

# Public Accounts and Estimates Committee presentation Health Budget 2007-08



**Hon Bronwyn Pike MP**  
Minister for Health

8 May 2007

# Overview

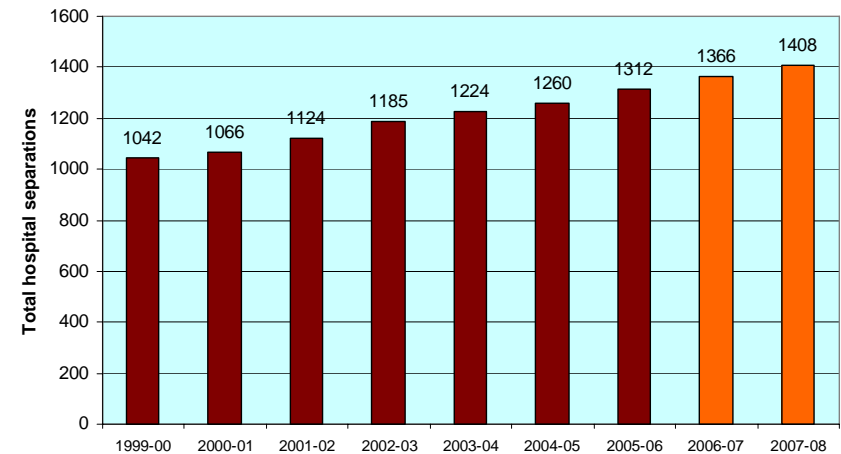
- Challenges
- Responses
- The 2007-08 budget – implementing the Government's commitments and continuing the investment in world class health care



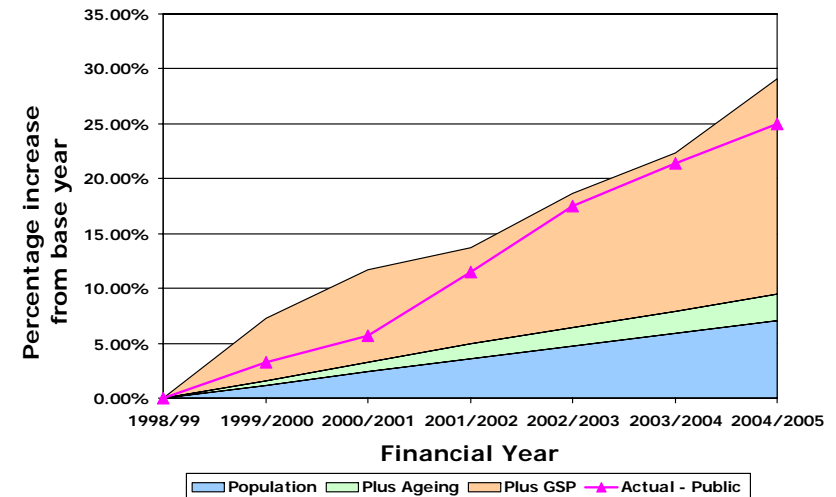
# Demand challenges

- Growth in demand a constant for health planners worldwide
  - in 2007-08 hospitals will admit over 360,000 more patients than in 1999-2000
- Driven by Victoria's above-average population growth (1.4% p.a) and demographics as well as medical advances

