VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2010–11

Melbourne — 12 May 2010

Members

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Witnesses

Mr D. Andrews, Minister for Health,

Ms F. Thorn, Secretary,

Mr L. Wallace, Executive Director, Hospitals and Health Service Performance division,

Dr C. Brook, Executive Director, Wellbeing, Integrated Care and Aged division, and

Mr P. Fitzgerald, Executive Director, Strategy, Policy and Finance division, Department Health.

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2010–11 budget estimates for the portfolio of health. On behalf of the committee I welcome Mr Daniel Andrews, MP, Minister for Health; Ms Fran Thorn, Secretary of the Department of Health; Mr Lance Wallace, executive director, hospitals and health service performance division, Department of Health; Dr Chris Brook, executive director, wellbeing, integrated care and aged division, Department of Health; and Mr Peter Fitzgerald, executive director, strategy, policy and finance division, Department of Health. Departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee Room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days. In accordance with past practice, the transcripts, PowerPoint presentations and other materials circulated will then be placed on the committee's web site.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates through the Chair. Generally the procedure followed will be that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off.

I now call upon the minister to give a brief presentation of no more than 15 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of health.

Mr ANDREWS — I thank you, Chair, for the opportunity to again present to Public Accounts and Estimates Committee on the health portfolio. I have a brief slide presentation and then, as you said, we will take questions.

Overheads shown.

Mr ANDREWS — We are treating, across our system, more patients, and we are treating them faster than we have previously. There are a number of different ways in which you can measure that — that is, measure the high-performance and high standards that our doctors and nurses seek to maintain and improve right across the health system. Just to give you a sense of a few of those measures and the metrics that bear that out, 100 per cent of clinically urgent category 1 patients were seen within the recommended time. That is the best in Australia. On another measure of the sort of efficiency capacity of our system, we have a lower-than-average length of stay, which beats the overall Australian average. We have consistently high performance despite very real pressure in terms of an ageing community and a growing community — more Victorians are presenting to health services for the care they need than has ever been the case. Those points present challenges, but we are well placed to meet those given the consistent investment of our government.

There is one other further point that is important to acknowledge — that is, we do not simply have more patients presenting for care, but we have more patients in the lower triage categories and more patients who have more complex health needs. They present challenges to the system. There is also obviously the on march of medical technology and clinical advancement — all of those present challenges to our system.

But we have seen over time very substantial increases in the total number of patients presenting and being given the care that they need. That graph shows you steady increases in terms of admissions from just over 1 million to the some 1.5 million projected for 2010–11. That is clear growth by any measure. There are 41 per cent more admissions and nearly 50 per cent more emergency department presentations. We have also seen substantial growth in terms of outpatient treatments.

In terms of elective surgery, this is important, obviously, to every single Victorian. We have made this a priority in terms of additional investment. The graph shows total elective surgery activity over our time in government. We have seen steady increases in terms of the total amounts of elective surgery, but we have also seen

improvements in terms of the times that Victorians are waiting for their surgery with a median of 33 days, which again is better than the Australian average. We have seen, as I said, a very substantial growth — some 30 per cent growth in terms of treatment since 1999–2000 through to the 2008–09 financial year.

In terms of emergency departments, they too are very busy. We have challenges in terms of providing care to a growing number of patients, but we rate strongly. Victorians wait less than 23 minutes against the national median of 24 minutes. More Victorians, some 71 per cent, are seen within the clinically recommended time than the Australian average at some 69 per cent, so growth but also above-average performance. That is a credit to our staff.

In terms of the point I made earlier about more complex patients, this is a challenge for us. We have 25 000 more presentations expected in 2009–10 compared to 2008–09. We are treating more complex patients. Trauma is a good measure of that. There has been a 17 per cent growth in trauma caseload from 2005–06 to 2008–09. We have also seen in a broader sense a very substantial increase over our time in government — the best part of 275 000 additional presentations compared to the 1999–2000 level in those lower triage categories, which are categories 1 to 3.

The box in the bottom right-hand corner of the slide shows a 6 percentage point transference in terms of low category — so category 1 to 3 versus category 4 to 5, so from 32 to 38, and there is a corresponding decrease from 68 per cent to 62 per cent in terms of additional patients in those more urgent triage categories. That again does provide challenges; ones that we are well equipped to meet though. In terms of services we expect to deliver, this gives the committee a sense of the scale of our system. I will not run through all of those numbers but there are very substantial additional emergency department presentations, total admissions, outpatients and emergency patient transports through Ambulance Victoria.

But it is not just about hospital services; it is not just about acute services; it is also about a range of other important services we offer, whether it is in terms of screens for preventable illnesses, dental health occasions of service or indeed, the better part of 1 million hours of service delivery in our community health sector. In terms of the response the government has consistently had to these challenges, to the facts that we face, the increasing and extra patients presenting for care, this year's budget provides a 9 per cent increase from last year.

The graph there shows the steady increase in terms of recurrent funding, both acute and acute combined with aged care; 153 per cent additional acute funding exists today compared to levels in 1999–2000. That is, on any measure, steady and extra investment that makes a real difference to patients.

The principal place that those additional moneys go is of course in funding care, and a very substantial portion of care costs are indeed payments to staff. This graph really does tell a great story of our investment in terms of health and what it means in wards, in hospitals and in terms of care for patients. There has been a 50 per cent increase in nurse numbers since 1999–2000, and these are net numbers. This is net extra after any staff had left public health or public hospital services. So it is from 21 000 to the better part of 30 000 in terms of nurse numbers, a 75 per cent increase in terms of hospital doctors from just over 4000 to the better part of 7350, and in terms of ambulance paramedics, a 92 per cent increase.

