

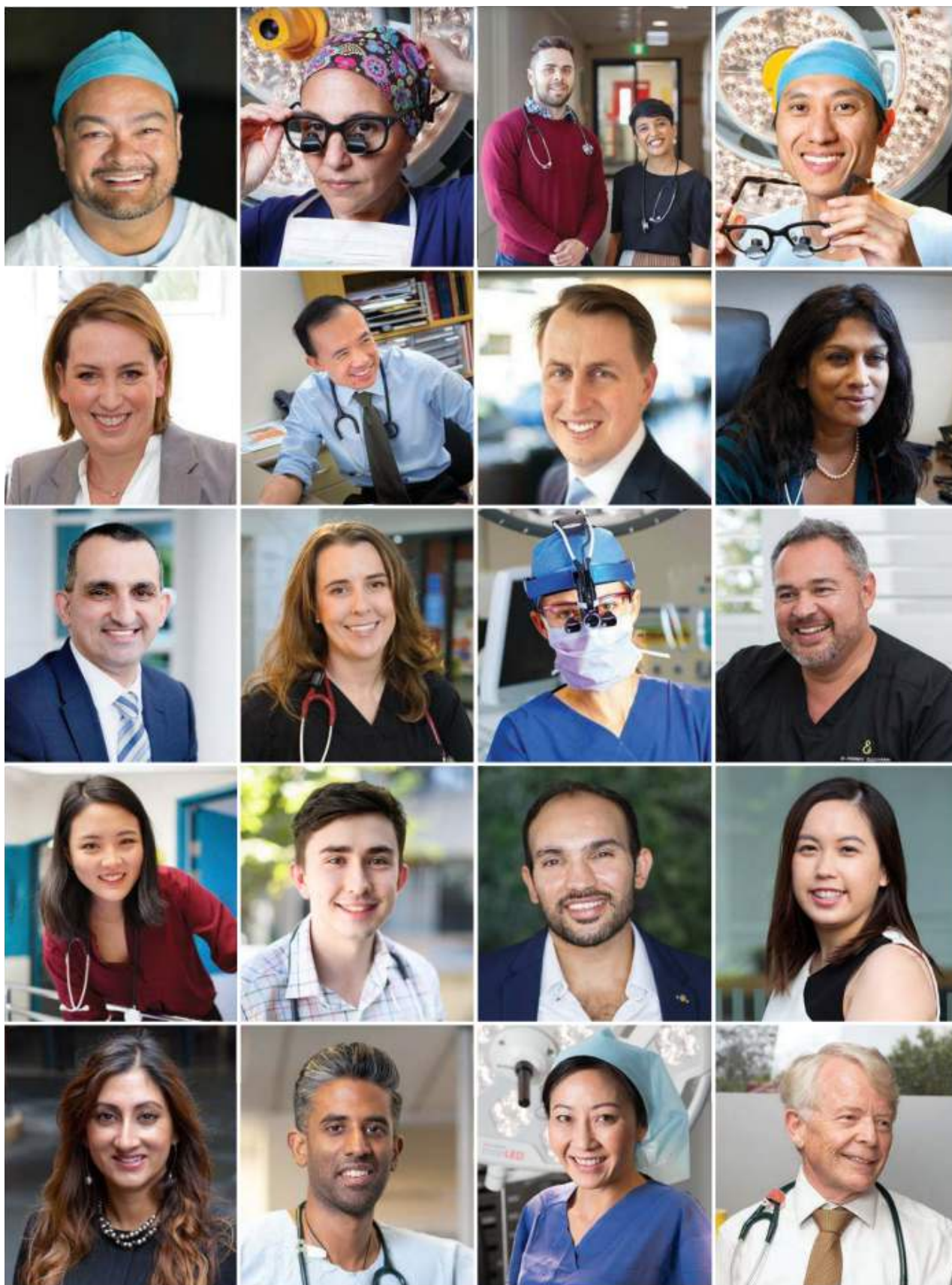
CODE BLUE: How to revive the NSW Health budget

Pre-Budget Submission 2025-26



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REVIEW OF 2024-25 BUDGET

“This year’s health budget fell below health CPI, meaning that after health inflation this was an effective loss” – AMA (NSW) Vice President, Dr Fred Betros

This year’s health budget was a serious blow to the state’s ailing system. While the NSW Government announced areas of investment, there was failure to deliver resources which will fix the most significant holes in the NSW Health System.

