

Public Accounts and Estimates Committee presentation Health Budget 2008-09



Hon Daniel Andrews MP
Minister for Health

13 May 2008

Overview

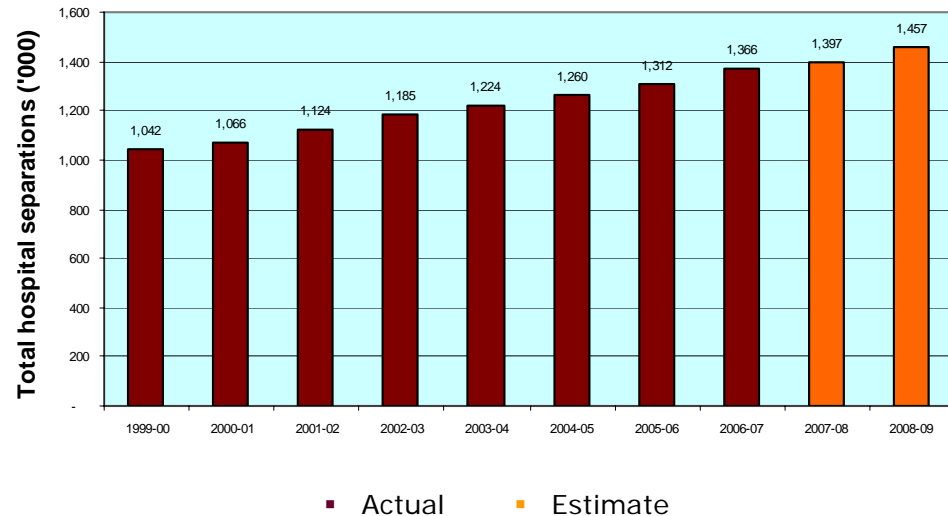
- Challenges
- Responses
- The 2008-09 budget – continues to implement the Government's commitments and improve access to world class health care



Demand challenges

- Growth in demand a constant for health planners worldwide
 - in 2008-09 hospitals will admit over 415,000 and treat over 600,000 more patients than in 1999-2000
- Driven by Victoria's above-average population growth (1.5% p.a) as well as medical advances
- Complexity of managing ageing population

Total patients admitted to Victorian public hospitals



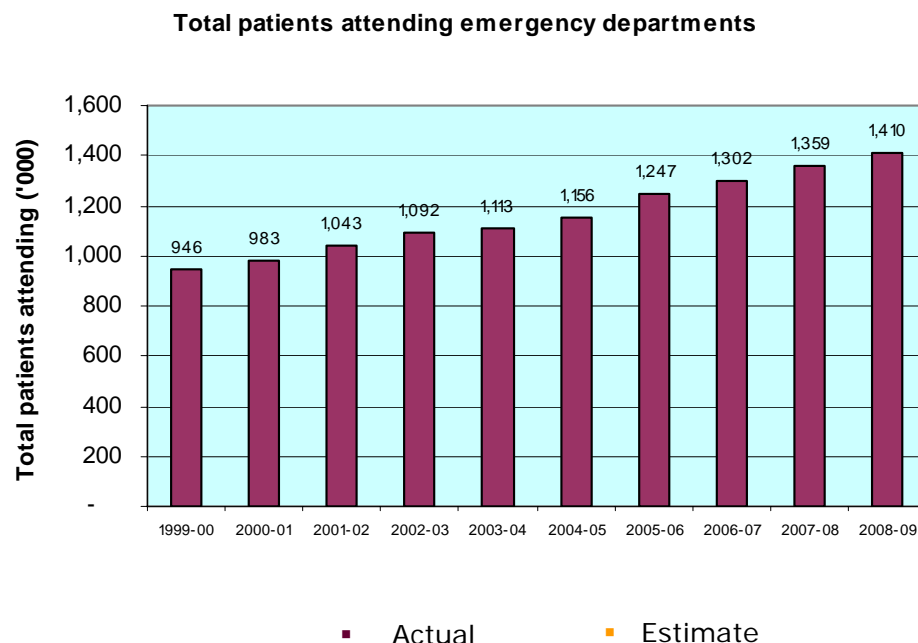
Victoria's hospital performance...