There are 92 per cent more ambulance paramedics on the road and in the air providing pre-hospital emergency care and transport — a very substantial increase and one that we will only build on going forward in those three important areas. That tells the real story in terms of additional staff to provide more care and to provide better care.

In terms of the budget's basics, as I said before there has been a 9 per cent increase, so our total output goes to $12.335 billion. The budget's combined asset and output figure is some $4 billion in additional capital improvements and also ongoing funding, secured both from our own budget but also secured through the COAG process.

As you know, providing the right care in the right place at the right time is a key goal, and is a core value in terms of driving our health service performance. There is $760.1 million over five years to meet demand pressures — some of the pressures I spoke about earlier. That can be best divided into around $565 million in terms of growing the overall capacity of the system and to strengthen performance, and $45 million to treat an additional 9000 elective surgery patients, and a very substantial boost — $150 million over three years — to allow hospitals to cope with rising costs.

In terms of capital, this is a very substantial budget in health capital; there is $2.3 billion allocated to important health infrastructure projects in the centre of Melbourne, in the suburbs, in regional communities and in rural parts of our state as well. That takes our total capital investment to some $7.5 billion, and there are a number of key highlights of this package — obviously very substantial investments at Bendigo, Box Hill, and a full delivery of our commitment from 2006 for the Sunshine Hospital, Barwon Health receiving additional capacity, but also smaller but no less important investments at Leongatha, at Coleraine and indeed at the Monash Children's Hospital to expand capacity there.

If we look at this graph, it shows the trend in terms of investments in capital works. We understand that it is important that the government works hard to make sure that the quality of our buildings matches the quality of care provided by our dedicated staff. What this graph shows is the real contrast, if you like, in terms of investments in recent years compared to that longer period. We are very proud to provide a very strong support for capital works projects, because we know how important they are, not just in terms of growing the size of the system, but it is also about new fabric means new ways of doing things — new models of care, efficiency, the driving of innovation, and the driving of improvements and better outcomes for patients.

There are two other points that are sometimes not often made: health services are very big workplaces, and we need to make sure that we are providing the best environment for our staff to work in, and the other point that sometimes is not made but needs to be is that each one of these projects represents substantial economic stimulus, economic activity, jobs and strong economic growth.

In terms of regional Victoria, I wanted to put this slide up to give you a sense that it is not always just about additional money; it is also policy that benefits rural and regional areas, and we see here through the recent COAG discussions — as committee members will know — there are unique arrangements introduced by this government to protect our 44 smallest country hospitals from some of the funding anomalies that come from case-mix or per-patient funding.

We fought very hard as part of that COAG process to properly safeguard the unique arrangements we have in place for those 44 smallest hospitals. We were able to ensure that that happened. This budget provides us very substantial support in terms of targeted funding. For the rural access package, some $19.3 million over four years is allocated; that is about more and better care and more services in rural and regional communities.

The two graphs you see here also tell the story of our investments and what they mean for country Victorians, and Ambulance Victoria, for rotary — or choppers — and fixed-wing transfers. Those numbers on the screen are not numbers; they are in fact patients, each provided with dedicated care and each transported either to life-saving care or to the important medical or surgical care that they needed. This is a great story of very substantial increased investment.

You can see very clearly that what we have moved from is a situation where a very small number of assets and a very small number of tools, if you like, were used to respond to a statewide caseload. We now much better share that workload amongst our five rotary assets, as well as an expanded fixed-wing fleet. What that means is that you can get to people faster, and that you can provide a better response 24 hours a day, 7 days a week, and I hope that during our discussions I will have an opportunity to come back to that.

Obviously, in relation to dental care, we know the importance of oral health. There are some very big challenges here in terms of workforce, but also some challenges in that the commonwealth government has an ambitious agenda to provide additional funding to our state and to all states.

They have had some difficulty in getting the parliamentary passage of some changes they would like to make. This is a challenging area; one that we are investing additional funding in this year to open additional services in Mildura and also Melton. In terms of ambulances in fire-affected communities, we are making permanent the arrangements we had in Kinglake and also making permanent the arrangements at the Whittlesea branch, making it a 24-hour branch. That is a substantial investment: some $5.2 million over four years.

I have also spoken in brief terms around additional capital programs for country Victoria, whether it is the Bendigo hospital, the Ballarat Regional Cancer Centre — a fantastic project — Barwon Health, Coleraine, Leongatha and many others.

The point of the slide really is just to demonstrate that there are many different ways in which we support country communities. Cancer is a key priority for me and for our government. This budget builds on the Victorian cancer action plan with some $1.2 billion in additional funding for better facilities and for more treatment. Many of these projects are well known to committee members; I will not go through the detail, but in terms of Parkville, the Ballarat regional Cancer centre, the Olivia Newton-John centre — not just more of the same but a new model of care; it is a fantastic project, and we have been able to fund stage 2 of that important project as well as working with the commonwealth on some other important projects, particularly better access for rural and regional patients to the medical, surgical and radiation oncology that they need.