The latest Bureau of Health Information (BHI) data show that presentations to emergency departments across NSW reached 787,590 between July and September this year – a 2.1 per cent increase on the same quarter last year, with triage 2 and 3 presentations both the highest of any quarter since BHI began reporting in 2010. This shows the ever increasing demand yet again on our hospital workforce.

AMA (NSW) is also concerned that during this period more than 67,737 people left an emergency department (ED) before treatment began or was completed – up 9.8 per cent on the same quarter a year earlier. This is a sad by-product of an exhausted system. We are calling on the NSW Government to urgently increase funding to support doctors, nurses and allied health workers and ensure patients get the care they need when they need it.

The budget failed to address critical issues around the conditions for doctors working in NSW Hospitals. NSW doctors are now amongst the lowest paid in Australia, with little done to attract and retain doctors to public hospitals, particularly given incentives offered by other states.

The budget particularly failed the needs of rural and regional communities by providing limited support for already stretched LHD health budgets in these areas and no effective incentives to retain doctors in these regions.

DEMAND CONTINUES TO CLIMB

The most recent healthcare quarterly report from the Bureau of Health Information (July to September 2024) demonstrates:

- **787,590** ED presentations, up 2.1%*
- Triage 2 and 3 presentations were highest of any quarter **since BHI began** reporting in 2010
- 61.3% of patients who attended ED started their treatment on time, **lowest ever** reported by BHI
- 54.7% of patients spent less than four hours in the ED
- 1 in 10 patients spent longer than **11 hours and 29 minutes** in the ED
- 195,703 patients arrived to the ED by ambulance, **highest since 2010**
- 385,873 **ambulance responses**, up 6.2%*
- **58,812** elective surgeries performed, down 3.9%*
- 98,608 patients on the **elective surgery waiting list** at the end of September 2024, up 7.7%*
- 3,991 patients waiting **longer than recommended** for elective surgery at the end of the quarter

*percentage comparisons are compared to the same quarter from the previous year





FROM THE PRESIDENT

The healthcare system in NSW has earned consistent recognition as one of the top-performing in Australia, largely due to the commitment and skill of doctors and healthcare professionals working to support it.

Yet, despite its many strengths, the system faces the very real risk of losing its status unless efforts to recruit and retain medical staff are strengthened. Workforce challenges are pervasive and disparities between the benefits offered under Visiting Medical Officer (VMO), Staff Specialist, and Doctor-in-Training (DiT) contracts, compared to those in other states and the private sector are widening.

As a result, patients are left waiting longer for essential services, including surgeries, appointments, and basic care, all due to inadequate resources and a prevailing attitude that the system is "good enough."

The existing workforce is overburdened and struggling with chronic understaffing. On top of that, NSW doctors are among the lowest paid in the country, with the government continuing to fall short in addressing the urgent need for reform of working conditions. It's crucial that award conditions are updated to retain and attract the most qualified professionals to the NSW public hospital system.

AMA (NSW) is advocating for an increase in overall funding for health services across the state. We have identified several major priorities for the 2025-26 Health Budget: activity and budget, industrial arrangements, abortion access, mental health care, general practice, and rural and regional health, which have been explored further.

A handwritten signature in black ink that reads "Kathryn Austin". The signature is written in a cursive, flowing style.

Dr Kathryn Austin
AMA (NSW) President

BUDGET AND ACTIVITY

“Their budgets are insufficient to meet demand, and when doctors are in crisis, patients suffer”
– AMA (NSW) President, Dr Kathryn Austin

Public hospital doctors across NSW are calling on the government to urgently increase hospital budgets as demand soars and cost cutting puts patients at risk. This year's health budget of \$31.873 billion was a **mere 2.97 per cent increase** on last year's budget of \$30.951 billion – yet demand on emergency departments, ambulance services and surgical services has soared, according to the latest BHI quarterly performance report, while health inflation has been sitting at about 3.8 per cent making it extremely challenging for hospitals to provide the same level of service year upon year.

