**STATUTES AMENDMENT AND REPEAL (INSTITUTE OF MEDICAL AND VETERINARY SCIENCE) BILL 2008**

**Legislative Assembly. 9 April 2008, pages 2925-8**

Second reading

**The Hon. J.D. HILL (Kaurna—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts):** I move:

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard*without my reading it.

Leave granted.

The Statutes Amendment and Repeal (Institute of Medical and Veterinary Science) Bill 2008 that is being introduced today is a continuation of this Government's commitment to improving health services for South Australians.

The Government announced its intention to establish a single statewide public pathology service called SA Pathology in September 2006. This was to be achieved by the establishment of a new public pathology service called SA Pathology which will include the functions of the three public pathology providers in South Australia.

These three providers are SouthPath, which operates as a division of the Flinders Medical Centre and is part of the Southern Adelaide Health Service and the Repatriation General Hospital, the Women's and Children's Hospital Division of Laboratory Medicine which operates as a division within the Children, Youth and Women's Health Service and the Institute of Medical and Veterinary Science (or IMVS as it is known) which is established under its own Act, the Institute of Medical and Veterinary Science Act 1982, (the IMVS Act). The IMVS is by far the largest and generally most recognised of the public pathology services in this State.

The Bill before the House will repeal the IMVS Act and enable an incorporated hospital created under the Health Care Act 2008, to continue to provide the pathology and other functions of these three services through SA Pathology, which will be a division of that incorporated hospital. It is our intention to enable CNAHS to be the host for SA Pathology.

The Bill proposes the establishment of new governance arrangements for public pathology services to ensure that these services can continue to respond to the increasing pressures on them into the future.

There are a number of factors that are placing increasing pressures on public pathology services and many of these are the same as those faced by our health system more generally. The consolidation of the three existing pathology services is therefore a key strategy to respond to these pressures.

In summary, these pressures arise from the increasing demand for diagnostic services, demand for new and high cost diagnostic technology, the need for increased quality testing, maximising the use of financial resources and future workforce shortages.

The increasing demand for diagnostic services arises from an increasing population and an increasingly older population associated with greater longevity often requiring more diagnostic services. Changing disease and illness patterns are adding to the demand on diagnostic services as are consumer expectations of these services.

To manage higher throughput of patients in hospitals will also require speedier diagnostic services and therefore a greater and more efficient level of these services. This will lead to more requirements for interpretative advice from clinical pathologists to guide laboratory testing and interpret results, increasing the demand on this workforce.

These are serious pressures which can be most comprehensively addressed with a systematic and coherent approach that is best provided by a single service, rather than through three more disparate services. The bringing of pathology services into a single service will provide a governance structure that will enable this systematic approach to be undertaken and ensure the continuation of high-quality pathology services for all South Australians.

The benefits of such a single service will mean that unnecessary duplication or overheads can be avoided. There can be better retention and recruitment opportunities for all staff and there will also be a greater capacity to respond to increasing demand and to address current and future workforce issues to ensure services can respond to new diagnostic technologies.

The need for increasing teaching and training capacities also arises from the need to ensure pathologists have the requisite skills not only as part of their training, but increasingly as part of the continuing professional development for specialist registration and hospital credentialing. Accreditation requires these members of staff to develop new skills and maintain existing ones such that pathologists and senior scientists will increasingly be expected to be major providers of training for the disciplines of pathology and meet the education requirements for medical students and postgraduate medical trainees in various specialties and other healthcare workers.

The establishment of a single statewide public pathology service will allow for better strategic planning in this area that is linked to South Australia's overall health strategies and considers all elements of pathology services. That is, diagnostic, clinical, research and teaching and training.

The IMVS has, over the period of its existence established considerable commercial interests to exploit the outcomes of its research. It has primarily undertaken this through Medvet Sciences, a company formed by the IMVS to undertake these activities. The Bill ensures that the commercial and research interests of the IMVS and Medvet can be maintained along with the significant commercial and research status, credibility and goodwill attached to these names. It is intended that the names of both IMVS and Medvet will be maintained as appropriate, to ensure that the status associated with the names is not lost.

The Bill ensures that as part of the transfer of real property, assets, rights and liabilities, all existing contracts and agreements can be honoured with no loss for any parties associated with these as a result of the repeal of the IMVS Act and the transfer of the functions to an incorporated hospital. The Chief Executive Officer of Central Northern Adelaide Health Service will be responsible for these and any future contracts and agreements. The Government announced that the Executive Director of SA Pathology will be Associate Professor Ruth Salom. Associate Professor Salom will be responsible for the management of the pathology services and will report to the Chief Executive Officer of Central Northern Adelaide Health Service.

The Bill also allows for some assets, rights and liabilities to be transferred by the Minister to another body once the proposed Act comes into effect. The assets, rights and liabilities include all contracts, agreements, shares, property, rights, liabilities and any interests in these. The asset transfer is a highly complex process and the provisions will ensure that the transfer process can be as smooth as possible and meet the interests of the parties involved.