In terms of chronic and complex conditions, there is just under $20 million for dental services, as I mentioned. That is about providing service to 12 000 additional clients each year. There is $20 million in relation to other support for chronic disease patients and also to prevent and manage chronic disease in our community — diabetes self-management and syringe subsidies for diabetics. There is $4.1 million — this is a small but really important program, a much more integrated response to hepatitis C service delivery, which we have worked on for some time. This is about additional nurses supporting hep C sufferers.

There is additional money for important social marketing. Quit and our broader Victorian Tobacco Control Strategy 2008-2013 really is kicking goals, and this money will allow Quit to continue to run its often particularly thought-provoking and challenging TV commercials and other social marketing. That is about driving down smoking rates.

There is $3.2 million for an important program so that parents can be protected from infecting their newborn with whooping cough. That is very important. It is not part of the national immunisation program; we are doing that ourselves, and we are very proud to be able to do it. There is also $3.2 million to continue some important Go for Your Life programs.

In terms of summary, Chair, what I would say to you is that this is a very strong budget in terms of both asset — very substantial capital works — but also strong additional recurrent funding so that our dedicated doctors, nurses, ambulance paramedics and all the other health professionals who work in the system can continue to provide first-class care and to make a strong system stronger and to make a good system even better going forward. That is what this budget is all about: it is all about putting patients first.

The CHAIR — Thank you, Minister, for that presentation. The remainder of time for this hearing will be allocated to questions on the health portfolio. Minister, first of all — I have asked other ministers the same question — the committee is seeking to find out what strategies in terms of medium term and long term it is based on because the budget allocates for 2010–11 and subsequent out years for stated government priorities and outcomes to be achieved. Could you advise the committee of the medium and long-term strategies on which the budget for your portfolio is based, and has this changed from last year?

Mr ANDREWS — Thanks very much, Chair, for this important question. I will speak broadly firstly and then I will go to some detail about how we give practical effect to the values, if you like, to the guiding principles and our priorities in terms of our overall strategic framework.

There are six fundamental long-term strategic priorities which underpin the important delivery of health services across the state. Firstly, we are properly preventing chronic illness and preventing illness, keeping Victorians well. In terms of community care, secondly, we are treating more people in the best and most appropriate place as close to home as possible. Thirdly, hospital services — obviously supporting the best hospital system possible and providing world-class care and a system that the community can be proud of. Fourthly, a focus on chronic illness and those big killers, whether it is cancer or whether it is cardiovascular disease. They are unashamedly a very big priority of our government and underpin much of the planning work that we have done.

Obviously we need the right workforce: the most highly skilled and highly trained workforce, and as much as possible it needs to be in the right places to provide care across our diverse state. Sixthly, Chair, and perhaps most importantly, our planning and strategic outlook is very much framed by active partnerships.

Partnerships are very important and none more important than in any other sector, I think, than in health care. Those partnerships exist at every level of government, and it is fair to say they also exist across other parts of the community, other parts of the public, private and also the not-for-profit sectors. Those priorities guide us in

terms of our medium and long-term planning. The forward estimates in this year's budget — we have again turned those priorities into real actions. I will just take you through a couple of examples of that.

Obviously we have a plan in terms of emergency care, including the best outcomes nationally for access times, improved patient experiences, bedding down short-stay units and other observational medicine models. Over the next four years we will have some new targets from the commonwealth and some additional funding. They will be all about ensuring that more patients are treated faster.

Secondly, we have got a plan in terms of important elective surgery: more patients getting that surgery more quickly than they otherwise would. The plan around that obviously hinges upon really substantial investments in dedicated elective surgery capacity and splitting away emergency surgery demand from elective surgery demand, so you do not have fundamentally different patients competing for the same theatre time. That is very important as well. We do have as well a national partnership with the commonwealth government around the elective surgery waiting list reduction plan. That is all about, as I said, more occasions of service.

In terms of the big killers, the Victorian cancer action plan is a very substantial piece of work and one that we have added to this year right across the spectrum of cancer, from early detection to rapid translation of research into, better clinical practice, service delivery and providing supportive care. The breadth of cancer control and cancer treatment is covered by that plan with very ambitious and unprecedented targets that underpin that plan as we go forward.

In terms of chronic disease and providing support to keep people well, we have Go for Your Life, early intervention in chronic disease programs, screening programs, WorkHealth, and the hospital admission risk program. There are many different plans and subplans, if you like, that support that important value and outlook — Workforce, nursing and also medical and indeed our ambulance paramedic workforce. There is very substantial additional investment and a clear view of where we want to take the different components of our health workforce.

Whether it is in terms of expanding physical infrastructure for undergraduate clinical placements, lobbying the commonwealth government for additional places or about a second dental school or a third medical school and so on and so forth, there are many detailed plans around how we can better support the workforce today, grow the workforce and also make sure that they are dispersed in the right places to provide the best possible outcomes.

In terms of practical infrastructure, this budget again delivers, as I have said, very substantial boosts to equipment, to infrastructure and to capital works. That is all about the best possible environment to provide care. Of course as an absolute fundamental all of our work is predicated on governing for every single Victorian — governing for the whole state and making sure that these investments are not just in the centre of Melbourne and not just in the suburbs. They are in regional centres and they are in often very small country towns.

Every Victorian benefits from that outlook, not just in my portfolio, Chair, but right across the government. They are the guiding principles. They are the plans as we go forward, and we think we have got that balance right in terms of the pressures we face and the challenges we face, but driving innovation and partnership to meet those as we go forward.

The CHAIR — Thank you very much, Minister.