Victoria performs significantly better than the Australian average in:

- emergency departments performance
- median waiting time for all elective surgery
- Hospital efficiency
- Length of stay

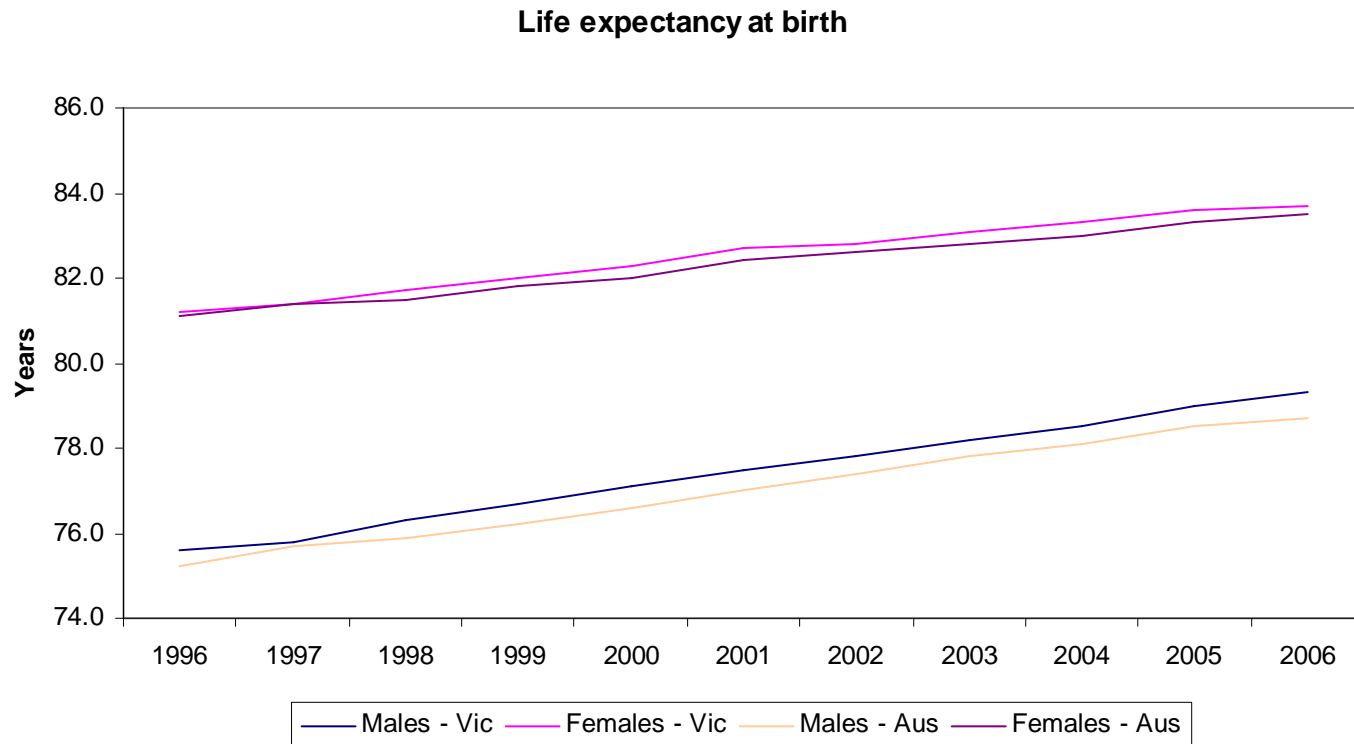
But has experienced significant demand pressures since 1999: By 2008-09 it is forecast that there will be:

- 34% more admissions
- 43% more emergency presentations
- 21% more specialist outpatient treatments



... is contributing to better outcomes

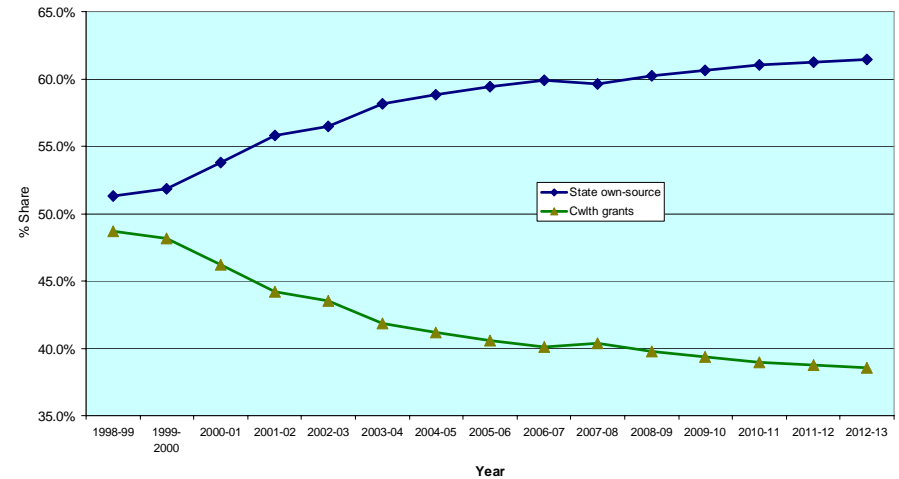
- Life expectancy of Victorians is increasing



