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# **Public Accounts and Estimates Committee**

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## **Budget Estimates Hearings Health Portfolio 2013-14**

Minister for Health, Hon. David Davis MP

# Context

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- Responsible decisions in a challenging fiscal environment
- Concern over Commonwealth funding and decisions
- Committed to maintaining our AAA credit rating

2013-14 Budget will provide \$14.3 billion spending in health and ageing services

# Responsible Management

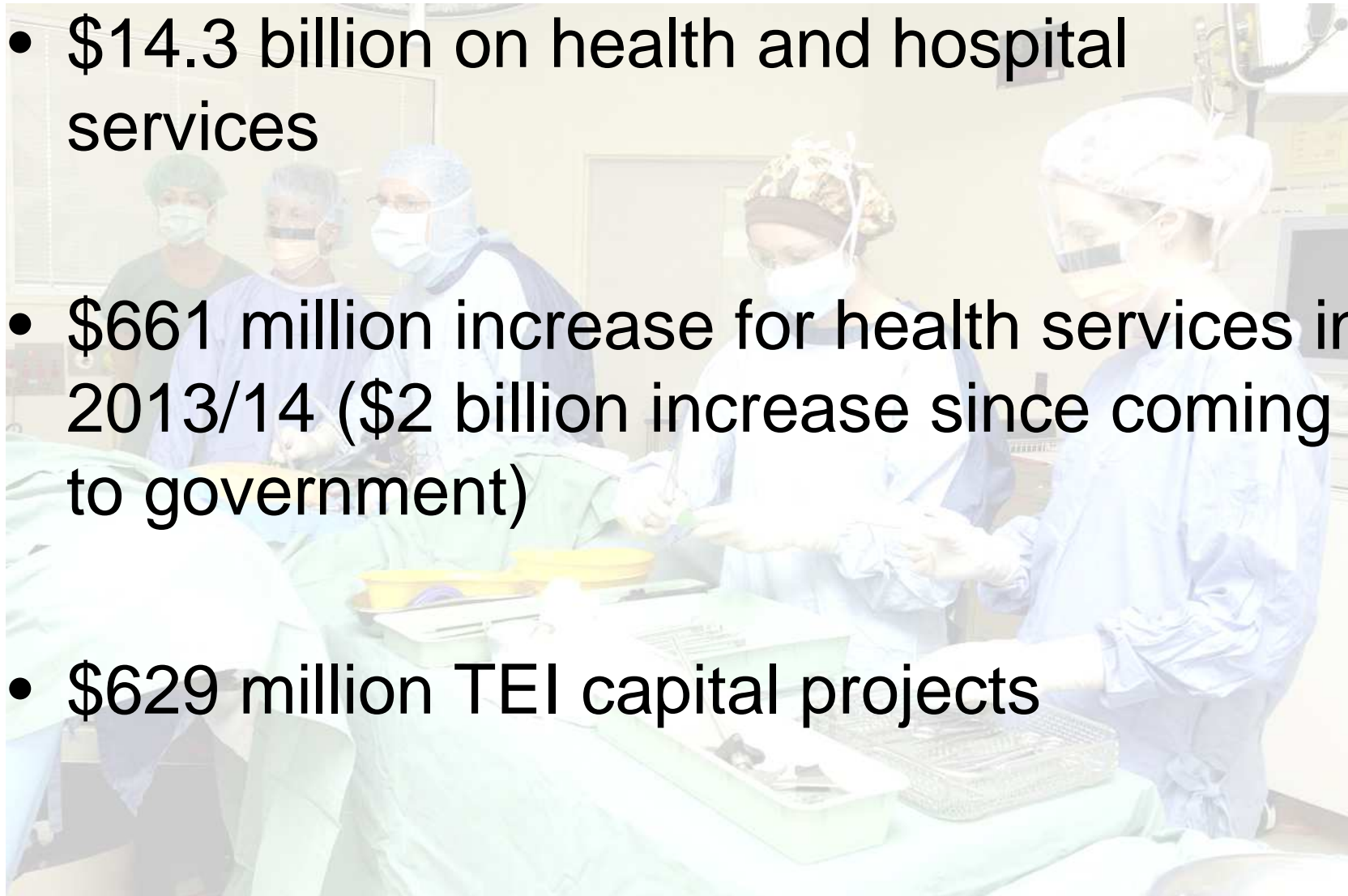
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- Victorian hospitals are efficient – Lowest cost per separation in Australia
- This means Victoria's health dollar goes further
- Investing in continued innovation and improvement to enable
  - service quality improvements
  - further efficiencies to ensure every possible dollar is directed to improving Victorian's health