Mr WELLS — Minister, I would like to talk to you about the ambulance service. I refer to budget paper 3, page 82, under the heading 'Ambulance — timeliness'. It shows that once again the government has failed to meet its own benchmark, with the 15-minute target only achieved 83 per cent of the time statewide.

I also want to refer the minister to the case of Mr Noel Cowie from Korumburra. Mr Cowie collapsed in his home after complications related to pneumonia. An ambulance was called but took more than 2 hours to arrive. Can you, Minister, advise of the results of the internal investigation by your department into this failure, and why does your department continue to be unable to reach its benchmarks in the budget for emergency response times?

The CHAIR — The minister, as far as it relates to the estimates.

Mr ANDREWS — Thank you, Mr Wells. In terms of the individual you mention, I am not aware of a departmental investigation or review into that case. I am happy to get advice, and I will be happy to take that matter — —

Mr WELLS — For something as serious as that, surely it was brought to your attention?

The CHAIR — Through the Chair!

Mr WELLS — Through the Chair, something the minister — —

Mr ANDREWS — Mr Wells, you have asked — —

The CHAIR — I think the minister has answered.

Mr ANDREWS — You have asked your question, Mr Wells, and I am happy to take that matter on notice and come back to you.

In terms of the budget estimates and page 82 as you referenced, we are as a government providing very substantial support to our ambulance service. As you know, we have a single ambulance service now after having brought together the three separate ambulance services. If you look at investments over time, I am confident that the 2008–09 annual report will show Ambulance Victoria some $290 million in terms of funding provided. That is up from some $98.1 million provided in the first year we came into office, so it is beyond any question or any doubt that Ambulance Victoria, its paramedic workforce and management have at their disposal more resources than has ever been the case, and we are very pleased to be able to provide that.

In terms of the overall performance of our ambulance service, we have seen improvements in recent times. If I can take you to the budget papers, they themselves make the case in terms of further improvement as we go forward. If you look at code 1 incidents responded to within 15 minutes on a statewide basis, Mr Wells, in the 2008–09 year the outcome was 82.5 against an 85 per cent target. This is an improvement on the previous year of 81.9 per cent, and budget paper 3, as you have referenced, forecasts for 2009–10 an outcome of 83 per cent.

In terms of statewide code 1 response times for population centres greater than 7500, the 2008–09 was 88.2 per cent within 15 minutes against a 90 per cent target. This is an improvement on the previous year of some 87.5 per cent. The budget papers, as you have referenced them, have an expected outcome of 89 per cent. What we have seen is improvement.

It is fair to say that we have not met our targets as we had laid them down. There are many reasons for that. Obviously very substantial caseload growth is one of those. That is why as a government two budgets ago we provided not just a small boost but indeed the biggest this state has ever seen — $186 million — for not one new chopper but two, basically locking up fixed-wing air ambulance services going forward; 258 additional paramedics; 59 new or upgraded services in 48 different towns and suburbs right across the metropolitan region and also in rural and regional towns; new ways of doing things in terms of single-responder MICA units in large regional centres, and the list goes on and on.

The reason we have more paramedics on the ground today is because this government has provided record and strong support to Ambulance Victoria to hire those staff, to train them, to give them the skills that they need and to respond to what is record caseload growth. What I would say to you is in relation to those targets obviously we want to see improved performance and we want to see those targets met, but what the budget papers you have referenced show is that year to year and projected forward we have seen and are forecasting to see further improvement.

That is exactly what I am fundamentally committed to, that is what the board and the management of Ambulance Victoria are fundamentally committed to, and it is what our hardworking and I think the world's best paramedics — Victorian paramedics — are absolutely committed to as well, Mr Wells.

Mr WELLS — Through you, Chair, just a follow-up question.

The CHAIR — Quickly.

Mr WELLS — To summarise, you set your own benchmark at 85 per cent; you have not reached it. The excuse you have given is because there are more cases, but I would have thought for something as crucial as ambulance you would have put in more resources to make sure that you are able to reach your own targets and to be able to address the need for more emergency cases? Does it not make sense to you?

Mr ANDREWS — It is not about providing excuses, Mr Wells. They are facts.

Mr WELLS — You have given an excuse for why you did not reach your own benchmarks.

The CHAIR — Mr Wells, through the Chair! The minister, to answer.

Mr ANDREWS — Mr Wells, this might be great theatre, but you ask the questions and then I will answer them. Talking over me is not going to get to the bottom of anything really, is it?

Mr WELLS — No, we ask the — —

The CHAIR — Mr Wells! The minister, to answer. Do not talk over the minister, please!

Mr ANDREWS — I am very happy to answer the question. You talk about increased resources. Clearly you do not have a particularly good grasp of the quantum of extra investment that we have put into Ambulance Victoria and ambulance services during our time in government — 100 new and upgraded services since 1999. When I say new and upgraded, I am not talking about capital; I am talking about either brand-new branches or branches that have gone from an on-call roster or one paramedic and, say, an ACO, to two-officer crewing.

There have been 100 new or upgraded services since 1999. There are 18 new and 40 upgraded ambulance branches in country Victoria. We have made sure that country Victoria has received a strong share of the additional investment that we have put in place. We have not one, not two, but three additional air ambulance resources — at Bendigo and Warrnambool and for the first time we have a dedicated 24/7 retrieval chopper. This disproportionately benefits country Victoria. It is about getting country Victorians to large city or large regional hospitals faster than they would otherwise get there. These are very strong investments.