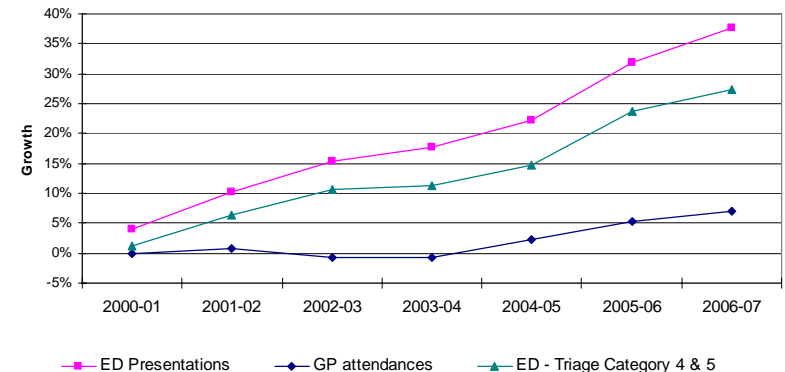
Legacy of previous Commonwealth Government

- Commonwealth funding contribution to Victoria's hospitals fallen to 40%
- Changes in GP utilisation
 - GP attendances increased by 7% since 1999-00 compared to 38% increase in emergency presentations over same period
- Growth in Aged Care beds insufficient
 - 8.5% increase in residential aged high care bed days since 1999-00