Total patients admitted to Victorian public hospitals



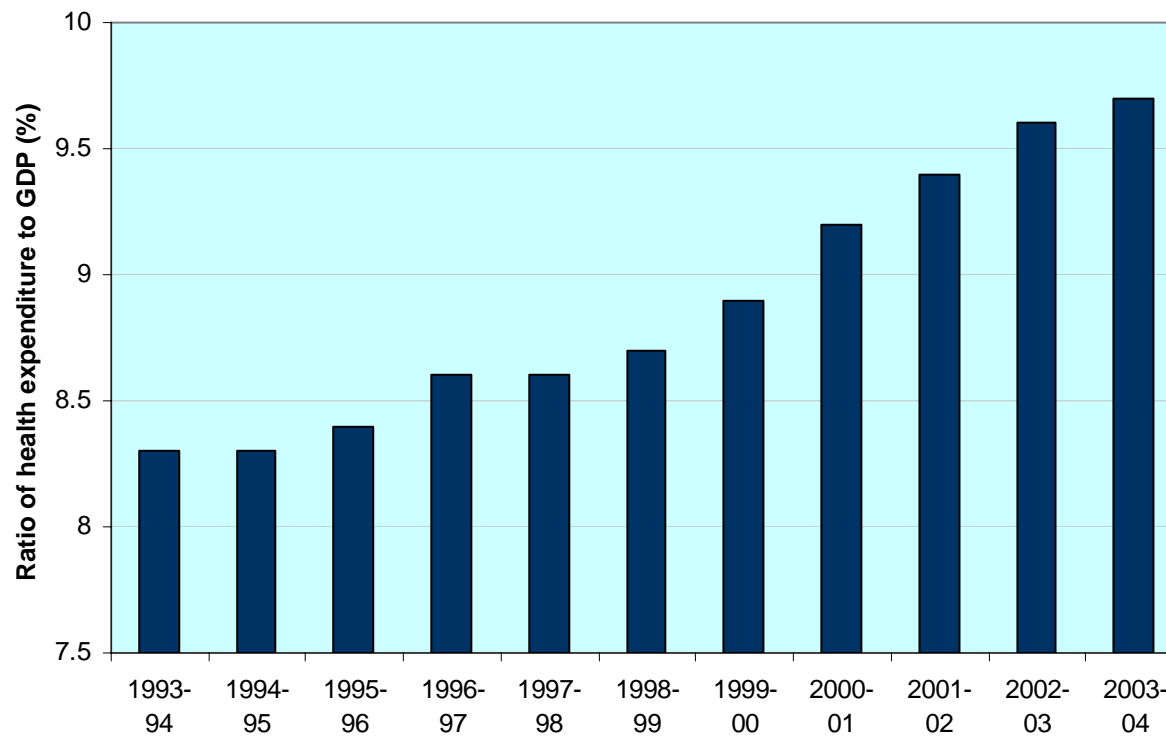
Composition of growth in demand for hospital services