# 2013-14 Health Budget Highlights

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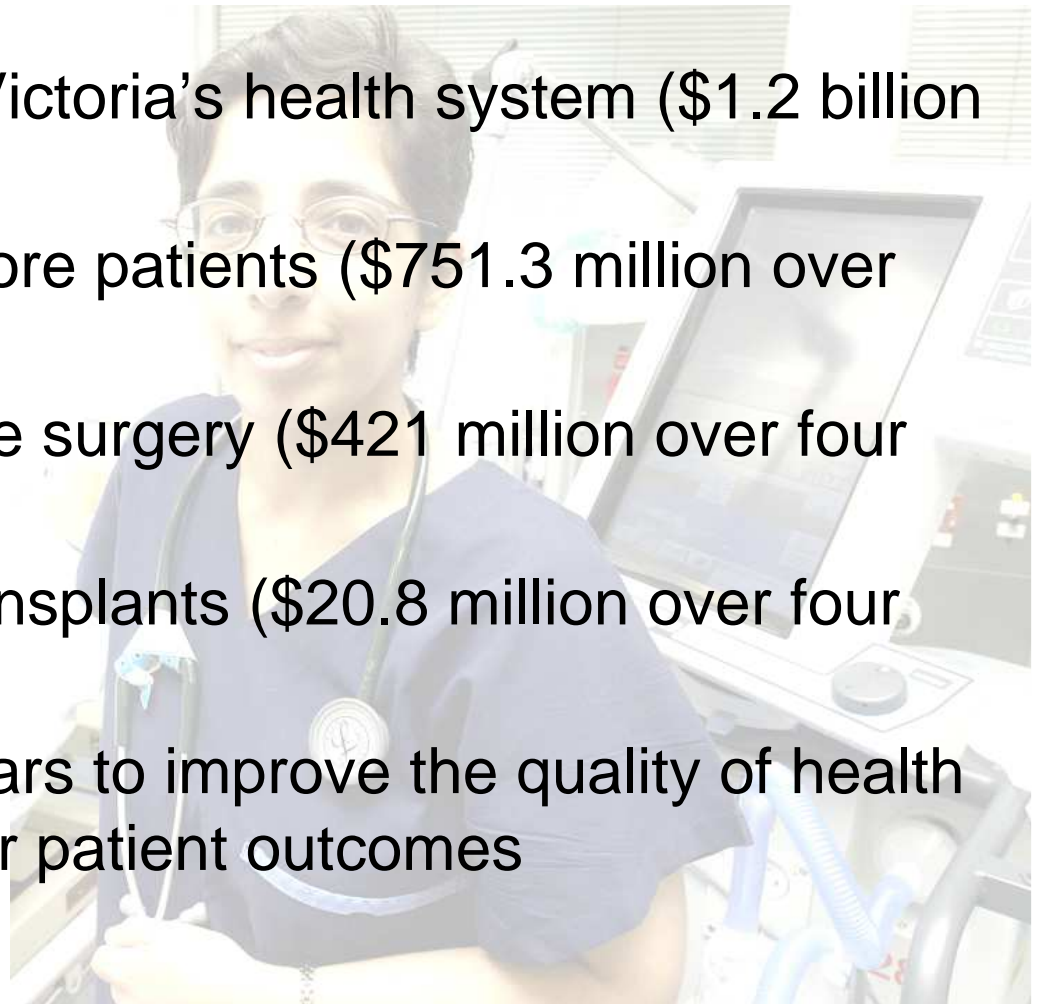
- \$14.3 billion on health and hospital services
- \$661 million increase for health services in 2013/14 (\$2 billion increase since coming to government)
- \$629 million TEI capital projects



