

QUEENSLAND

COMMISSIONS OF INQUIRY ACT 1950

QUEENSLAND PUBLIC HOSPITALS COMMISSION OF INQUIRY

STATEMENT OF MICHAEL CARLO ZANCO

1. I, Michael Carlo Zanco, Acting Team Leader, Health Systems Development Unit, Statewide Health and Community Services Branch of c/- Citilink Building, Bowen Bridge Road, Herston in the State of Queensland, acknowledge that this written statement by me is true to the best of my knowledge and belief. It is made without prior knowledge of any evidence or information held by the Inquiry which is potentially adverse to me and in the expectation that I will be afforded procedural fairness should any adverse allegation be raised against me.
2. I have previously provided statements to the Commission of Inquiry dated 13 September 2005 (Exhibit 326), 14 September 2005 (Exhibit 327) and 4 October 2005 (Exhibit 462).

Elective Surgery Funding 1995/1996

3. I commenced with the Queensland Health Elective Surgery Programme in July 1998. As such, I have no personal recollection of the amount of Commonwealth or State Funding Queensland Health received for elective surgery in the 1995/1996 financial year.
4. However, I have been able to locate the following documentation in relation to the elective surgery funding received by Queensland Health in the 1995/1996 financial year:
 - a) *"Surgery on Time; A plan for enhancing elective surgery services in Queensland Public Hospitals; Elective Surgery Project August 1996"* (attached and marked 'MCZ-A');
 - b) *"Agreement between the Commonwealth of Australia and the State of Queensland in relation to the Provision of Public Hospital Services and Other Health Services From 1 July 1993 to 30 June 1998 under section 24 of the Health Insurance Act 1973 (Cth)"* (attached and marked 'MCZ-B'); and
 - c) A table setting out the Commonwealth and State funding Queensland Health received in the financial years from 1996/1997 up to and including 2006/2007 (attached and marked 'MCZ-C'). This table was prepared by Col Roberts, formerly a member of the Surgical Access Service. It is based on information provided by the Queensland

Health Finance Department. The table does not include any recent Queensland Government announcements in relation to elective surgery.

5. Based on the information contained in 'MCZ-A', 'MCZ-B' and 'MCZ-C', I say that:
- a) In the 1995/1996 financial year Queensland Health received \$10.5 million in Commonwealth funding under the Hospital Access Bonus Pool ("HABP").
 - b) According to page 63 of 'MCZ-B', the HABP funds received by Queensland Health were intended to:
 - (a) *improve public patient access to elective surgery based on clinical need through:*
 - (i) *management reform of booking systems in each State including clerical and clinical validation of waiting times; and*
 - (ii) *increasing throughput for key elective procedures in high need areas; and*
 - (b) *improve the availability of accurate and nationally comparable and consistent waiting list data through regular State publications and the regular collection and publication of that data at a national level through the AIHW."*

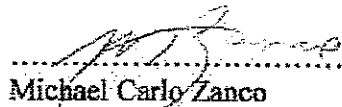
6. Based on my review of the documentation and knowledge of the elective surgery funding Queensland Health received after the 1995/1996 financial year, I say that the \$10.5 million received by Queensland Health under the HABP in the 1995/1996 financial year was provided on a one off basis by the Commonwealth Government. From the 1996/1997 financial year onwards, \$10.5 million was provided each year to Queensland Health by the Queensland Government. These funds were combined with additional state funds to form a state budget item known as the Elective Surgery Maintenance Fund ("EMSF"), which was provided under the Waiting List Backlog Program. The EMSF totalled \$33.546 million of which \$29 million was used to undertake activity.

Elective Surgery Funding from 1996/1997 to 2006/2007

7. Although the line item for the Waiting List Incentive Scheme in 'MCZ-C' appears to indicate that Queensland Health has received \$2 million in funding from the Commonwealth each financial year since 1998/1999, it is my understanding that the Waiting List Incentive Scheme funding was a one off payment from the Commonwealth Government that the Queensland Government continued in subsequent years by providing the funding to allow it to continue.

8. To the best of my knowledge, Queensland Health has only ever received \$12.5 million from the Commonwealth to purchase additional elective surgery. Namely, \$10.5 million under the HBP in the 1995/1996 financial year and \$2 million under the Waiting List Incentive Scheme in the 1998/1999 financial year.
9. In 1997/1998 the Elective Surgery Program also utilised \$11.056 million of Commonwealth funding, \$8.3 million made available for early signing of the Medicare Agreement 1998-2003 and \$2.756 for undertaking day surgery initiatives.

Signed at Brisbane in the State of Queensland on 20 October 2005.



.....
Michael Carlo Zanco
Acting Team Leader of the Health Systems Development Unit of the Statewide
Health and Community Services Branch
Queensland Health