



# PRIME MINISTER

1 August 2007

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
MERSEY COMMUNITY HOSPITAL ANNOUNCEMENT  
DEVONPORT, TASMANIA**

*Subjects: Mersey Community Hospital, Tasmania.*

EO&E.....

**PRIME MINISTER:**

Well Mark Baker, Senator Colbeck, Mayor Mrs Laycock, ladies and gentlemen. I've come here this morning to announce that the Commonwealth Government will fully fund the continued maintenance and operation of this wonderful community hospital. It'll be maintained at the current Mersey Hospital site, it will treat both public and private patients, it will provide a full range of services as have been provided in hospitals over the past few years. This includes in-patients, out-patients, accident and emergency, overnight and day surgery procedures, high dependency care, allied health, obstetrics and physiotherapy. The funding from the Federal Government will be provided to a Trust that will be responsible for running the hospital and the trust will be run by members of the community, including local health professionals and business leaders, regional local government figures as well. The hospital we would like to be renamed, the Mersey Community Hospital, which was its old name I understand.

The funding will cover the cost of operating the hospital and whilst until the negotiations with the Trust have been completed it's impossible to put a precise figure on it. But based on comparisons with others you're looking at a figure of \$40 to \$45 million a year. But obviously we're committed to funding the full cost of whatever is necessary to provide those services.

This commitment by the Commonwealth, and it is an ongoing commitment to the people of Devonport and to the Mersey Community Hospital, will test the feasibility of a Commonwealth-funded, community-controlled hospital. I mean this is something of a new approach by the Commonwealth Government. We're not decrying the role of the states in relation to hospitals generally but there are clearly gaps where decisions

of state governments hurt local communities and we take the view that the Commonwealth should adopt something of an oversight role and where there is a gap and where there is a local community need, the best thing for the Commonwealth to do is to deal directly with the local community and to fund the operation of the hospital by the local community.

I'm writing to the Tasmanian Premier today and asking his Government to do three things, prior to July of next year, to retain the range of services at the Mersey that were in place prior to the Tasmanian Government's announcement in May of this year to negotiate reasonable arrangements for the community to lease in full the building and existing equipment from the 1<sup>st</sup> of July next year or sooner if possible and to ensure a smooth transition between state government operations and the Trust takeover during the coming months. And we will offer appropriate financial support to the Tasmanian Government in order to ease the transition.

This will not cost the Tasmanian Government any money for health. In fact it will provide the Tasmanian Government with more money for health to spend in other areas of the state because we will be taking over certain facilities which even under its plan it would still have had financial responsibility to support. I want to make that very clear. This is not a robbing Peter to pay Paul or whatever exercise, it's an exercise in the Commonwealth maintaining the continuation of a service that you had and you hoped to continue to have prior to May of this year. It is to maintain a full range of services. Seventy thousand people are in this community and in different ways are dependent on the operations of this hospital.

I want to pay tribute to your local Federal Member Mark Baker for the great energy that he's brought to this project. I mean that very sincerely. Mark has literally pestered me and my Health Minister and people in the federal bureaucracy to find a solution to this issue. We did look at the cooperative model, that would have been good, but it really wouldn't have provided the range of services that you people are entitled to have. I have a very simple view. We are a fortunate country, we are a country that has been blessed with very considerable economic success and we have a lot of economic resources at a generic level and when you've got that sort of situation communities are entitled to look to governments to sustain vital community services and local hospital facilities offering the full range of community services is something that is very important and something that is a legitimate expectation of Australians anywhere in this country in the year 2007. This is not an exercise in taking over functions, it is in fact an exercise in maintaining a public service and my experience going around this great country of ours is that Australians, no matter where they live, whether it's in Devonport or Cooktown or Esperance or Broken Hill, it doesn't really matter, their view is I don't care what level of government provides the service as long as the service is provided. And they're not very fussed with theories of governance, they're very fussed with the availability of community services and I've always taken the view that if the Commonwealth Government can deal directly with the local community, and this has been...and it's evident here with all the people, I mean you've got the local member, you've got the Mayor, you've got Senator Colbeck, you've got on a minute's notice you've got a large turnout of people who are interested in maintaining this vital facility and we are very happy to sit down and work out the details. I'm sure it can be done. I'll arrange for people from the Commonwealth Department of Health to come down here in the next few days to sit

down with the local people, obviously working through Mark who's the real hero at this exercise, Mark has worked so hard to make this a possibility and bring this about.