# Hospital services – Acute Health Services

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- \$504 million increase in 2013-14 (\$1.45 billion since coming to government)
- \$282.6 million to secure Victoria's health system (\$1.2 billion over 4 years)
  - \$176 million to treat more patients (\$751.3 million over four years)
  - \$101 million for elective surgery (\$421 million over four years)
  - \$5 million for organ transplants (\$20.8 million over four years)
- \$26.6 million over four years to improve the quality of health services and deliver better patient outcomes



# Health Workforce

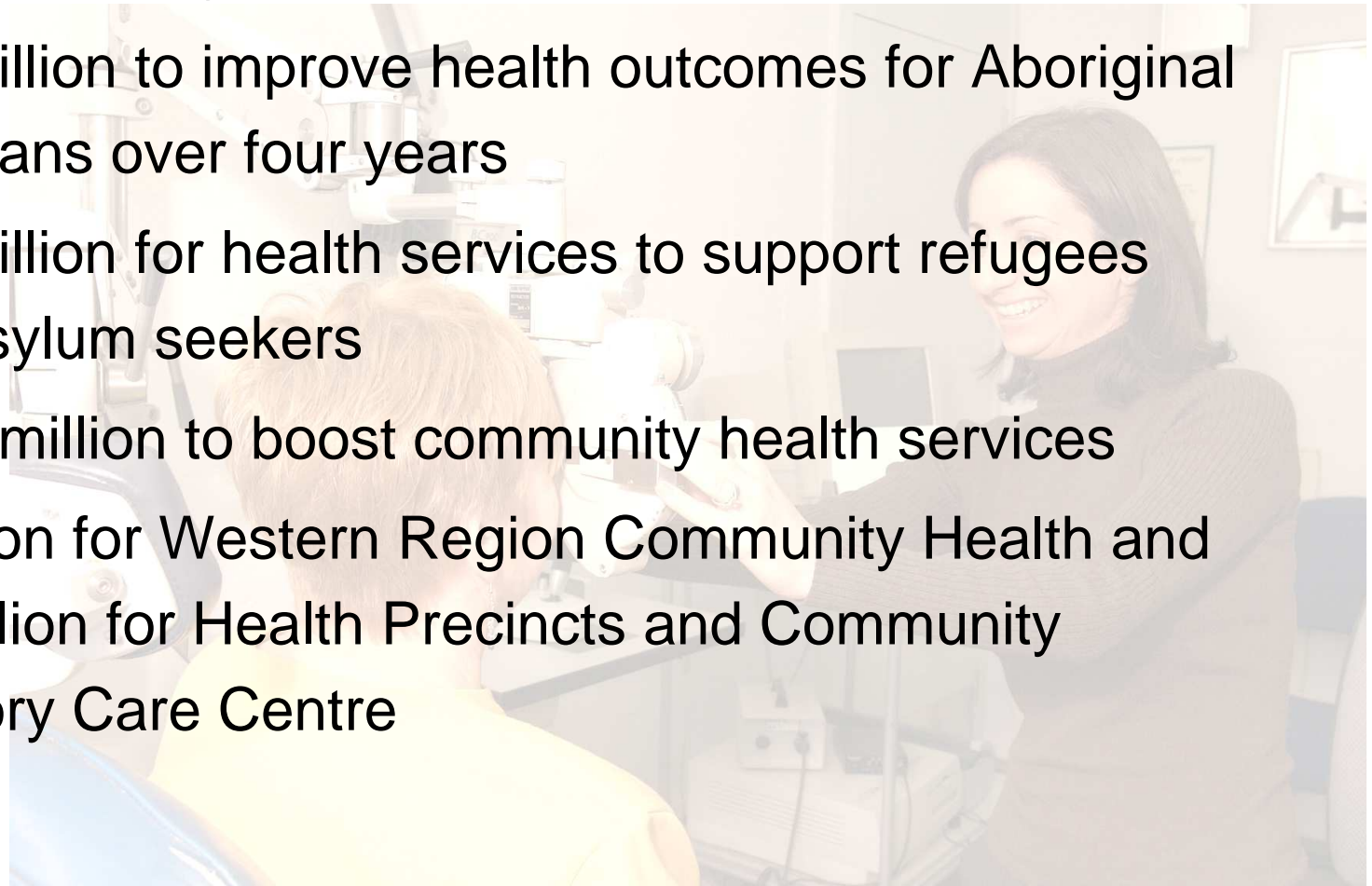
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- \$238.3 million over four years to train the future health workforce
- \$194 million for clinical placements days for undergraduate students
  - 45% increase in funding compared to the previous government
  - 200,000 additional training days
- \$42 million for postgraduate positions
  - 860 additional doctors and nurses in training
- \$3 million to train an additional 24 rural generalists.