If we look at paramedic numbers as well — which are very important as a measure of the seriousness with which we take the provision of pre-hospital emergency care and transport — when we came into government, there were 1280 paramedics, Mr Wells, with some 519 of those working in country Victoria. The latest data that I have shows 2450 paramedics working across Victoria, with just under 1000 of those working in rural and regional areas. That is, by any measure, a very substantial boost in the number of paramedics. I could also talk about vehicles, equipment, training and the move from basic life support to advanced life support. I could talk about MICA and additional resources there.

We have strongly supported Ambulance Victoria. But we recognise that it is not a perfect system; it needs to improve. That is why, as a government, there is more money in this budget and we will continue, just as we have done, to provide additional resources to Ambulance Victoria and its dedicated ambulance paramedics so that they can provide even better care. In relation to your supplementary question, Mr Wells, it is not a matter of excuses; these are the facts. There is very strong caseload growth and there is also very strong additional investment from our government in recent years. However, again, more can always be done. Through our partnership with Ambulance Victoria we will monitor caseload and make additional investments, as we have done in every year in our budget, and as we have done in the budget that is before us today.

The CHAIR — Okay. We will move on — —

Mr WELLS — So additional caseload does not necessarily mean — —

Ms GRALEY — Minister — —

The CHAIR — Perhaps you can ask a further question later on — —

Mr WELLS — additional resources for you to reach your benchmark. I mean, you set your own benchmark yourselves.

Mr ANDREWS — I have just given you a clear lesson — —

Mr WELLS — 'A clear lesson'?

Mr ANDREWS — Clearly you have no understanding — —

Mr WELLS — 'A clear lesson'?

The CHAIR — Through the Chair, Mr Wells.

Mr WELLS — You are giving us a lesson — —

The CHAIR — Through the Chair.

Mr ANDREWS — of the additional investments — —

Mr WELLS — You are giving us a lesson of why you did not reach the benchmark. Is that what you are saying?

The CHAIR — Thank you very much.

Mr ANDREWS — You have no understanding — —

Mr WELLS — That is a disgraceful comment.

The CHAIR — All right. We will move on to the next question.

Mr ANDREWS — You have no understanding of the additional investments that I have just listed.

Mr WELLS — We read the budget papers. You did not reach the benchmark.

The CHAIR — Minister.

Mr ANDREWS — No understanding of the investments we have made.

The CHAIR — Minister, Deputy Chair.

Mr ANDREWS — None whatsoever.

Mr WELLS — You set your own benchmark.

Mr ANDREWS — None whatsoever.

The CHAIR — We would like the hearing to be conducted in a civil manner and under normal parliamentary procedures, so the deputy chair and the minister should refrain from exchanges across the table. Let me move on to the next question. This one seems to have been extensively answered.

Ms GRALEY — Thank you. Minister, it was a pleasure to see you at the Mother's Day Classic on Sunday, supporting breast cancer research. My question is about two of your slides — the capital building program slide and the supporting regional Victorians slide. I also refer to budget paper 3, page 309, under the heading 'Asset initiatives'. The government has outlined an initiative to build a new Bendigo hospital. What steps have been taken towards this project, and what are the future plans?

Mr ANDREWS — Thank you very much, Ms Graley. This is a fantastic project. As I said in my slide presentation, we as a government have not simply invested in the centre of Melbourne, we have invested in the suburbs, in large regional centres and also in rural and regional communities right across the state. This is a fantastic project that is great news not just for Bendigo families but indeed for the whole of the north-west of the state. At $473 million this is the biggest capital works project in health that rural and regional Victoria has ever seen. In dollar terms, Ms Graley, this is the third biggest capital works project that the state has ever seen in the health portfolio.

It is all about more beds and modern facilities to meet the needs in a growing part of regional Victoria. It is also about the best possible physical infrastructure to provide the best possible care. Can I say, back to that point I

made earlier, it is also about making sure that we have got jobs and strong economic activity in regional centres and the best possible workplace for Bendigo Health's dedicated staff.

If we look at additional treatment spaces, there are an additional 135 of those. That will treat 10 000 more patients each and every year. I will give you a couple of examples that will give us a clear sense of what that means for patients — the number of chemotherapy chairs has more than tripled from 8 to 26. There is an additional radiotherapy bunker which will be fitted out with a third linear accelerator. In partnership with Peter MacCallum, there are two LINACs at Bendigo now. The third will mean that there is even greater capacity to treat the growing number of radiation oncology patients in central Victoria.

There are double the number of renal dialysis chairs, from 12 to 24. Very importantly — and I am sure my colleague, Minister Neville, will be only too happy to talk about this when she is before you — there is the important consolidation of a number of mental health services from a number of different sites into a new purpose-built facility. Not only is there better fabric and better models of care but also more capacity, from 42 beds to 75. There is a new helipad, which is obviously important given the size of this particular health service. There is a new women's and children's centre — —

Ms GRALEY — Much needed.

Mr ANDREWS — This has a very important role in terms of a major maternity service in that part of regional Victoria, and a dedicated space for mothers and babies; that is very important as well. There are three additional operating theatres, taking the total to eight. This is in every sense a fantastic project — a very big investment in what is needed now and what will be needed into the future in Bendigo and right throughout the north-west. It is also about economic activity. It is also about supporting our work force. It is a very, very substantial project.