The Bill ensures that staff employed by the IMVS and transferred to Central Northern Adelaide Health Service do not lose any entitlements. For these staff there will be a particular advantage since, by becoming part of an incorporated hospital, they will be able to access the Fringe Benefit Tax entitlement currently valued at $17,000. This entitlement can be a considerable attraction to retain and recruit staff.

To be eligible for the Medicare payments for pathology services for private patients the Commonwealth's Health Insurance Act 1973 requires there be an Approved Pathology Authority responsible for the pathology services. It also requires, amongst other things, that the Approved Pathology Authority employ the laboratory and collection centre staff and for pathology services to be rendered by or on behalf of Approved Pathology Practitioners. The Approved Pathology Authority must also have effective control or exclusive use of the premises and equipment in the laboratory. The Department of Health is awaiting a decision from the Commonwealth to determine whether the Chief Executive of the Department of Health or the Chief Executive Officer of Central Northern Adelaide Health Service can be the Approved Pathology Authority. The Bill ensures that the Department is able to comply with the Commonwealth's decision and meet the requirements of the Health Insurance Act.

In addition to the pathology services that the IMVS provides for public and private patients, it is also obliged under its Act to provide and maintain services and facilities for the Minister of Agriculture in relation to veterinary laboratory services, services to veterinary surgeons in private practice, the conduct of research in the field of veterinary science and any other veterinary services provided by the Department of Agriculture.

This provision was made for the very practical reason that the skills and equipment required to do this work for people are very similar to that required for animals and it would not be cost effective for the times required by the Minister for Agriculture for that Minister to establish and maintain the laboratory equipment and staff that may be required as part of the Minister's portfolio responsibilities.

However, because these services are to be undertaken by an incorporated hospital under the recently assented to Health Care Act 2008, it will be necessary for this Bill to amend the Health Care Act to ensure that these functions can be continued by the incorporated hospital through SA Pathology.

At the time of the drafting and passage through the Parliament of the then Health Care Bill, the Department was still undertaking an extensive due diligence process associated with the repeal of the IMVS Act and it was not desirable to delay the passage of the then Health Care Bill through the Parliament to include the required clauses.

The amendments to the Health Care Act made by this Bill are those necessary to ensure the functions, including the veterinary pathology, research, training and commercialisation functions that the IMVS is able to undertake under the IMVS Act, can be continued by Central Northern Adelaide Health Service.

The Bill makes amendments to ensure that the long title, objectives and definition of a health service in the Health Care Act can encompass the relevant functions currently carried out by the IMVS which are to become part of the Health Care Act.

It makes amendments to ensure the Minister and the Chief Executive have the necessary functions consistent with the amended objective and to specifically enable an incorporated hospital to carry out the relevant functions that were previously undertaken by the IMVS.

In summary, the Bill before the House is very straightforward. It repeals the IMVS Act and enables the transfer of assets, rights and liabilities and where it applies, real property, to an incorporated hospital which as stated above, is to be Central Northern Adelaide Health Service.

As a consequence of the transfer of functions, it makes necessary amendments to the Health Care Act 2008 so that Central Northern Adelaide Health Service can properly undertake these functions and in particular, the veterinary functions that currently exist under the IMVS Act and ensures that that there are powers and functions relevant to these for the Minister and the Chief Executive and that the requirements under the Commonwealth Health Insurance Act in relation to pathology services can continue to be met.

As part of the proposal for the development of the single pathology service, extensive stakeholder consultation was undertaken including the universities, TAFE colleges, professional associations, unions, health service management and the pathology providers. In summary, these stakeholders identified as key to the successful establishment of the service the need to ensure:

The maintenance of high-quality seamless service delivery throughout the state including co-ordination between the pathology service and the rest of the health system.

Ensuring the linkages between clinical, diagnostic, research, teaching and training work are maintained within pathology services and with the health services generally, including private practitioners.

Maintaining linkages with research functions and other collaborative efforts with Universities as well as enhancing the attractiveness and protection of teaching and training roles including with Universities.

Protection of the recognised brand names for private and commercial work and maintaining flexibility to respond to competitor actions.

Attracting and retaining of pathologist and scientific staff in face of increasing worldwide workforce shortages.

Ensuring there are no adverse affects on employee remuneration, in particular, the ability to salary sacrifice.

Having a single point of accountability for statewide service delivery.

The Bill before the House ensures that these concerns of the stakeholders have been addressed through its transitional provisions and through the amendments it makes to the Health Care Act. The Department of Health will also establish the necessary policies, protocols and delegations in consultation with the relevant stakeholders to ensure that there is a smooth as possible transition of the services to Central Northern Adelaide Health Service and SA Pathology.

The Statutes Amendment and Repeal (Institute of Medical and Veterinary Science) Bill 2008 will provide for a better and more efficient public pathology service for South Australians into the future.

I commend the Bill to Members.