Public hospital recurrent funding: Commonwealth & Vic shares

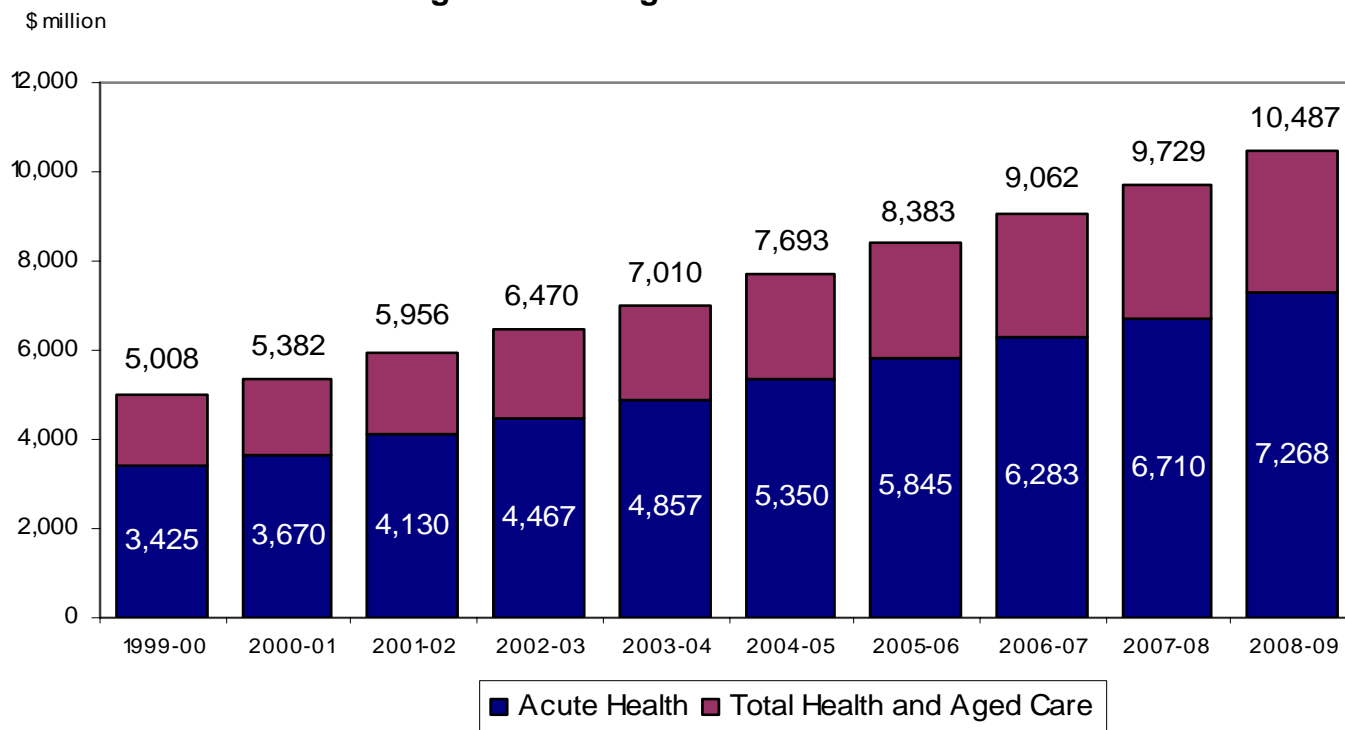


Emergency Department and GP Attendance Growth since 1999-2000



Our response...investing State resources

Health and Aged Care Budget Growth 1999-00 to 2008-09

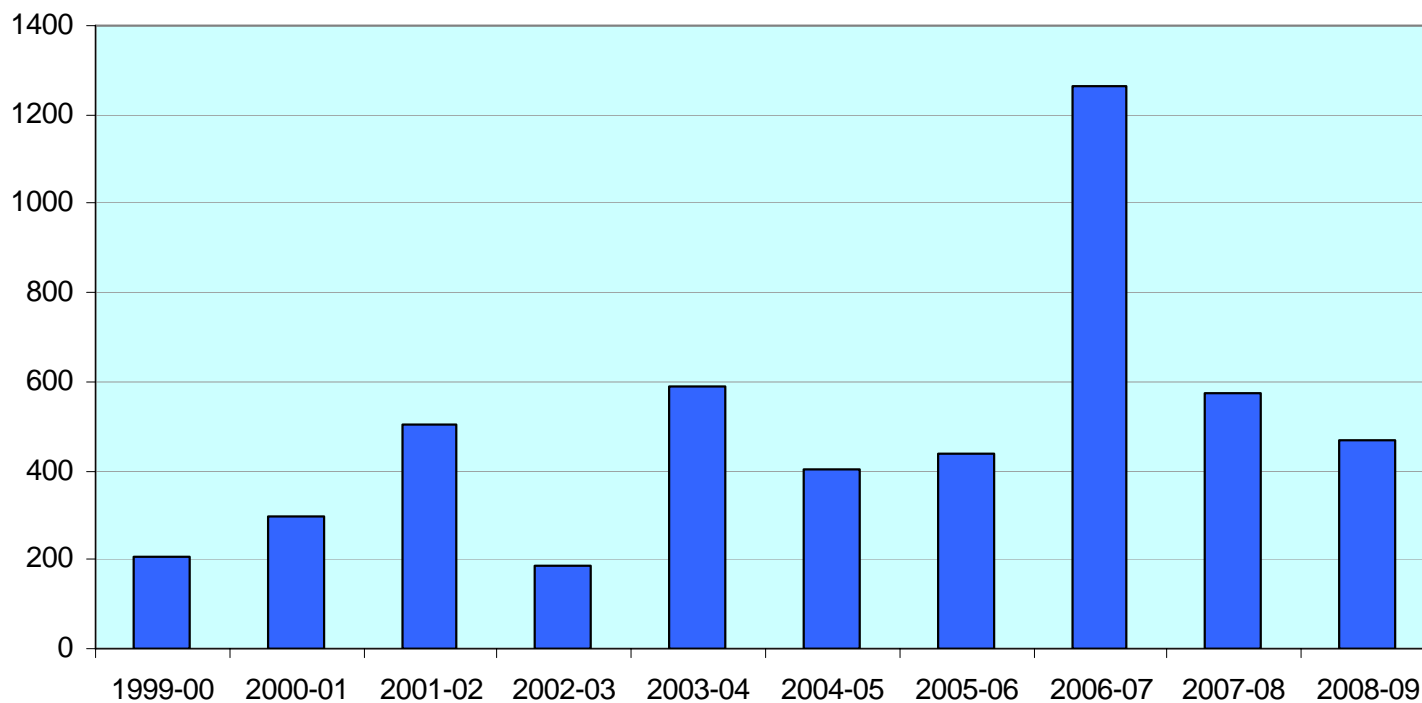


109% increase in total Health and Aged Care Budget since 1999-2000

112% increase in Acute Health budget since 1999-2000

...building and renewing infrastructure...