# Community Health

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- \$24.9 million increases for community health services in 2013-14 including:
  - \$62 million to improve health outcomes for Aboriginal Victorians over four years
  - \$22 million for health services to support refugees and asylum seekers
  - \$12.5 million to boost community health services
- \$9.7 million for Western Region Community Health and \$18.2 million for Health Precincts and Community Ambulatory Care Centre

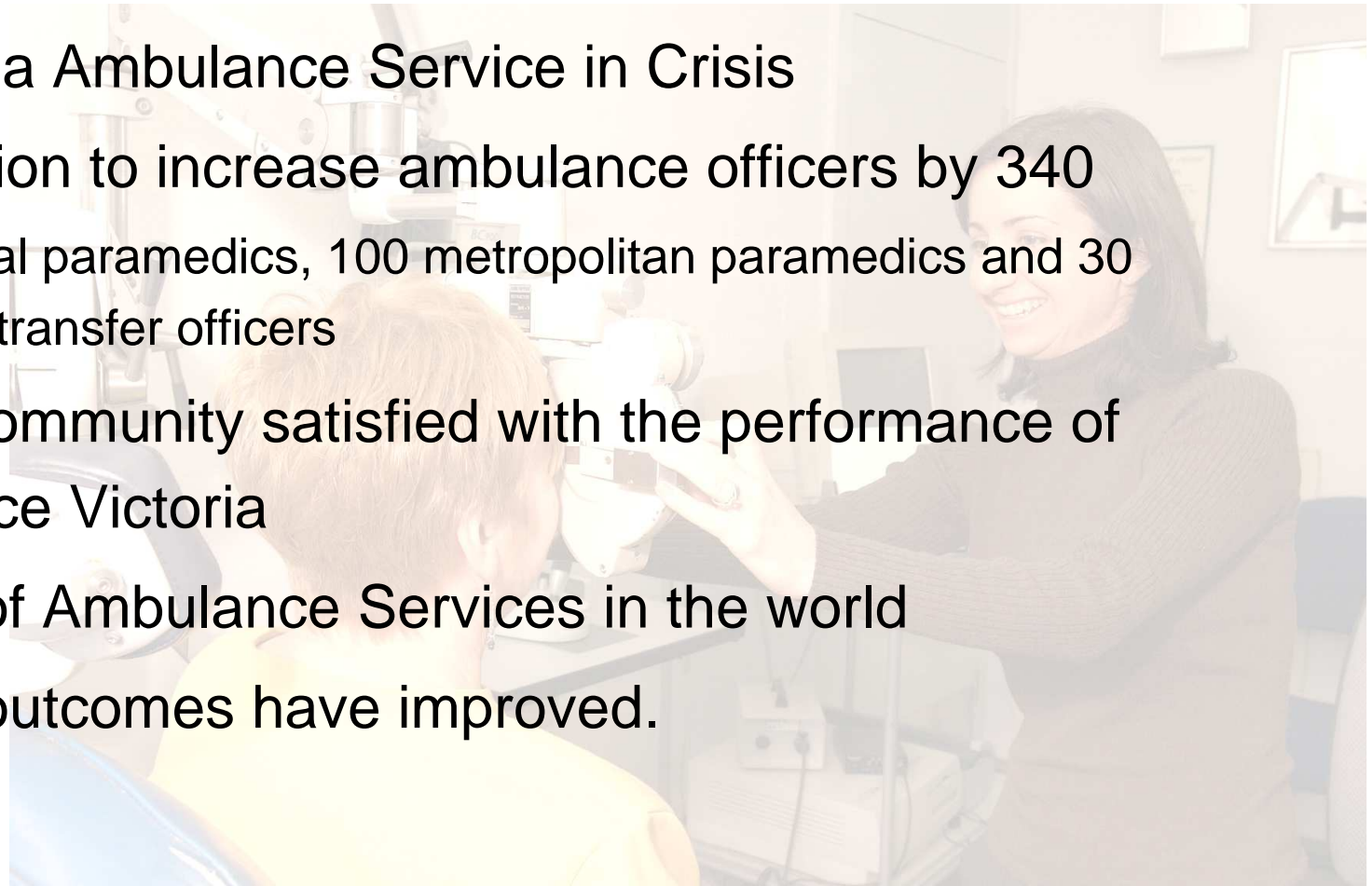




# Ambulance Services

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- 17.2% increase in ambulance funding since coming to government (\$98.2 million)