# Sustainability challenges

- World class health care is costly...absorbs more of national output each year

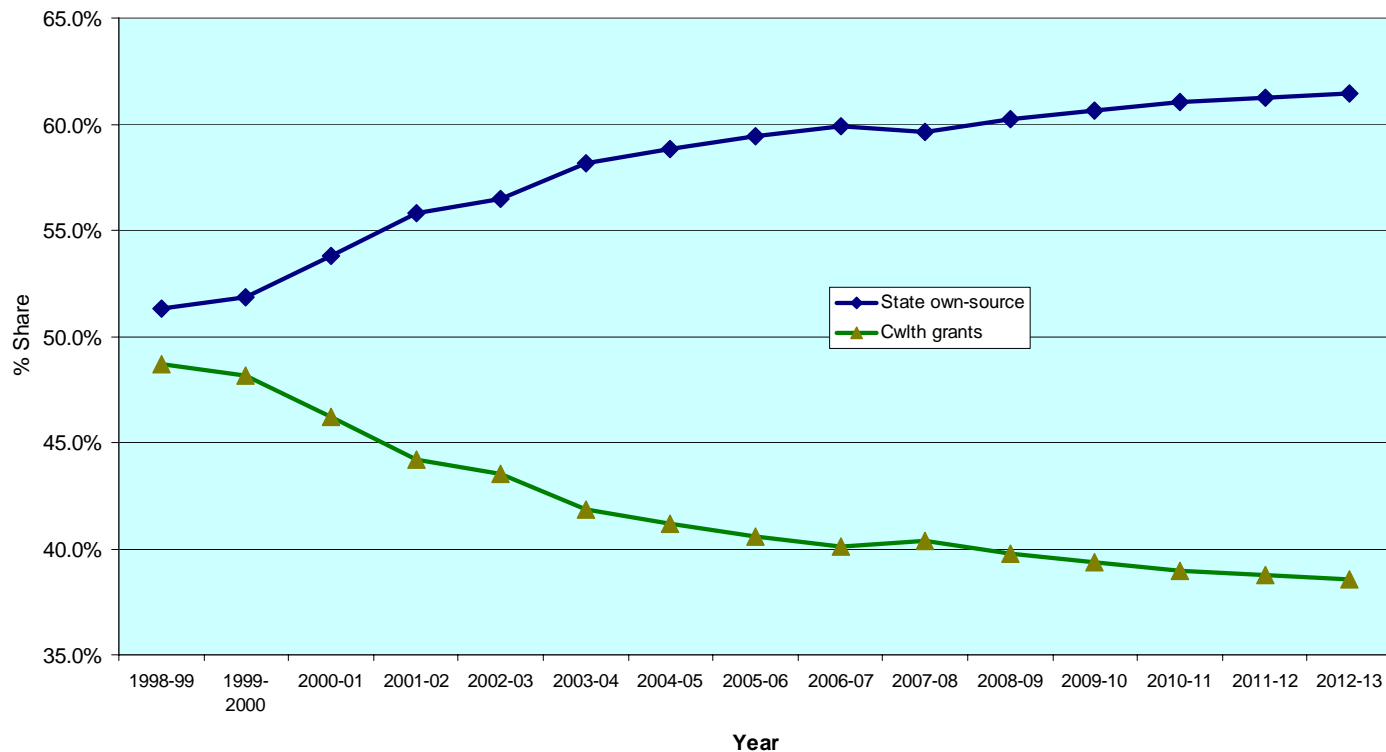
Ratio of health expenditure to GDP, Australia 1993-94 to 2003-04



# Commonwealth-State financing challenges

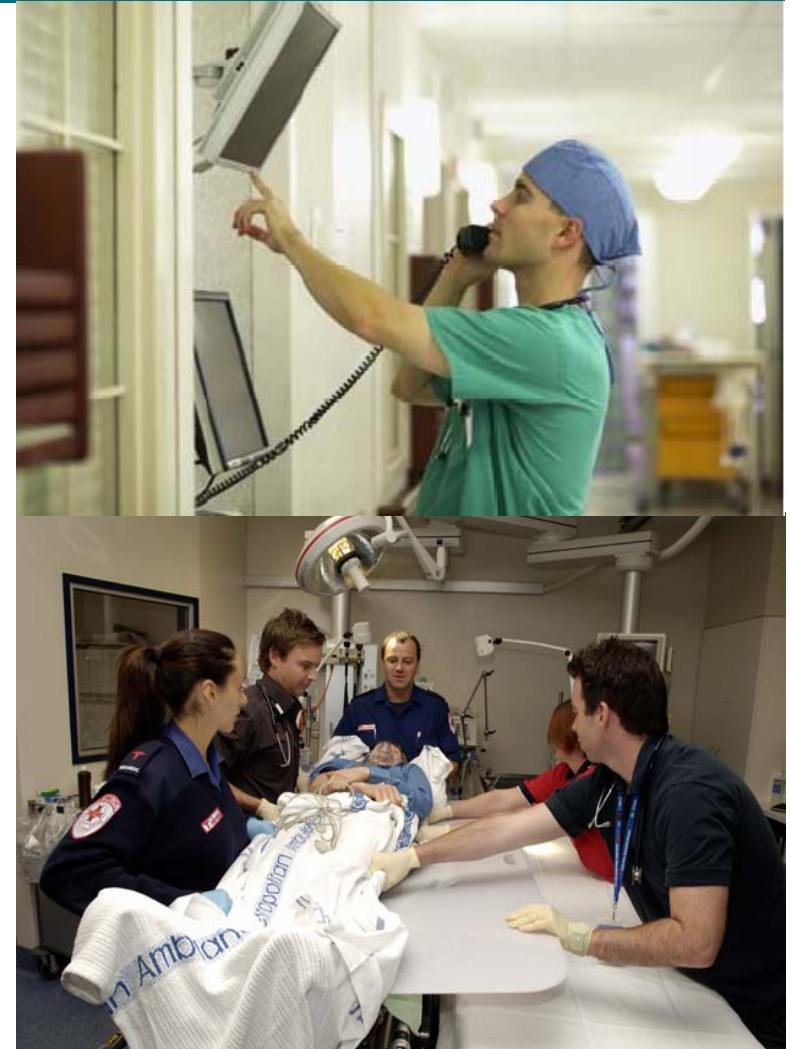
- Commonwealth continuing to reduce its funding contribution to Victoria's hospitals