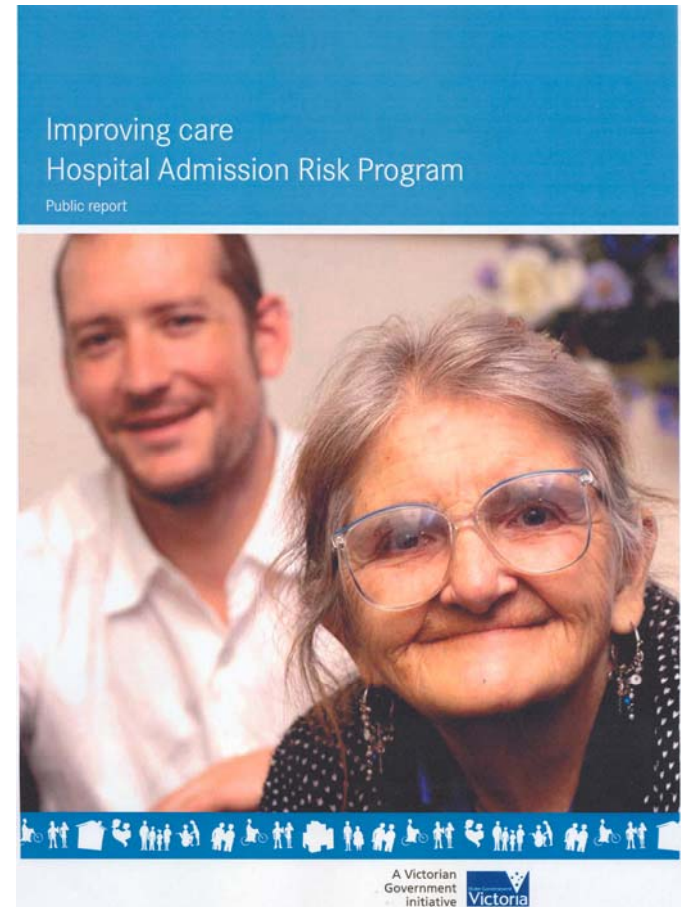
**Asset Investment in Health and Aged Care Facilities,
1999-00 to 2008-09 (\$ millions)**



...Reform and Innovation...

Reform program

- Nurse-on-call
- HARP
- Short Stay Units/
Medihotels
- Reducing the length of
stay for patients in
hospital
- Winter Demand
Management Strategy



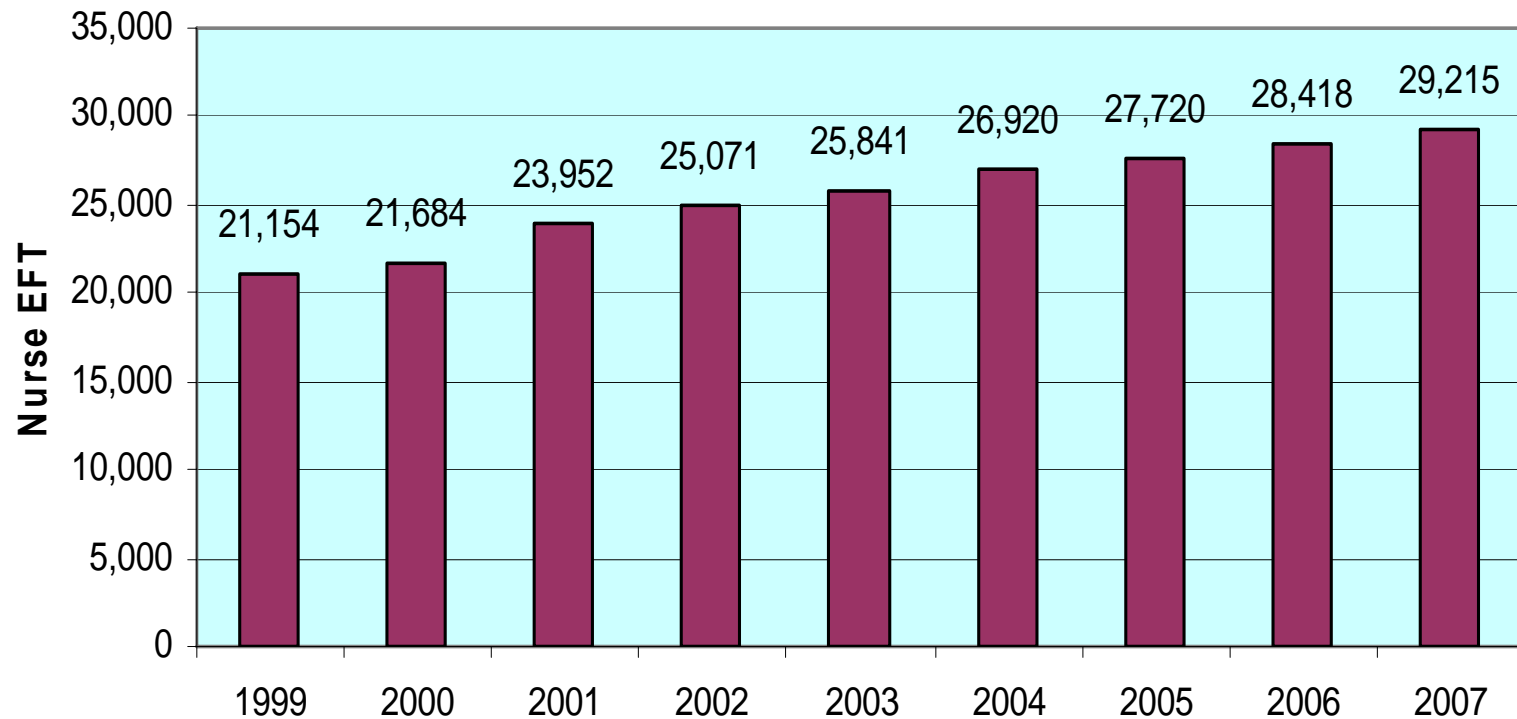
...improving elective surgery access...

