

The Big Picture

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“News to use & amuse”



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Unhealthy decisions

We've looked at the quality of Australian government decision making on many occasions, as well as exploring corrupt practices and gross government waste. This week's health news, about the NHHRC report that supposedly will improve our health system, defines many of our problems in miniature.

This was a significant opportunity to describe a future health-care system that would make Australia the envy of the world. Instead the commission is suggesting we move in a direction from which the Obama administration is trying desperately to escape. [SMH](#)

A US style system? Was this why US Health insurer Humana met in sacked defense Minister Joel Fitzgibbon's office? It all sounds awfully like a 'cargo cult' approach to health – offer the private sector enough business and they'll solve the problems.

How well are governments managing our health system?

The problems have been laid bare: safety and quality of care is declining, access to health care is dependent on socio-economic circumstances, the system is inefficient and inequitable, preventable and chronic illnesses are increasing, and we are wasting much of the health-care budget by failing to ensure that health-care resources are distributed on the basis of need. [SMH](#)

So if things are getting worse, wouldn't it be a good idea to figure out why and what to do about it? From Dr Jeremy Sammut's excellent [report](#) quoted below, it seems we're fully cognizant of the causes of our public health problems.

The technical cause of the hospital crisis and the nationwide shortage of acute inpatient beds is 25 years of cuts to public hospital beds, while the systemic cause is the mis-allocation of resources away from front-line, bed-based hospital care and the corresponding growth in the size, cost and complexity of the state government bureaucracies that mismanage the public hospital system...

Seems reasonable. Diverting money away from health and into bureaucracy appears to be the preferred mode of Labor governments world wide. This appeared to be one of the major causes of the collapse of the Soviet Union. Bloated, unaccountable bureaucracies that failed to add any value whatsoever to the economy or the lives of its citizens.

The real problem is that current funding and administrative arrangements permit vast sums of taxpayer dollars to be wasted paying for bureaucrats rather than for beds. Recurrent expenditure on public hospitals has increased by 64% in real terms (adjusted for inflation) over the last decade. Between 2001 and 2005, the number of hospital administrators in Australia increased by 69%. This is an example of the 'close a bed, open an office' syndrome: bed numbers have been slashed while the size and cost of the state area health service bureaucracies have increased...

Because hospital funding is not tied to the treatment of patients, taxpayer dollars are being diverted and wasted on bureaucrats rather than beds. Over the last decade, public hospital funding increased by 64% in real terms. Between 1996 and 2006, the number of acute public hospital beds fell by 18% per 1,000...

Between 2001 and 2005, the number of hospital bureaucrats rose by 69%. This is an example of the internationally documented 'closing beds to open desks' syndrome whereby growth in funding correlates with growth in bureaucracy and reductions in bed numbers...

There you have it. As beds are cut by bureaucrats, so the bureaucracy itself benefits. Would you like to take bets on whether those bureaucrats and politicians rely on public health care or private?

Bed cuts enabled 'free' public hospital care to be rationed and made lengthy waiting lists for elective surgery the norm...

Supporters of Medicare, including bureaucrats, academics and politicians...do not want to admit that the hospital crisis is the long-term result of a deliberate strategy to cut beds, ration services, and control front-line costs.

What happened to the evidence based policy that Ruddo promised?

Here's a quote from Vic AMA President Travis...

'It's turned into chaos in hospital emergency departments. You have cubicles that have three people on trolleys in it that are designed for one. It just keeps happening and it's not going to get any better until the Government realises that it's not about models of care, it's about...more beds.'

As if by magic, within 2 days of the NHHRC report...

A FLEET of 122 luxury cars and \$1.7million in overseas travel have materialised in \$29 million worth of non-medical expenses racked up by the Tas Health Department.

Some \$21 million was spent in seven months.

It was swallowed by mobile phones, car parking, petrol, vehicle leases, workers compensation, advertising and travel.

Doctors and bureaucrats travelled to destinations that included Anaheim near Disneyland for an aged care conference, to Las Vegas for a palliative care conference and Bordeaux, Phuket, the French Riviera and Hawaii.

The travel included a Hobart psychiatrist spending four days in Florence, Italy, for \$4500; and department secretary Dave Roberts's study tour of the US and UK at \$20,000 for 13 days and a North-West psychiatrist's two-day conference in Canada for \$4025. [Examiner](#)

It seems that support from lobbyists and bureaucrats will always trump the public who, when they disagree with received 'wisdom' will be labelled 'misinformed', 'critics', and 'Green', none of whom is worthy of representation it seems.