Public hospital recurrent funding: Commonwealth & Vic shares



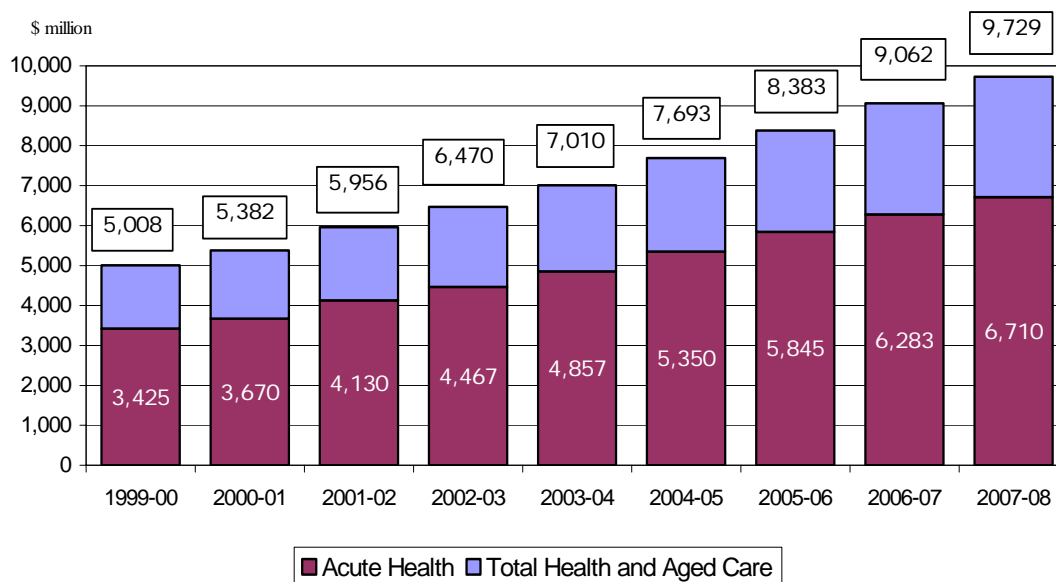
# Workforce challenges

- Workforce shortages across most health disciplines
  - Workforce ageing
  - Reduced average working hours
  - Increased private sector competition
  - Commonwealth controls training places
- Training expensive, long lead times
- Workforce models reflect traditional practices and professional cultures