- Commitment to reducing waiting list and long wait patients
- Reform service delivery
- Promotion of non-surgical alternatives
 - Orthopaedic waiting list (OWL)
- \$60M combined State and Commonwealth funding in 2008
 - Treat 9,400 long wait patients
 - \$15m growth funding for elective surgery in 08/09 budget

...building the workforce...

- 38% increase in nurses since June 1999 (more than 8,000)
- 45% increase in the number of doctors (1888)

Growth in nursing EFT, Victoria, June 1999 to June 2007



Budget 08/09 Highlights...

Right Care, right time, right place

\$1.81 billion boost across the health portfolio

- \$466.9 million in new health infrastructure
- \$30.5 million for increased maternity capacity
- \$702.9 million for hospital services
 - Additional 60,000 ED patients per year
 - Additional 33,500 outpatient appointments in 2008-09
 - Additional 16,000 elective surgery patients over five years



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

In the year 2008-09 - \$180.55m to:

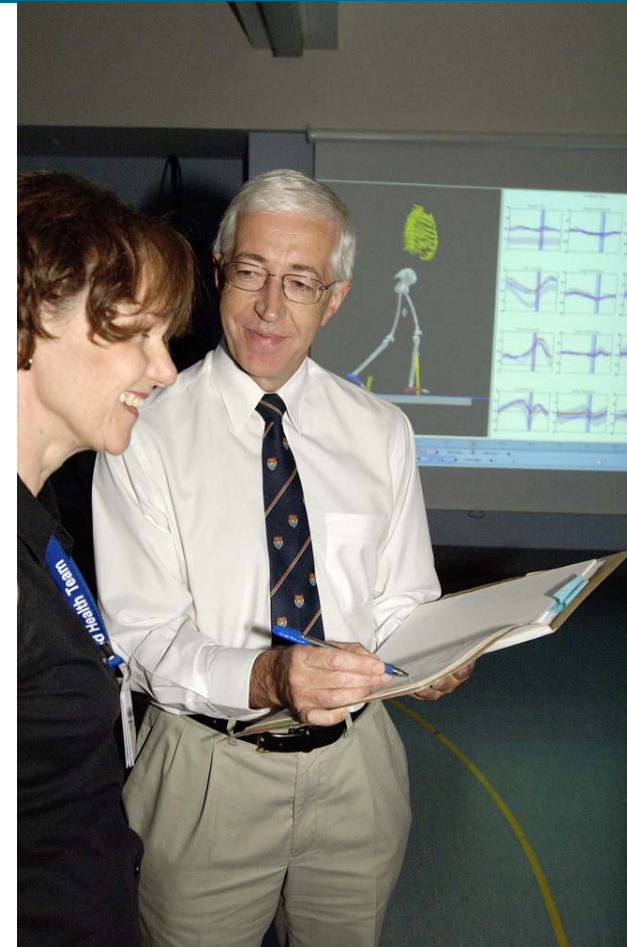
- Meet new patient demand by increasing system capacity (\$112.6m)
- Supporting maternity services (\$10m)
- Maintain Shared ICT Service (\$18.5m)
- Treat more elective surgery patients sooner (\$15m)
- Expand hospital capacity including day hospitals (\$11.6m)
- Expanding innovative programs (\$7.4m)
- Improve patient flow (\$5.4m)