So ladies and gentlemen it's a wonderful day for northern Tasmania, it's a wonderful day for the Mersey area but very importantly it's a guarantee of a basic public service for the people of Devonport and the surrounding districts and that is something which in 2007 you are entitled to have and you will have it with our full commitment and our full support. Thank you very much.

**JOURNALIST:**

Prime Minister is this a model that will be operational in other states and other parts of Australia?

**PRIME MINISTER:**

Well it could. What we're going to do is see how it works here. I'm very optimistic about how it will work here. But let's see how it works and if it does it can represent something of a model for other parts of the country and I don't walk away from that. I take the view that the Federal Government in these matters has an overwatch role. I don't want to disturb the basic pattern. State governments run hospitals and in many parts of the country they run them well. I'm not making a generic attack but there are gaps and plainly this community was going to be hurt by the decision of the Tasmanian Government and the right thing for the Commonwealth to do, given the level of community and local support for maintaining the hospital, and that's evident here today, the most sensible thing for the Commonwealth Government to do was to do what I've just announced.

**JOURNALIST:**

Prime Minister when was the decision taken?

**PRIME MINISTER:**

Oh I've been contemplating this for a few weeks. I've had discussions with Mr Baker. I talked about the matter with Mr Baker and Senator Colbeck when I came here only a short while ago. I've had discussions with Mr Abbott, somebody from Mr Abbott's office has visited the area and talked to people. There's been a lot of discussion committed to this issue and I took the final decision a few days ago.

**JOURNALIST:**

How do you propose to staff the hospital given that staffing is a crisis?

**PRIME MINISTER:**

Oh look I think we will get, because of the strong local support, I think we will get adequate staff.

**JOURNALIST:**

Why did the State Government, the whole state bureaucracy, the whole state health department, the manager of the hospital only find this ...

**PRIME MINISTER:**

Well I know how politics can operate and sometimes when you spread the intention of doing something too widely, things happen that make the implementation of the decision more difficult. Look what matters is whether it's a good decision and it's a good decision, it's good for the local people and that matters more than who knew what, when and who knew something before somebody else did. I don't think the public of Devonport are very interested in that. The public in Devonport want their hospital and that's the announcement I've made and I'll be writing to Mr Lennon and we're providing all the funding. I mean we're not taking any money from the Tasmanian Government.

**JOURNALIST:**

You can guarantee that there'll be no loss....

**PRIME MINISTER:**

We're not taking any money, we're not taking any money from the Tasmanian Government, we'll enter into a negotiation on the Australian Health Care Agreements in the lead-up to the new agreements next year and we'll be making a generous offer to Tasmania. Can I point out that on the latest publicly available figures the Commonwealth provides, and these are the figures to 2004-05, they may have varied a little bit since then, the Commonwealth provides 54 per cent of all funding of public hospitals in Tasmania, 54 per cent. They're operated by the Tasmanian Government, they have all the say but we provide over 50 per cent of the funding. So I mean let's understand, this is not an exercise in taking money from Tasmania. The Commonwealth provides 60 per cent of the total revenue going into the Tasmanian budget. So I haven't come here to take away, I've come here to give, I've come here to provide Commonwealth financial support to the people of this community.

**JOURNALIST:**

Prime Minister there's concern in Burnie that this could threaten the future of that hospital there and that it could undermine the entire state government clinical services plan?