- Inherited a Ambulance Service in Crisis
- \$151 million to increase ambulance officers by 340
  - 210 rural paramedics, 100 metropolitan paramedics and 30 patient transfer officers
- 97% of community satisfied with the performance of Ambulance Victoria
- Top 4% of Ambulance Services in the world
- Cardiac outcomes have improved.





# Challenges

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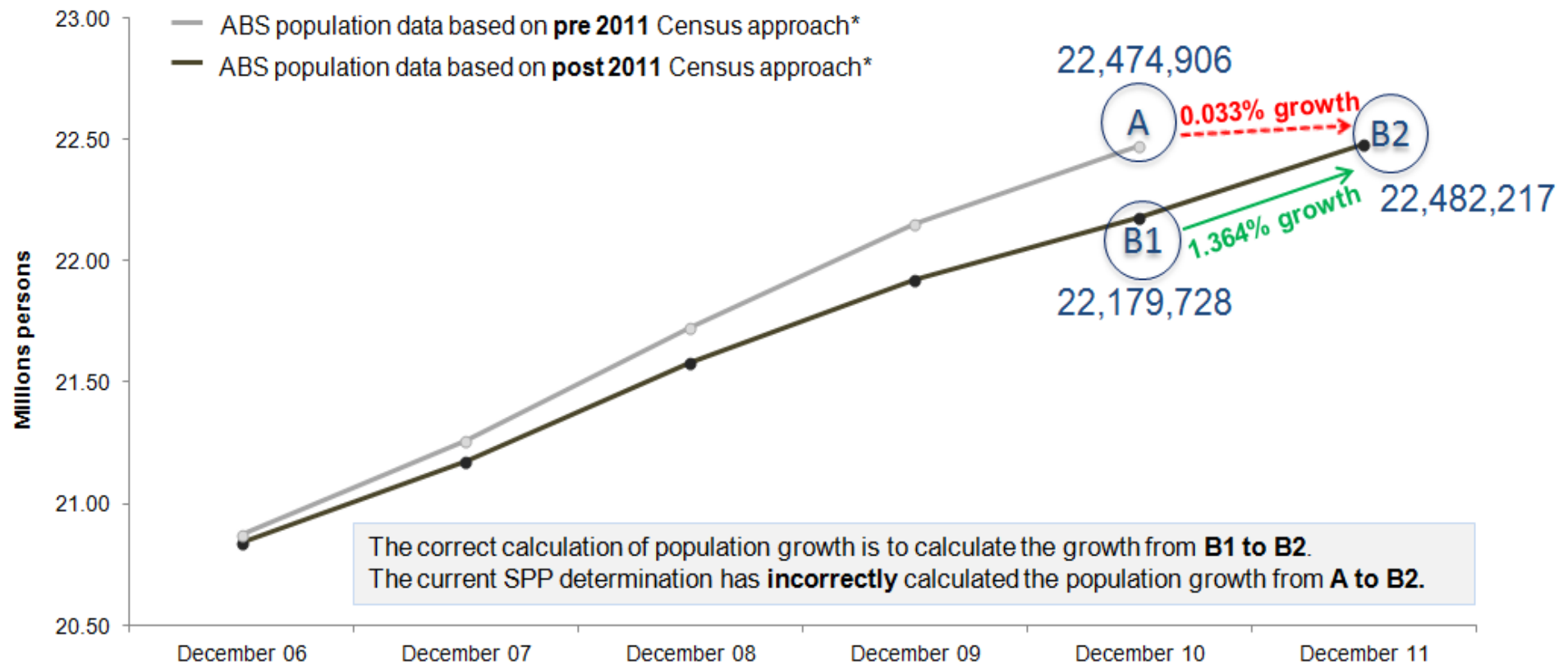
- **Victorian Health Priorities Framework 2012-22 outlines challenges facing the health system and provides for a planned response**
  - Demand pressures include: Population growth, Ageing population High utilisation rates
- Commonwealth uncertainties and decisions