Strengthening the health workforce

\$14.4m (\$55.1m over 4 years) to build the future health workforce:

- Building new facilities for health students to complete their clinical placements (\$11.7M), including
 - Completion of a new teaching facilities at Barwon Health,
 - Investment in new teaching facilities at Warrnambool and at Northern Health
- Supporting additional postgraduate training places for our future doctors (\$2.7M) – 211 extra intern places

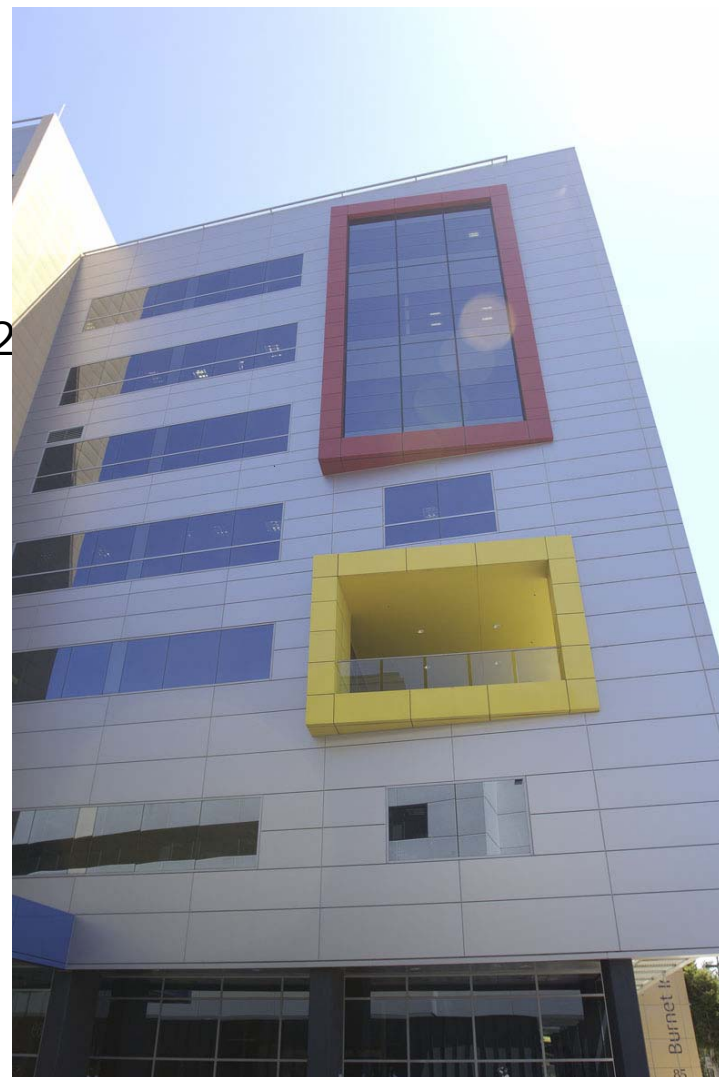


Investing in health infrastructure

Asset initiatives

\$264m TEI for metropolitan hospital planning and redevelopment including:

- Sunshine Hospital Expansion and Redevelopment Stage 2 - \$73.5m
- Kingston Centre Redevelopment Stage 2 - \$45m
- Dandenong Hospital Emergency Department Redevelopment - \$25m
- Olivia Newton-John Cancer Centre - \$25m
- Alfred Centre Stage 2 - \$17m
- Heidelberg Repatriation Hospital Mental Health Redevelopment - \$15.5m
- Werribee Mercy Hospital Expansion - \$14m
- Sunbury Day Hospital - \$14m
- Other projects totalling \$35m



Investing in health infrastructure (cont)