The history of this project should not be lost on people. At the 2006 election we were the only party to commit to the redevelopment of Bendigo hospital. We provided a promise — $2 million to support planning. We funded that in the first budget after the 2006 election. Through that planning work it was identified that the most urgent priority was a new emergency department, and we funded that in the second budget after the state election. The planning work continued, and it was then apparent that there would need to be some important enabling works, and also money to relocate the ambulance station — $55 million was provided in the third budget after 2006 election. This year, of course, we provided $473 million. It is a very substantial project that will benefit patients right throughout that corridor.

Can I say, supporting Bendigo Health is not just about providing capital works, as big and as important as that project is. It is also about providing record support each and every year so that more patients can be treated. I am sure you will be interested to learn, Ms Graley, that the overall recurrent increase at Bendigo Health, up until the end of this financial year and not including the budget papers before us going forward — we have not done those budget builds yet — is 134.2 per cent.

This is a very substantial increase from $58 million provided when we came to government. Its budget this year was $135 million from our government, a very substantial boost; more than $100 million in capital projects, which I just mentioned; and to put a human face on that, there is now 40 per cent more nurses working at the Bendigo Health Care Group compared to the numbers when we came to office — from 700 EFT to some 984.5 EFT.

So whether it is in terms of more nurses, more doctors, whether it is in terms of ongoing funding, important capital works, equipment and infrastructure or this $473 million project, we are supporting Bendigo and the north-west with the infrastructure and the health services that they need. It is a fantastic project in so many different ways and one that we are fundamentally proud to be able to support in this year's budget.

Mr RICH-PHILLIPS — Minister, I would like to go back to the issue of ambulances raised by Mr Wells. I refer you firstly to the case of a 16-year-old Maffra girl, Geordie Duguid, who died at a party in April when it took 27 minutes for a MICA ambulance to arrive. I also refer you to the case of Ronald Cook, an ex-serviceman who died in the Royal Melbourne Hospital after it took an ambulance 7 hours to bring him from Sale to Melbourne. Mr Cook died that night from bleeding within his brain, and his daughter, Lorraine MacGillivray, has stated:

> The neurosurgeon said if Dad had got to him sooner, there might have been a completely different outcome … It has haunted me; the whole thing was fundamentally not right.

So I ask, can the minister advise us of the outcome of the investigation by his department into that failure? Can the minister explain why he has increased the benchmark response time for emergency ambulance to 15 minutes? And can the minister confirm that since that watered-down target has been set, the ambulance service has consistently failed to meet the 85 per cent and 90 per cent targets?

The CHAIR — I am not sure that individual cases which are occurring are a subject for this hearing —

Mr RICH-PHILLIPS — I think the families have a right to know, Chairman.

Mr WELLS — Absolutely.

The CHAIR — But the issues in regard to performance et cetera are very important.

Mr ANDREWS — Chair, I am happy to get advice and to provide on notice detailed responses. Ambulance Victoria, as you know, runs the ambulance service. I know it has looked at the cases that have been mentioned this morning. That is part of a normal quality assurance process, the normal process that Ambulance Victoria goes through, and rather than running a commentary on each of those cases here, I am happy to get advice from Ambulance Victoria and respond to the committee on notice.

Mr RICH-PHILLIPS — You don't know, Minister?

The CHAIR — Through the Chair, please.

Mr ANDREWS — What I have said is that I am happy to ask Ambulance Victoria to provide advice in relation to those cases.

Mr RICH-PHILLIPS — Given that people have died, I would have thought you would have already asked Ambulance Victoria.

The CHAIR — Through the Chair, please, Mr Rich-Phillips.

Mr ANDREWS — Let us be very clear about this: I am asking Ambulance Victoria to provide advice to the committee. That is what I said, and that is what I meant, thank you.

Mr RICH-PHILLIPS — Don't you know, Minister?

Mr ANDREWS — That is what I meant. You are inviting me — —

The CHAIR — Okay. Thank you, Minister. I think that is most appropriate. We are dealing here with the estimates. The individual cases, in terms of current arrangements, can be asked about either in the house or on notice. But in terms of arrangements for performance measures regarding budgets, it is appropriate to answer those other two parts of Mr Rich-Phillips's question please, Minister.

Mr ANDREWS — Thanks very much, Chair. What I would say is that I simply go back to the comments I made earlier on in relation to response time performance and the government's commitment through additional resources, through a more innovative — —

Mr RICH-PHILLIPS — The question wasn't about resources, Chairman.

Mr ANDREWS — Well, the question was about response time reports, and I am about to answer it.

Mr RICH-PHILLIPS — It wasn't about resources, it was about response times.

The CHAIR — It was about response times and the arrangements for that and in terms of changes over time in terms of responses.

Mr RICH-PHILLIPS — It wasn't about changes over time. It was about the failure to meet the target.

The CHAIR — You asked him for improvements in the changes.

Mr ANDREWS — I am about to talk about response time performance, and Mr Rich-Phillips may not believe that response time performance is about resources, but it is.

Dr SYKES — And management.

Mr ANDREWS — Management is important as well. In terms of the answer I gave earlier in relation to both targets, both the statewide target and the population centre target as well, we have seen in these budget papers, year on year, improved outcomes and we are forecasting and have expected improvement again on top of that. What I am saying to you is that as a government we are committed to working with Ambulance Victoria, with our paramedic workforce, but not just our workforce, we have many others in that partnership — ambulance community officers, community emergency response teams, ambulance auxiliaries right across the state and many others — and, as I said, we are committed to continuing to support those partnerships to provide better and better care, particularly in rural and regional areas.

