surgery considered medically necessary, but which can be delayed for at least 24 hours.

Two performance indicators that measure the performance of public hospitals to provide timely care to patients requiring elective surgery are:

- the median waiting time for elective surgery; and
- the percentage of patients treated within the clinically recommended times.

Median waiting time

Nationally, median waiting times for all elective surgery have increased over the last 10 years. In 2015-16, the national median waiting time (the time within which 50 per cent of all patients were admitted) increased to 37 days, the longest median waiting time reported since 2001-02.

Graph 4: Median waiting time for elective surgery (days)
National Elective Surgery Target

Under the National Elective Surgery Target (NEST), 100 per cent of all urgency category patients waiting for surgery are to be treated within the clinically recommended times. In 2015-16, category 2 patients represented 39 per cent of elective surgery admissions nationally. On average across States and Territories, 79 per cent of elective surgery category 2 patients were admitted within the clinically recommended time (within 90 days). This is a marginal improvement (one per cent) over the proportion of category 2 patients admitted on time in 2014-15.

Graph 5 presents performance over the last 13 years. Official data for this indicator have not been published consistently over the full period, and performance for 2010-11 and 2011-12 has been extrapolated from various sources.

Graph 5: Percentage of Category 2 elective surgery patients admitted within the recommended time

The hidden waiting list

Elective surgery waiting list data hide the actual times that patients are waiting to be treated in the public hospital system.

The time that patients wait - from when they are referred by their general practitioner to actually seeing a specialist for assessment - is not counted. It is only after patients have seen the specialist that they are added to the official waiting list. This means that the publicly available elective surgery waiting list data actually understate the real time people wait for surgery. Some people wait longer for assessment by a specialist than they do for surgery.

This data must be publicly available on a consistent and national basis so that Australians have a full and accurate picture of waiting times for elective surgery that corresponds with their actual experience.

11 National Partnership Agreement on Improving Public Hospital Services, 2011, pg 20
Commonwealth funding

In its 2014-15 Budget, the Commonwealth Government made savings of $1.8 billion over four years from 2014-15 by abandoning the funding guarantees made under the National Health Reform Agreement 2011, and revising Commonwealth Public Hospital funding arrangements from 1 July 2017.

In April 2016, COAG signed an interim Heads of Agreement on Public Hospital Funding setting out arrangements for public hospital funding up to June 2020. The Agreement included additional funding from the Commonwealth of $2.9 billion over this period, and provision for the Commonwealth to meet 45 per cent of efficient growth in public hospital services, subject to a cap on growth of 6.5 per cent.

The additional Commonwealth funding was included in the 2016-17 Budget and MYEFO papers (with some forward year adjustments included in MYEFO reflecting updated activity forecasts).

Details of the funding approach were agreed at COAG’s December 2016 meeting. Consideration of longer-term hospital funding arrangements will begin in 2017, and will be agreed by COAG in 2018.

Graph 6 tracks Commonwealth funding for public hospitals as reported in the Commonwealth Budget and MYEFO papers.

The COAG Heads of Agreement marks a change from the Commonwealth’s policy announced in its 2014-15 Budget to move to public hospital funding by indexation and population growth. At least until June 2020, Commonwealth funding will continue on an activity based funding approach, although at a lower rate than would have operated under the National Health Reform Agreement, and with a cap on growth.
## 2. STATE-BY-STATE PUBLIC HOSPITAL PERFORMANCE

This section includes performance information for each State and Territory using available data sources.

A summary of State and Territory performance is shown in Table 1.

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Improvement in Emergency Department waiting time - urgent (category 3) 2015-16</th>
<th>Met National Emergency Access Target (NEAT) 2015+</th>
<th>Improvement in Elective Surgery waiting time 2015-16</th>
<th>Met National Elective Surgery Target (NEST)+* 2015+</th>
<th>Improvement in Elective Surgery Category 2 admission in 90 days</th>
<th>MYEFO 2016-17 increased Commonwealth funding for 2016-17 over Budget 2016-17</th>
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+ Targets are set on a calendar year basis; performance as reported by AIHW. AIHW reported elective surgery Category 2 performance for financial year 2013-14 but data for the period 2010-11 to 2011-12, and January to June 2013 has not been published. Elective surgery Category 2 year on year performance is graphed for each State and Territory below, excluding these periods.

*Treating patients within clinically recommended time – Category 2 (within 90 days)
NEW SOUTH WALES

Emergency department

Waiting times

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – NSW


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – NSW

Source: Australian Hospital Statistics 2011-12 to 2015-16: emergency department care (AIHW)
Elective surgery

Waiting times

Median waiting time for elective surgery (days) – NSW

National Elective Surgery Target (NEST)

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospital Statistics: elective surgery waiting times (2007-08 to 2015-16)

Sources: AIHW Australian Hospital Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2015-16
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – NSW


Commonwealth Funding

Public Hospitals – NSW

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
VICTORIA

Emergency department

Waiting times

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – VIC


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in 4 hours or less – VIC

Source: Australian Hospitals Statistics 2011-12 to 2015-16: emergency department care (AIHW)
Elective surgery