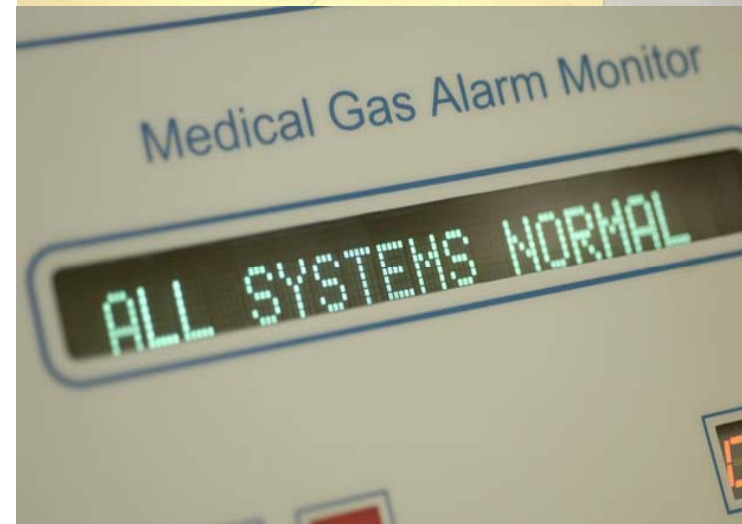
Asset initiatives

\$136m for rural and regional hospital planning & redevelopment including:

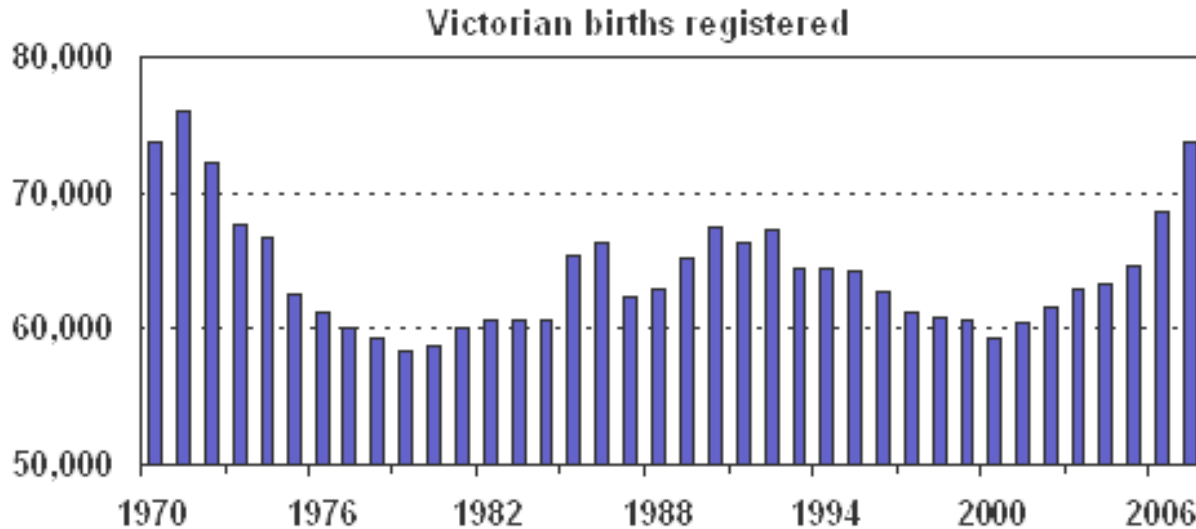
- Warrnambool Hospital Redevelopment Stage 1b - \$70.1m
- Bendigo Residential Aged Care Redevelopment - \$13.6m
- Hepburn Health Service (Trentham) Redevelopment - \$8m
- Bendigo Health Emergency Department Upgrade - \$9.5m

\$52m for other health investments, including:

- Hospital Energy Supply Project - \$23.6
- Medical Equipment - \$5m



Boosting Victoria's maternity capacity



- **73,737** births recorded last year – the highest number of births since 1971.
- **\$30.5m** capital funding to address growth particularly in outer metropolitan community hospitals
- This will create physical capacity for an extra **2800** births each year
- Maternity growth funds of **\$41.5m** over four years (**\$10m** in 2008-09) for extra throughput capacity now.

\$185.7M boost to ambulance services

- **\$45.7M in the air**
 - 24/7 state-wide retrieval helicopter
 - Emergency helicopter in Warrnambool
- **\$140.0M on the road**
 - 59 new and upgraded services across 48 towns and suburbs
 - 258 additional paramedics
 - 44 new vehicles
 - 13 new peak period units
 - 9 new/refurbished stations
 - 12 upgraded services
 - 8 new 24/7 paramedic teams
 - Reorganisation of MICA services
 - Support for rural station officers
- **A new statewide ambulance service**



Innovation in care – Cancer Plan (\$150m over four years)

- New output initiatives

\$30m in 2008-09 for:

- Translation of research into clinical care (\$15.7m)
- Supporting and empowering patients and carers (\$6.8m)
- Enhancing cancer services through workforce improvements (\$4m)
- Reducing major cancer risk (\$3.6m)



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