# Commonwealth Impacts

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- **Commonwealth retrospective funding cut**
  - \$107m cut during mid way through 2012-13 year
  - Promise to restore was slow to be fulfilled, still feeling the ramifications
  - The full cut remains through the forward estimates (\$368m to 2015-16).
- **Lapsing Commonwealth NPAs**
  - Lack of determination by Commonwealth regarding expiring NPAs
  - Hospital and health workforce reform
  - Closing the Gap in Indigenous Health Outcomes – no word yet on if the Commonwealth will match Victoria's commitment

# Understated population growth used by Commonwealth



Note: All population figures exclude Other Territories

## Sources

**A** – ABS data published 30/9/11 in Commonwealth Government Final Budget Outcome 2010-11 [Link](#) (Table 32)

**B1** – ABS data released on 20/06/12 [Link](#) (Table 4)

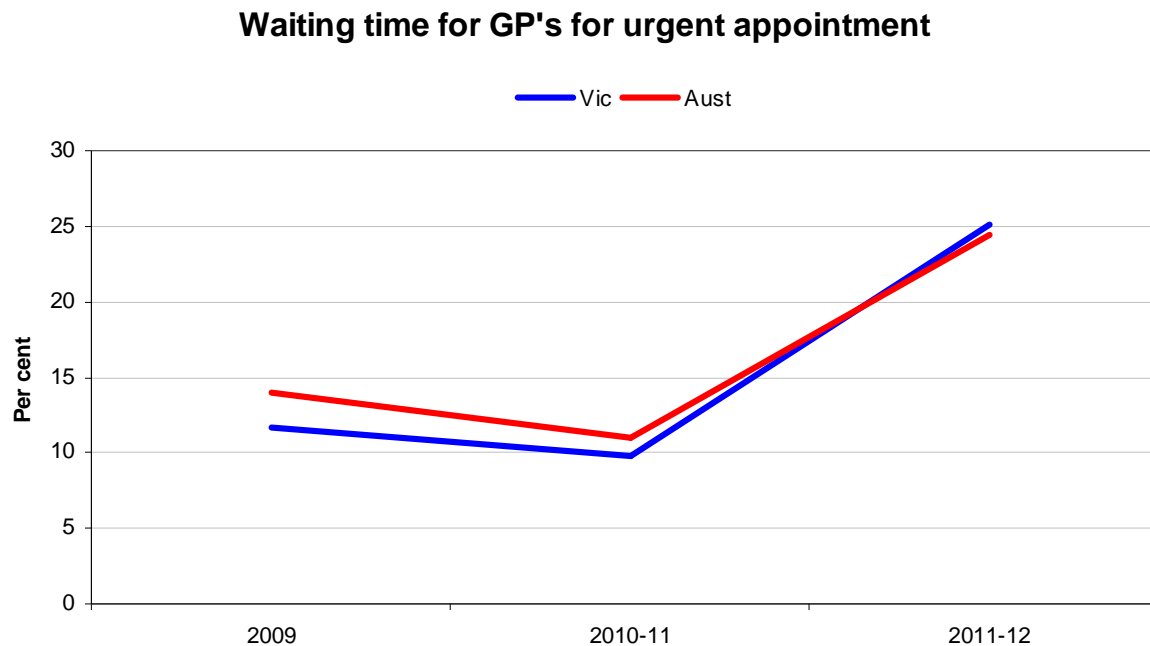
**B2** – ABS data published 24/9/12 in Commonwealth Government Final Budget Outcome 2011-12 [Link](#) (Table 33)