**PRIME MINISTER:**

Well that's completely misplaced. I mean, what's happening is that we are restoring something that the community of Devonport always had and we're not taking anything away from Burnie because what was proposed was in addition to the activities of the hospital in Burnie at the expense of the people of Devonport.

**JOURNALIST:**

But they always had hospital with severe sustainability questions. I mean, they're saying that you cannot have two intensive care units in the same area, it's not feasible. Have you looked at that?

**PRIME MINISTER:**

I think the decision that we've taken will be warmly welcomed by the people of the region.

**JOURNALIST:**

The AMA says that there are 100 other hospitals around Australia, literally 100 who are in the same predicament as the Mersey. What can you give them today?

**PRIME MINISTER:**

Well I think it's a question of taking one at a time. I've made an announcement and the announcement will be implemented and we'll just see how it works out. I don't rule out providing assistance like this in other parts of the country but we have to see how this model works. This is the first time the Commonwealth has done this and there was some reference to Canberra on the radio this morning. The hospitals in Canberra weren't run by the local community when the Commonwealth controlled them, they were run by the federal health department. This is, this hospital is not going to be run by the federal health department, it's going to be run by the local community by a community trust and we're going to fund it. I think in the modern era we have to have a range of models for running hospitals and community facilities. I think we have, we need greater contestability of community facilities and in that way the public benefits.

**JOURNALIST:**

So would you rule out similar announcements in other marginal seats prior to the election?

**PRIME MINISTER:**

I think what we will do is see this as something of a test of how such an approach will work out.

**JOURNALIST:**

Mr Howard, just on Haneef, with the Haneef case. Now that Mr Andrews has released that further information are you hopeful that the Government's critics will now step back and allow the case to...

**PRIME MINISTER:**

I don't think the Government's critics will ever stop criticising it and they're entitled to do that, we live in a democracy but I am of the view that the explanation provided by Mr Andrews was full and complete. I've always believed that he took the right

decision, I was across the reason for him taking that decision, I've made that known, I've supported him. He has been unfairly criticised but he has to some extent been vindicated by it being possible to make some of this information available but there will be some people who will continue to attack him. I mean, I heard Mr Beattie this morning attacking him quite unreasonably and it's this sort of double attack, or double approach of the Labor Party. Mr Rudd says he supports him although he wants a judicial inquiry and then for good measure he gets Mr Beattie to attack him. I think it's a fairly cynical double game.

**JOURNALIST:**

Mr Howard, this intervention model being used in this hospital. Could it be used in other areas such as schools now the State Government has looked at possibly amalgamating some of the schools. If a school's in trouble would you go in and strip it from the State Government?

**PRIME MINISTER:**

Well I'm not, let's not leap from one thing to another but intervening where there's a public need for Commonwealth intervention is something we've done before. That's what we did in the Northern Territory, that's what we did in the Murray-Darling. We've done it with disability support services and to some degree the Investing In Our Schools Program where we directly fund individual schools all over the country with additional facilities, that's an illustration of a Commonwealth intervention but let's just see how this works out. The important thing is that the community of Devonport have received an enormous boost out of this. It'll be good for them and it will be good for the whole community and I think it's a very good news day for northern Tasmania.

**JOURNALIST:**

Tasmania's Health Department says if it's not sustainable, will you back out? If all the bureaucrats in Tasmania say it's not...

**PRIME MINISTER:**

It is sustainable and I'll be advised by the people from whom I take advice and I think they know more about these things than anybody else.

**JOURNALIST:**

So Mohamed Haneef did two interviews with police? Kevin Andrews has released one, in the other one Mohamed Haneef stressed his case very strongly. Why has that second interview not been released?

**PRIME MINISTER:**

Mr Andrews explained all of the reasons why certain material could be released and other material couldn't and what he provided yesterday was a full, credible and I think very strong explanation of his conduct. Thank you.

[ends]