A recent survey conducted by AMA (NSW), found Medical Staff Council Chairs reported their LHDs were between **\$6 million and \$100 million over budget**, resulting in;

- recruitment freezes,
- no funding for new services or clinical service development,
- closure of beds,
- limited ability to access leave entitlements; vital for upskilling and staying current in their practice,
- unable to perform adequate volumes of elective surgeries.

Many hospitals have grown significantly with new infrastructure under the previous government, but doctors report **the workforce has not grown to meet increased bed numbers and activity levels**. Compounding this, NSW doctors are the **worst remunerated in the country**, affecting the ability to attract and retrain staff.

AMA (NSW) is calling on the government to;

- ensure the 2025–26 health budget matches or exceeds health inflation,
- ensure NSW is able to meet the Federal Government's activity targets,
- fund the other priority areas highlighted in this pre-budget submission.

MODERN AND FULLY FUNDED INDUSTRIAL ARRANGEMENTS

“Our pay rate is one of the worst in the country. This is affecting the ability to attract and retain staff” – AMA (NSW) member

Outdated contractual and employment arrangements

- The former wages cap contributed to outdated industrial instruments. This was demoralising, leading to many hours of unpaid work and skill loss.

Award and contract conditions

- In some cases, conditions dating back to the 1980s, lowest paid doctors in the country,
- Unpaid work and skills loss; outdated industrial instruments and a previous wages cap in NSW has led to many hour of unpaid work and a skills loss throughout NSW due to inability of NSW Health to attract and retain highly skilled staff.

Factors contributing to these issues include;

- Outdated Staff Specialists award, Doctors-In-Training award and VMO arrangements,
- Competitive interstate remuneration packages and incentives,
- Lack of investment in staffing public hospitals.

AMA (NSW) is calling on the government to; focus on funding remuneration increases and improved conditions in the 2025-26 budget, as NSW has fallen increasingly behind compared to other jurisdictions when it comes to remuneration for medical practitioners working in the public hospital system.

Additionally, AMA (NSW) advocates for modernising industrial instruments in the public hospital system to reflect advancements in healthcare delivery. Importantly, remuneration and condition improvements must be funded without further burdening of the health budget. The government must prioritise doctors’ remuneration and improved conditions that reflect and reward the way in which services are provided. This will aid in addressing the critical doctor shortage, but requires thorough review and sustained investment in medical workforce conditions and remuneration.

ABORTION ACCESS IN NSW

“Universal right to care without judgement or coercion is a central tenet of modern healthcare, and access to reproductive choice absolutely falls within this domain” – AMA (NSW) Councillor, Dr Felicity Park

Reproductive health is essential to a person's autonomy and well-being. Access to comprehensive care empowers individuals to make informed choices about their bodies and their futures, ensuring they can live healthy, fulfilling lives on their own terms. AMA (NSW) identifies reproductive health as a pivotal priority within the NSW Health budget.

This year marked the five-year anniversary of the decriminalisation of abortion services in NSW. Equitable access to high-quality healthcare significantly enhances the health of women, their families and their ability to participate fully in the community. However, disparities in access to abortion services, influenced by cost and availability, have disproportionality affect women and families from marginalised communities, particularly those unable to access private services.

Public access to abortion services within the State are crumbling, particularly in rural and regional areas such as Orange and Queanbeyan. In response to this issue, AMA (NSW) has developed a model to integrate state-wide abortion care within NSW Health services. This model will leverage off existing tiered maternity referral networks and health pathways.

AMA (NSW) is calling on the government to;

- commit to a genuine and urgent investment in women's health, specifically abortion services. This includes critical components such as; adequate staffing levels (medical, non-medical, nursing, midwifery, allied health and social services), and operating room availability.
- AMA (NSW) has developed a model to address the current challenges, which would require \$1-1.5 million in funding.