# Our response...investing State resources

Health and Aged Care Budget Growth 1999-00 to 2007-08



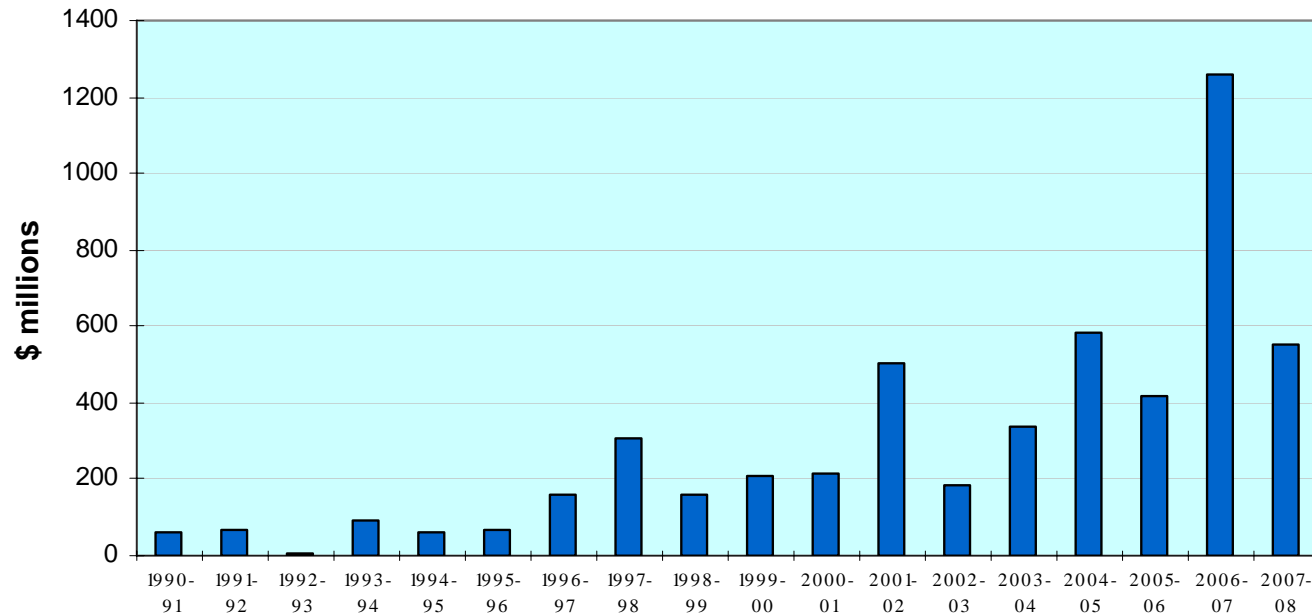
94% increase in total Health and Aged Care Budget since 1999-2000

96% increase in Acute Health Budget since 1999-2000

Note: Acute Health totals from 2004-05 include the hospital component of Small Rural Services funding

# ...building and renewing infrastructure...

**Asset Investment in Health and Aged Care Facilities,  
1990-91 to 2007-08**





# ...service innovation and reform...

- Over 40 service innovations implemented...

- **Keeping People Well**

- Go For Your Life!
- Nurse on Call
- Tobacco Strategy
- Health Communications
- Better Health Channel

- **At Risk/Lower Acuity Patients**

- Super Clinics
- Care in Your Community
- PCPs
- HARP
- Diabetes management
- ICS/RICS Cancer Services

- **Higher Acuity Patients**

- GP co-located clinics
- Alternative ED care models
- ESAS – elective escalation models
- Private sector elective diversion
- Hospital in the Home
- Interim care roll-out

- **Critical Enablers**

- Casemix funding system
- Workforce: Better Skills Best Care
- HealthSMART
- Governance reform