In terms of response time performance, what the budget papers clearly show is that there is improvement against both those measures. But it is not a matter of everybody simply stopping at that point. We always want to see improvement; we always want to do better. That is what our paramedics want, that is what Ambulance Victoria wants, that is what I, as the minister want, and that is what the government wants to see happen, and that is exactly what the government is committed to doing. But I just do not think it is accurate to say that response time performance is not linked to resources and support, and support is not just about resources; it is also about policy; it is also about making sure that you support a culture of innovation, that you support in many different ways Ambulance Victoria and its staff to do their important work.

So my answer is very clear: we are seeing improvements in these budget papers. We want to build on those going forward. No-one is more supportive of our paramedic workforce than I am, and no-one wants to see improved performance in ambulance services more than I do. That is why we are committed to doing just that, Mr Rich-Phillips.

Mr RICH-PHILLIPS — The question, Minister, was about why did you water down the target to 15 minutes, from a target of 10 minutes.

Mr ANDREWS — I do not accept the way you have characterised that. There are benchmarks — —

Mr WELLS — You promised 10 minutes when you were in opposition. You've watered it down to 15 minutes.

The CHAIR — Mr Wells, through the Chair. It is inappropriate to interject.

Mr ANDREWS — There are targets printed in the budget papers and they are there.

Mr WELLS — The target when you were in opposition was 10 minutes.

Mr ANDREWS — There are targets in the budget papers, Chair, and I think I have addressed them in some detail.

Mr RICH-PHILLIPS — Chairman, the question was why was the target changed to expand it to 15 minutes, and the minister has not addressed that. He also has not addressed the other question, which was: has that target ever been achieved at the levels the government has set?

Mr ANDREWS — Well, the budget papers are there for you to look at.

Mr RICH-PHILLIPS — It shows they weren't achieved last year.

The CHAIR — All right. Through the Chair, please.

Mr ANDREWS — Well, I have been very clear about the fact that those targets were not met last year.

Mr RICH-PHILLIPS — Have they ever been met?

Mr ANDREWS — But we are providing additional resources — —

Mr RICH-PHILLIPS — Have they ever been met?

The CHAIR — Through the Chair, without interjection.

Mr RICH-PHILLIPS — That was the question, Chairman.

The CHAIR — Well the minister is answering.

Mr RICH-PHILLIPS — No, he is not.

Mr ANDREWS — These are targets; they are not forecasts. These are targets.

Dr SYKES — Aspirational.

Mr ANDREWS — Thank you, Dr Sykes. They are aspirational targets, of course they are. Any target is where you aspire to be, and some targets will be met and some will not be.

Mr DALLA-RIVA — You couldn't make the 10 minutes, so you crunched that out and then you put in 15 minutes and you're not making that either.

The CHAIR — Without interjection, please. Ignore the interjections, they are — —

Mr WELLS — You wanted 10 minutes; you can't even make it at 15.

The CHAIR — Deputy Chair, you should take more responsibility in terms of the conduct of this committee.

Mr DALLA-RIVA — It will be 20 minutes next time.

Mr ANDREWS — The government has put in place in partnership with Ambulance Victoria targets that we think are the most appropriate. They are fully reported in the budget papers. We are seeing improvement against each of those targets. That is the answer I have now given two or three times. They are the facts.

Mr RICH-PHILLIPS — Why were they watered down?

Mr ANDREWS — The targets are, in our judgement and the judgement of Ambulance Victoria, the most appropriate targets.

Mr WELLS — People's lives are at risk.

Mr RICH-PHILLIPS — Why were they changed?

The CHAIR — Okay. I think we will move on.

Mr WELLS — We still have not got an answer, though, about why it was changed to 15 minutes.

Mr ANDREWS — That is my answer. They are the most appropriate targets.

Mr RICH-PHILLIPS — Water them down and still not meet them.

Mr ANDREWS — We are committed as a government in partnership with all those groups I mentioned earlier not just to do more of the same but to improve performance further. That is what drives all of us in this important work.

Mr NOONAN — Minister, I want to ask about elective surgery, which you have produced a slide on for the committee. I note under 'Growth in hospital services' in budget paper 3, page 17, there is additional funding to treat patients in an elective surgery setting. I just wonder whether you can provide to the committee some further details in relation to this particular budget and what benefits that investment will bring. I also note that through commonwealth COAG funding there may be an opportunity to treat more patients in an elective surgery setting, which you might also explain.

Mr ANDREWS — Thank you, Mr Noonan, for what is a very important question. As I said in my slides earlier on, elective surgery is important to all of us — both the people charged with setting policy and running the health system and also patients and Victorians right across the state. That is why we have invested very strongly, most recently in partnership with the commonwealth government. That is an important point to make as well. We have today a partnership with the current commonwealth government that we never enjoyed with the previous commonwealth government. What that means is that there are additional resources and support and a stronger partnership, which really does mean that more patients get the care that they need faster than they otherwise would have. Through the national partnership in terms of the elective surgery waiting list reduction plan and other moneys secured through the recent COAG process, we are seeing strong efforts in recent years boosted further. That is only to the benefit of patients. The budget has, as you know, around $1.7 billion in terms of important outputs to boost hospital capacity in terms of treating more patients, price support, but also additional COAG moneys.