MENTAL HEALTH CRISIS

“Public hospitals are under enormous strain as demand continues to grow” – AMA (NSW) President, Dr Kathryn Austin

NSW public hospitals have fewer specialist mental health beds than five years ago, despite a rise in mental health presentations to ED and patients waiting longer to be seen.

In NSW, there was a **reduction of 150 mental health beds** in public hospitals between 2016-17 and 2021-22, highlighted in the recent AMA Public Hospital Report Card. Patients are also waiting longer to be seen, with urgent cases rising from a 40 per cent share of total mental health related ED presentations to 50 per cent.

AMA (NSW) understands public hospitals are under enormous strain as demand continues to grow, but we also note that long waits in bright, busy, noisy EDs can be incredibly distressing for mental health patients, and that many are not physically designed to ensure the safety of patients experiencing acute suicidal ideation.

The logjam of patients awaiting mental health beds is also contributing to longer waiting times for all patients in ED. The NSW Government urgently needs to commit to a genuine and comprehensive gap analysis, and a comprehensive plan to attract and retain mental health staff including doctors.

AMA (NSW) is also calling on the government to;

- complete a genuine and comprehensive gap analysis,
- commit to attracting and retaining mental health staff,
- invest greater in primary care which includes higher levels of bulk billing,
- and address the working conditions of Visiting Medical Officers to ensure they remain in the public system.

GENERAL PRACTICE – LUMOS

“We know that better care happens if we make sure we do certain things that we’ve seen in the Lumos data” AMA (NSW) Councillor, Dr Michael Bonning

Enhancing and boosting general practice, is crucial for improving overall healthcare outcomes and reducing the burden on emergency departments and public hospitals admission rates. Strengthening primary care ensures timely access to preventive services, chronic disease management, and early intervention, which can prevent many health issues from escalating into emergencies.

The Lumos program offers significant advantages by facilitating follow-up visits to a general practitioner after a hospital discharge, addressing a critical gap in post-hospital care. This system ensures that patients receive timely and personalised care following their discharge, allowing for the early identification and management of potential complications that could lead to readmission.

AMA (NSW) is calling for the continued support and funding of this program in the 2025–26 budget.

By providing this support, Lumos reduces the immediate risk of readmission as well as long-term hospitalisations. Research has shown that proactive post-discharge follow-up care is crucial in improving patient outcomes, enhancing recovery, and reducing the likelihood of health deterioration.

The implementation of the Lumos system could generate substantial cost savings for the broader healthcare system. By minimising unnecessary hospital readmissions, it directly alleviates pressure on hospital beds, reduces emergency department overcrowding, and optimises the use of healthcare resources.

RURAL AND REGIONAL HEALTH

“Addressing the challenges of workforce shortages, insufficient funding and ineffective incentive structures is crucial to ensuring equitable healthcare delivery” – AMA (NSW) CEO, Fiona Davies

All residents in New South Wales, regardless of geographic location or socio-economic status, deserve access to high-quality healthcare. Unfortunately those residing outside of major cities face significant challenges in accessing essential health services, including non-GP specialist and GP specialist care.

AMA (NSW) has identified several critical factors affecting healthcare delivery in rural and regional areas:

Cross-jurisdictional cooperation between NSW and Australian governments

- issues persist in cross-border regions regarding disparate remuneration rates,
- retirement; becoming the sole practitioner in a region,
- difference between Commonwealth and State funding; significant implications for private patient care in public hospitals.

Limitations surrounding initiatives, services or training programs

- career profession opportunities are often limited; deterring doctors,
- shortages of intern positions,

Workforce recruitment, retention, and conditions

- obstacles in maintaining organisational stability and growth due to shortage of staff living and working in the region,
- undue strain on existing workforce; unsustainable rosters and burnout,
- struggling to fill positions.

Budget pressures

- hospital exit block,
- clinic cancellations, increased burdens on physicians,
- services being cut, postponing emergency surgeries.

AMA (NSW) is calling on the government to; address the challenges of workforce shortages, insufficient funding and ineffective incentive structures as critical measures to ensure equitable healthcare delivery.



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