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That was the week that was

Governance & spin

Reality of governments plan to buy from overseas [TheAge](#)

Taxpayers to underwrite Vic desal plant [TheAge](#)

Ministers in secret meeting [CourierMail](#)

Labor's China Inc starting to smell fishy [TheAustralian](#)

Forestry/Food/Agriculture

Forestry unfair to contractors [Mercury](#)

Timber group under fire about false carbon claims [TheAge](#)

Climate/water/energy/environment

Fires rage across Europe [SMH](#)

Lack of ingenuity in water crisis [TheAge](#)

Outmoded urban design cooking Sydney [SMH](#)

Climate change poised to feed on itself: Scientists [SMH](#)

Fed Minister rewarding polluting energy [SMH](#)

Solar panel industry feeling the heat [TheAge](#)

No hurry on ETS: UN [TheWest](#)

Flushing away our future, 13 litres at a time [TheAge](#)

Health/education revolution/communication/defence

Health reforms are a sick joke [SMH](#)

New surgical checklist could save lives [TheAge](#)

Doctors' rorts exposed in WA [TheWest](#)

Beds needed, not bureaucrats [Australian](#)

Millions to bail out stranded students [SMH](#)

Time to stop the dental rot [TheAge](#)

Reform won't come cheap [SMH](#) [Australian](#) [Telegraph](#)

Radical overhaul of Medicare urged [Age1](#) [Age2](#)

Universities must nurture humanities [TheAge](#)

Economy/social/shelter/transport/free speech

Brigades reveal Black Saturday blunders [TheAge](#)

Buy local push gaining momentum: Unions [TheAge](#)

Govt forces fire victims into draconian rent contracts [HeraldSun](#)

Chinese hack into Aus film festival site [TheAge](#)

World

Infectious disease study site unscientific [WashingtonPost](#)

Look after your own people first

For many years, Australian governments demanded 'offsets' of some form from overseas suppliers in order to compensate for putting business overseas and thereby losing tax income, jobs and other Australian benefits.

Now Unions are pressuring the federal government to adopt a 'Buy Australia' policy for governments to help keep jobs, investments and profits in Australia.

Unfortunately, political and economic dogma rules...

Tanner has promised to demolish the case for Australian preference. His arguments can be summarised as: first, the Government only imports things (such as photocopiers and fighter jets) that aren't made here; second, it might be considered as contrary to some treaty or other, and third, it would "push up government costs"...

Every year Australian governments spend billions of dollars on capital programs. In many cases they have a choice between foreign and local suppliers. If they choose the local supplier, they will inject money into the Australian economy which, as it works its way through the production chain, will turn into wages or profits. These will be taxed, and since taxes account for about 30 per cent of Australia's GDP, the net cost to government will be only 70 per cent of the contract price.

A foreign supplier will pay no taxes in Australia, and so choosing a foreign supplier will raise the net cost to government by more than 40 per cent: agreeing to the motion to give Australian bids preference subject to a 20 per cent price difference will still leave the Government better off.

Refusing to...(act like all other countries)...shows a greater love for economic theory than the welfare of Australians. [TheAge](#)

It's a fair question to ask if government cares at all about the needs of ordinary Australians.

Once again, it looks very much as though Labor at least, has confused the claims of lobbyists and bureaucrats with 'public opinion'.

I was consulting to the NSW government at the top level when [Lee Kwan Yew](#) visited after converting the tiny island of Singapore into an economic powerhouse.

He told us that because government controlled so much of the country's GDP, it became essential for government to invest in its own country and businesses to stimulate healthy growth. Not only does it make sense, it worked magnificently.

Failures to invest in one's own businesses represents:

- a lack of confidence in Australia's abilities
- willingness to lose tax revenue from Australian companies
- willingness to forgo local jobs
- willing to deter Australian investment in Australia
- happy to be dependent upon overseas suppliers
- not worried about security of supply
- willing to accept existing trade imbalances
- willing to borrow to pay for overseas supplies

Wow! They don't look like good results from avoiding buying Australian and supporting Australian industry and businesses.

Bitz

Check out Victoria's latest motto...

Our Water Our Future



Duh?

Thank goodness the Labor worthies at Darling Harbour have squashed rumours of pay for access to our politicians...

Events in Queensland have sparked a furious national discussion about corporate leaders being asked to pay for access to politicians and whether political donations should be capped or banned altogether.

Kevin Rudd's ministers lined up to explain how enormously accessible they were, for free, especially at the regular community cabinet meetings they hold across the country.

Which led some of the 90 or so business observers at the conference to wonder why they had just forked out a \$7500 political donation explicitly to gain access to ministers at Labor's big Sydney event, and why they are being asked by NSW Labor to hand over up to \$110,000 to join a special club to gain access to federal and state ministers. [Australian](#)