\* Explanation of the ABS pre and post 2011 Census approach [Link](#)

# Indicators of Commonwealth Performance

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- In 2011-12, 24.4% of people were unable to see a GP for an urgent appointment within 24 hours.



# Expiring National Agreements

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National Partnership Agreement (NPA)	Funding to Victoria	Expiry Date
NPA on Hospital and Health Workforce Reform	\$475.4 million over 5 years	30 June 2013
NPA on Closing the Gap in Indigenous Health Outcomes	<i>Commonwealth funding provided directly to funded agencies</i>	30 June 2013
Victorian Cytology Service Implementation Plan (Health Services NPA)	\$30.1 million over 4 years	30 June 2013
National Perinatal Depression Initiative (Health Services NPA)	\$5.8 million over 3 years	30 June 2013
Vaccine Preventable Diseases Surveillance Program (Health Services NPA)	\$0.6 million over 3 years	30 June 2013
NPA on Improving Public Hospital Services	\$723.1 million over 5 years ( <i>excluding \$99.2 million in potential reward funding</i> )	30 June 2014 ( <i>facilitation and project funding ends, potential reward funding available until 2016-17</i> )

# Commonwealth Impacts

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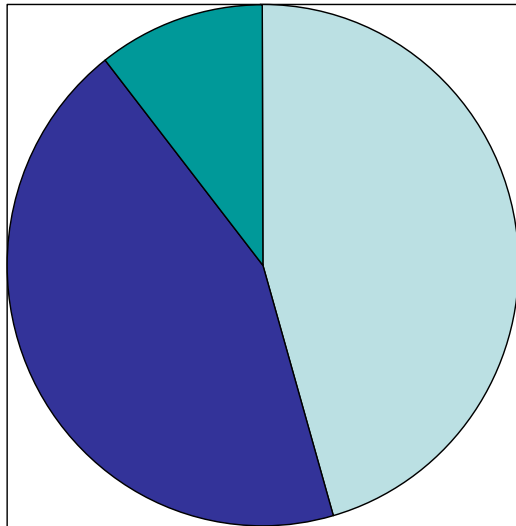
- **Carbon Tax impost** - \$6.7 million for first six months of 2013/14
- **Other risks from Commonwealth action**
  - Funding uncertainty – esp. for IPHS
  - Health ‘deal’ implementation costs, burdens, bodies
  - Private Health insurance cuts