# Achieving results...improving elective access

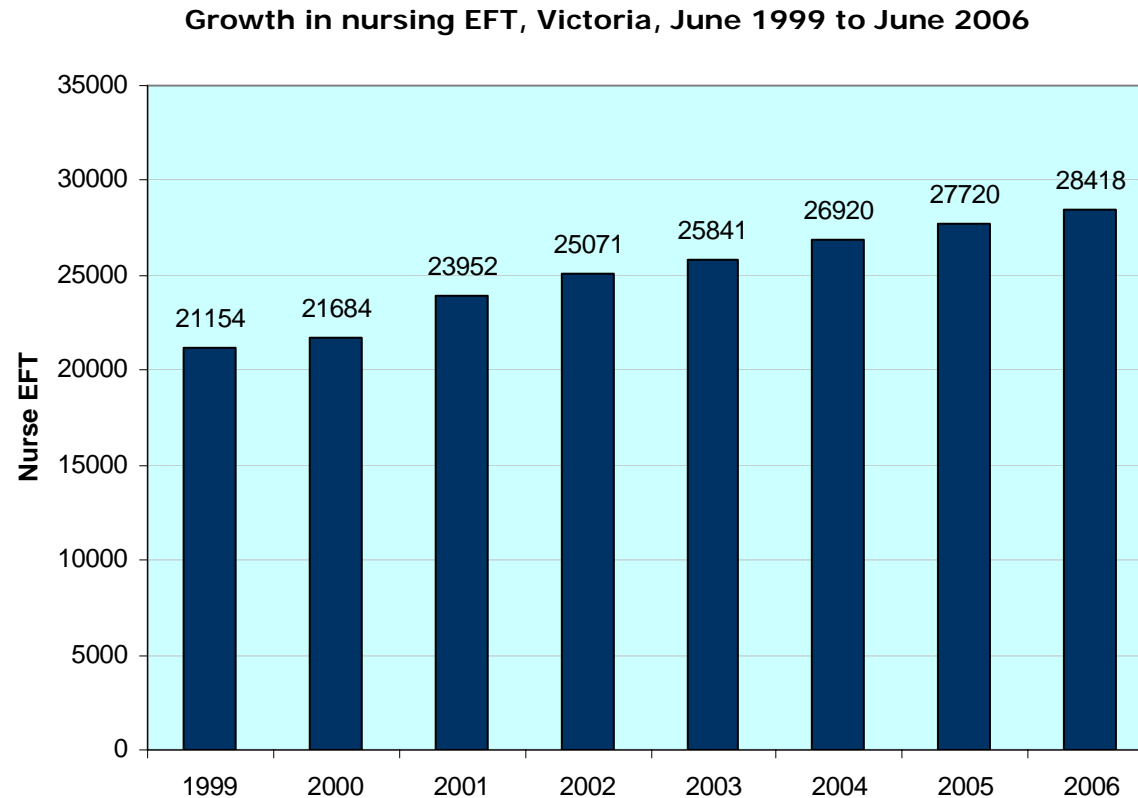
- Waiting lists for admission to hospital are declining in both nominal and relative terms

Trend in total hospital admissions growth and decline in the waiting list, 1999-2000 to 2005-06