Waiting times

Median waiting time for elective surgery (days) – VIC

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospital Statistics: elective surgery waiting times (2007-08 to 2015-16)

National Elective Surgery Target (NEST)

National Elective Surgery Target (NEST) Category 2 percentage seen on time – VIC

Sources: AIHW Australian Hospital Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2015-16

* data for period Jan-Jun 2013 not published
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – VIC


Commonwealth Funding
Public Hospitals – Victoria

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
QUEENSLAND

Emergency department

Waiting times

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – QLD

Sources: The State of our Public Hospitals (DoHA, 2004 – 2010); AIHW Australian Hospital Statistics; emergency department care (2010-11 – 2015-16)

National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – QLD

Source: Australian Hospital Statistics 2011-12 to 2015-16: emergency department care (AIHW)
Elective surgery

Waiting times

Median waiting time for elective surgery (days) – QLD

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospital Statistics: elective surgery waiting times (2007-08 to 2015-16)

National Elective Surgery Target (NEST) Category 2 percentage seen on time

Sources: AIHW Australian Hospital Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2015-16

* data for period Jan-Jun 2013 not published
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – QLD


Commonwealth Funding

Public Hospitals – QLD

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
WESTERN AUSTRALIA

Emergency department

Waiting times

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – WA


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less - WA

Source: Australian Hospital Statistics 2011-12 to 2015-16: emergency department care (AIHW)
Elective surgery

Waiting times

Median waiting time for elective surgery (days) – WA

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospital Statistics: elective surgery waiting times (2007-08 to 2015-16)

National Elective Surgery Target (NEST) Category 2 percentage seen on time

Sources: AIHW Australian Hospital Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2015-16
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – WA


Commonwealth Funding

Public Hospitals – WA

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
SOUTH AUSTRALIA

Emergency department

Waiting times

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – SA


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – SA

Source: Australian Hospital Statistics 2011-12 to 2015-16: emergency department care (AIHW)
Elective surgery

Waiting times

Median waiting time for elective surgery (days) – SA

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospital Statistics: elective surgery waiting times (2007-08 to 2015-16)

National Elective Surgery Target (NEST)

National Elective Surgery Target Category 2 percentage seen on time – SA

* data for period Jan-Jun 2013 not published

Source: AIHW Australian Hospital Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2015-16
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – SA


Commonwealth Funding

Public Hospitals – SA

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
TASMANIA

Emergency department

Waiting times

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – TAS


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – TAS

Source: Australian Hospital Statistics 2011-12 to 2015-16: emergency department care (AIHW)
Elective surgery

Waiting times

**Median waiting time for elective surgery (days) – TAS**

Sources: AIHW elective surgery data cubes (2001-02 to 2006-07); AIHW Australian Hospital Statistics: elective surgery waiting times (2007-08 to 2015-16)

**National Elective Surgery Target (NEST)**

Source: AIHW Australian Hospital Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2015-16

* data for period Jan-Jun 2013 not published
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – TAS

Sources: 2004-10 The State of Our Public Hospitals (DeHA); 2011 FOI request reference 253-1011 lodged June 2011; 2011-12 estimate based on State and Territory Government published data; State and Territory data for 2012 calendar year published by AIHW in Australian Hospital Statistics; National emergency access and elective surgery targets 2012; AIHW Australian Hospital Statistics 2015-16: Elective surgery waiting times

Commonwealth Funding

Public Hospitals – TAS

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
AUSTRALIAN CAPITAL TERRITORY

Emergency department*

Waiting times

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – ACT


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – ACT

Source: Australian Hospital Statistics 2011-12 to 2015-16: emergency department care (AIHW)

* ACT emergency department/elective surgery data for 2015-16 is not included in relevant AIHW publications and not included in relevant graphs
Elective surgery

Waiting times

Median waiting time for elective surgery (days) – ACT


National Elective Surgery Target (NEST)

National Elective Surgery Target – ACT

Category 2 percentage seen on time

Source: AIHW Australian Hospital Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2015-16

* data for period Jan-Jun 2013 not published

2015-16 data not available
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – ACT


Commonwealth Funding

Public Hospitals – ACT

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
NORTHERN TERRITORY

Emergency department

Waiting times

Percentage of Triage Category 3 (urgent) emergency department patients seen within recommended time (<30 minutes) – NT


National Emergency Access Target (NEAT)

Percentage of emergency department visits completed in four hours or less – NT

Source: Australian Hospital Statistics 2011-12 to 2015-16 emergency department care (AIHW)
Elective surgery

Waiting times

Median waiting time for elective surgery (days) – NT


National Elective Surgery Target (NEST)

National Elective Surgery Target – NT

Category 2 percentage seen on time

* data for period Jan-Jun 2013 not published

Source: AIHW Australian Hospital Statistics: National emergency access and elective surgery targets 2012; elective surgery waiting times 2015-16
Category 2 patients

Percentage of Category 2 elective surgery patients admitted within the recommended time (90 days) – NT


Commonwealth Funding

Public Hospitals – NT

Source: Commonwealth Budget and MYEFO papers, Commonwealth funding for public hospitals
DATA SOURCES


Parliamentary Budget Office, *Submission to Senate Select Committee on Health, 3 February 2016, pg 5, Table 1*