# Commonwealth funding

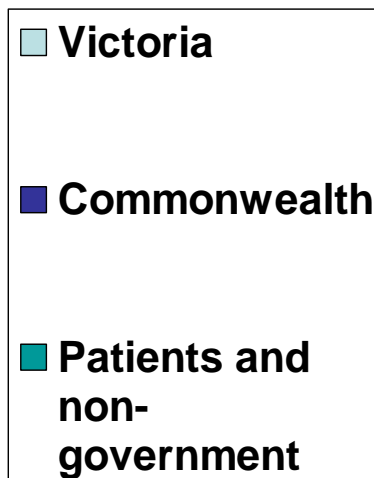
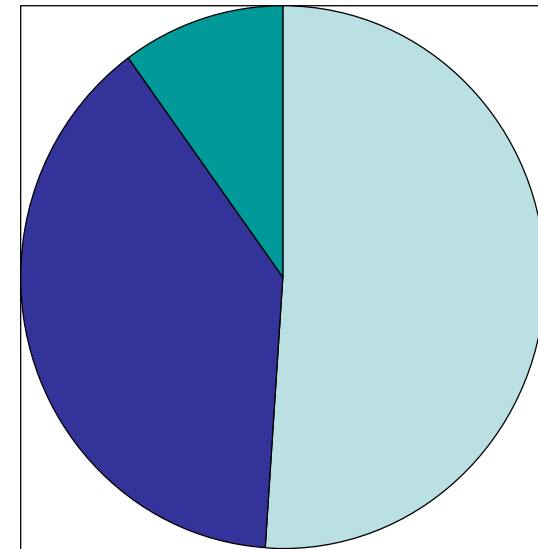
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- **Commonwealth share of funding for public hospital services has been decreasing**
  - From 44.0% in 2008-09 to 39.1% in 2010-11

**2008-09**



**2010-11**





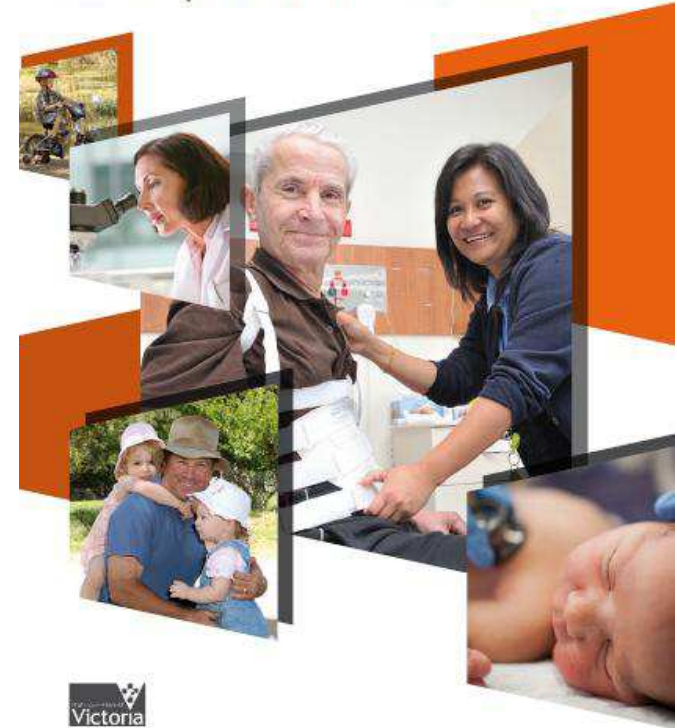
# Planned Response

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- **Victorian Health Priorities Framework 2012-22 provides for a planned response**

- Responding to demand
- Enabling innovation to improve efficiency and service quality
- Improving population health and reducing risks
- intervening early and providing care within our communities
- Supporting our health workforce into the future

Victorian Health Priorities  
Framework 2012-2022:  
Metropolitan Health Plan



# Building Bigger and Better for Victoria

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- Capital investments with a \$629 million TEI
- Overall more than \$4.2 billion investment in health infrastructure and capital projects
- Created more than 10,000 jobs

# Numurkah

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Community Health Centre Annexe



Special Care Suite – Acute Ward

# Bendigo Hospital

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# Monash Children's Hospital

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# Box Hill Hospital

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# Victorian Comprehensive Cancer Centre

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