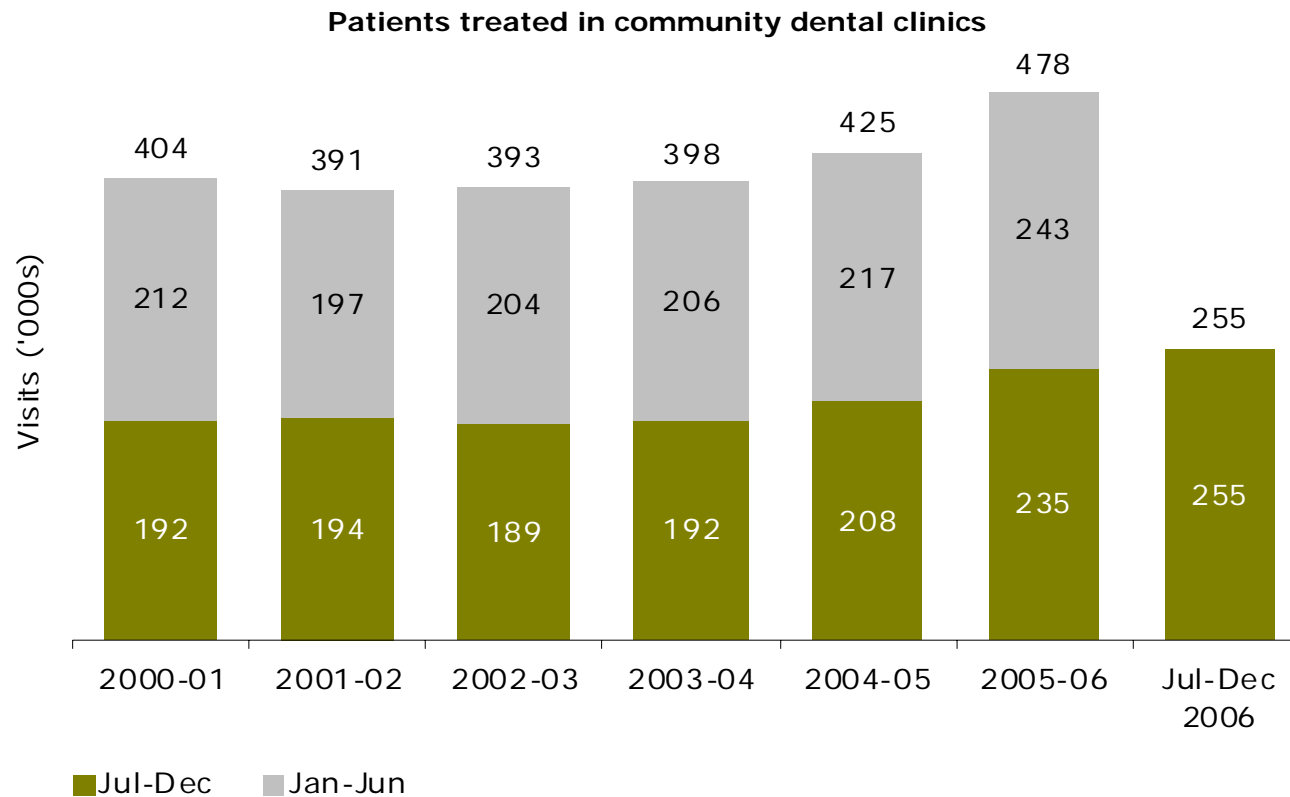
# ...building the workforce...

- 34% increase in nurses since June 1999 (more than 7,200)



# ...improving access to dental care...

- 20% increase in patients treated since 2003-04



# More remains to be done - continuing the investment in world class health care

- New output initiatives for hospitals

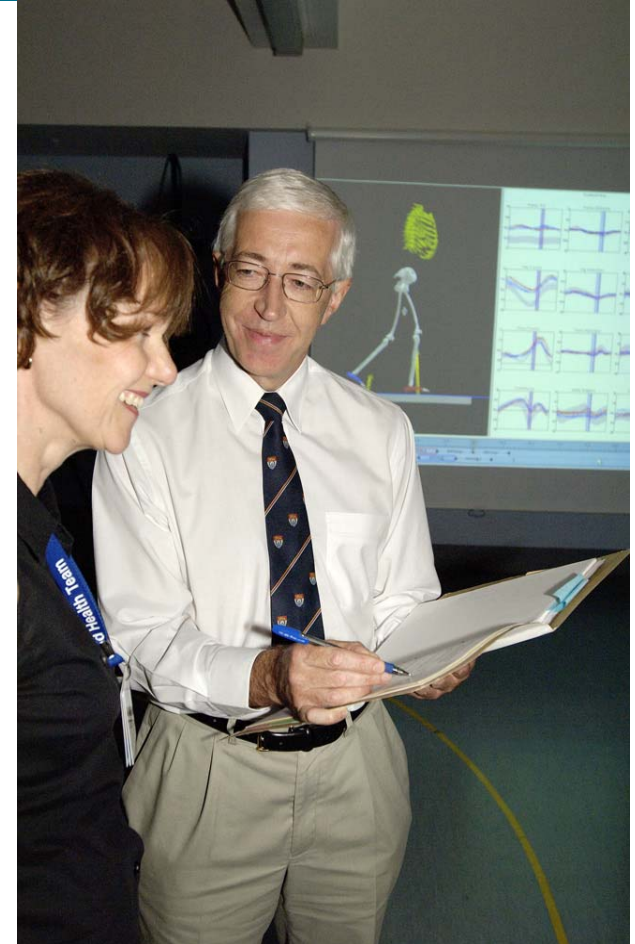
–\$239.8m in 2007-08 to:

- Assist hospitals to meet rising costs (\$66.2m)
- Improve emergency and critical care services (\$59.5m)
- Treat more elective surgery patients sooner (\$49.5m)
- Expand hospital capacity including day hospitals, maternity and other essential services (eg radiotherapy) and other alternatives to inpatient care (\$50.4m)
- Improve outpatient services (\$5m)
- Other service enhancements (\$9.2m) including bowel cancer screening, Nurse-on-call, home support services for children, continuing rural initiatives.



# Strengthening the health workforce

- \$16.3m in 2007-08 (\$74.1 m over four years) to continue to build and strengthen the health workforce
  - COAG Health Workforce Reform (\$6.5m)
  - Better Skills, Best Care (\$1.65m)
  - Strengthening the Rural Workforce (\$8.1m) including
    - Increasing on-call capacity in rural emergency departments
    - Continue Rural Workforce Program
    - More rural obstetrics training



# Investing in health infrastructure

- Asset initiatives
  - \$157.7m TEI for metropolitan hospital planning and redevelopment including:
    - Frankston Hospital Redevelopment Stage 2 - \$45m
    - Western Hospital (Footscray) Redevelopment - \$24.8m
    - Sunshine Hospital Expansion and Redevelopment Stage 1 - \$20m
    - Royal Melbourne Hospital Brickwork Rectification- \$16m
    - Peninsula Community Health Service (Hastings) Redevelopment - \$13m
    - Northern Hospital Short Stay Unit - \$11.9m
    - Other projects totalling \$27m



# Investing in health infrastructure (cont)

- Asset initiatives

- \$47m for rural and regional hospital planning and redevelopment including:
  - Stawell Health and Community Centre Redevelopment - \$20m
  - Warrnambool Hospital Redevelopment Stage 1 - \$16m
- \$240.5m for other health investments including:
  - Medical Equipment Replacement Program - \$145m
  - Statewide Infrastructure Renewal Program - \$80m





# Investing in new ambulance services

- **Output initiatives**
  - \$4.9m in 2007-08 (\$22.4m over four years)
    - New or additional ambulance services across five metropolitan and two rural locations
- **Asset initiatives**
  - \$7.4m for construction and refurbishment of ten rural stations
  - \$2.6m for additional vehicles, Peak Period Units and refurbishments at high priority metropolitan stations
  - \$8.3m for construction of new Air ambulance Fixed Wing facilities at Essendon Airport



# Improving oral health outcomes

- Output initiatives
  - \$3.0m in 2007-08 to:
    - Extend fluoridation (\$1.5m)
    - Establish a new dental school (\$1.5m)
    - Additional dental initiatives for seniors in Community Services portfolio
      - Provide additional dentures to disadvantaged older Victorians (\$1.3m)
      - Improve access to dental services in Supported Residential Services (\$400,000)



# 'Go for your life'

- \$3.7m in 2007-08 (\$19.4m over four years) including
  - *Life!* Lifestyle change program to prevent the development of chronic disease
- Part of wider whole-of-government Go For Your Life strategy, including
  - Free Fruit Friday initiative by Dept of Education
  - Funding for Dept of Victorian Communities for new sporting facilities and events



# Disaster preparedness and response

- Counter-terrorism and disaster preparedness
  - \$1.7m in 2007-08 (\$9.6m over four years) to maintain counter-terrorism and disaster preparedness capabilities



# Public Accounts and Estimates Committee presentation Health Budget 2007-08



**Hon Bronwyn Pike MP**  
Minister for Health

8 May 2007