In terms of additional surgery, you would know, Mr Noonan, that in April this year the Premier and I announced at the Alfred Centre $45 million in additional funding to treat 9000 extra patients and to treat those patients quicker than we otherwise would. The first of those patients have already been treated. That money is in the system now. That is why some of the numbers in the budget papers are over five years. We are very pleased to provide that. The Alfred Centre tells a great story as well in terms of a big, statewide dedicated elective surgery centre so you do not have demand from different patients competing for the same theatre time and the same workforce; it is all about investing in innovation — an innovation, can I say as well, that was singled out as part of the national reform process: the National Health and Hospitals Reform Commission singled out Victoria's dedicated elective surgery centres as a great example and something that should be rolled out right across the country.

Together with the commonwealth, in terms of the last part of your question, there is funding there to support some 18 000 additional treatments, and that is obviously only of benefit to patients. You will recall as well from last year that there was a $45 million boost in last year's budget and in 2008 there was a joint Victorian and commonwealth government initiative of some $60 million towards the biggest elective surgery blitz the state to that point had ever seen.

Just to give you a sense of what that means — inputs are fine, but it is outcomes as well that make a difference — from January 2008 to December 2009 this boost delivered 297 513 elective surgery procedures. That is 33 897 or 12.9 per cent more than was the case in the previous two years. So that is the better part of 34 000 patients who have received their care faster than they otherwise would have, as a result of that partnership and that intensive effort over two years. It is very important and, as I said, there is additional support in this budget to provide even better care.

In terms of July to December 2009, we have also seen median waiting times for elective surgery reduce from 33 days to 32 days. Can I say as well that across all three elective surgery categories, we saw in the last reporting period — that is the second half of 2009 or the first half of the current financial year — an increase from 84 per cent of patients treated within clinically recommended time to 87 per cent. That is very important; we want to build on that and continue to support those outcomes.

I mentioned the Alfred Centre. That is one part of our strategy around more dedicated elective surgery capacity. There is of course the centre at the Austin on the repat site as well, with an $8 million investment from our government that has seen 5000 patients already treated there. The Alfred Centre I should add as well has treated around 32 000 patients since it opened. Only a couple of weeks ago I was very pleased to visit St Vincent's and open its dedicated complex orthopaedic statewide elective surgery centre as well, which has two additional theatres and a range of other improvements which are all about providing quicker treatment for complex orthopaedic patients.

There is strong investment in terms of equipment and infrastructure. There is strong investment in terms of policy as well, driving new and different ways of doing things, but also a really strong partnership with the commonwealth government both now and going forward, so that we can do additional work and provide additional care in a more timely manner to the growing number of patients who need that elective surgery.

Just finally, Mr Noonan, to give you some sense of where we have come from our first period in office through to now, there were over 41 800 additional episodes of elective surgery in calendar year 2009 compared to in

calendar year 2000. In calendar year 2009 there were 153 465 episodes of elective surgery, and that compares with just 111 000 back in 2000. In terms of policy, leadership, innovation, resources, workforce and infrastructure, right across the whole spectrum of this important part of our health system we are doing more, but we want to do even better. That is why we fought so hard with the commonwealth government as part of the COAG process to secure additional funds so that we can do just that.

Mr DALLA-RIVA — Minister, I again refer you to budget paper 3, page 82, and the timeliness of ambulance services. It shows here again that the government has failed to meet its own benchmark of the rebadged 15-minute target, achieving that only 89 per cent of the time for population centres greater than 7500 people.

Minister, I want to draw your attention to some real-life issues and the death of Mr Adam Cummaudo. Minister, we have at the hearing today his father, Sam, who is sitting in the public gallery. Mr Cummaudo has been fighting for two years to get answers over the death of his son due to a delayed ambulance. In March 2007 Adam collapsed at his home. An ambulance was dispatched to his home in Epping, which transported him to the Austin Hospital in Heidelberg. The ambulance took 1½ hours to take Adam to the hospital from Epping to Heidelberg, which is normally a 20-minute drive. In fact the father arrived before the ambulance arrived.

Needless to say, unfortunately Adam died soon after arriving. Mr Cummaudo has been battling with your government to get answers and information on how this case was being managed. There have been a number of internal reviews and with the Office of the Health Services Commissioner. I ask: will you please provide Mr Sam Cummaudo and his family with a full explanation as to what went wrong, and will you finally admit that your benchmarks are having real impacts on our people in Victoria?

The CHAIR — Minister, insofar as it relates to the budget estimates. I think individual cases are something which — —

Mr WELLS — We need some answers on this.

The CHAIR — Mr Wells, through the Chair; without interruption, thank you.

Mr WELLS — This is our third go, and we are still waiting on answers.

Mr ANDREWS — The question has been asked, and I am happy to provide an answer, Chair.

The CHAIR — Okay. I would prefer we concentrate on estimates.

Mr ANDREWS — That is exactly what I intend to concentrate on. Have I got the call?

The CHAIR — You have.

Mr ANDREWS — The death of any patient obviously affects ambulance paramedics. It affects Ambulance Victoria. It affects all of us. All of our workforce, all of our team right across health want to see only the best outcomes for patients. That is why as a government we have supported Ambulance Victoria as strongly as we have. One of the ways in which you provide better care is through providing additional resources.

In terms of the targets you reference in budget paper 3, I will again refer you to the fact that for code 1 cases that were responded to within 15 minutes on a statewide basis, the 2008–09 performance was 82.5 per cent. This is an improvement from 81.9 per cent the previous year, and budget paper 3 forecasts 83 per cent, a further improvement again for 2009–10.

In terms of response times for population centres greater than 7500, in 2008–09 it was 88.2 per cent against the 90 per cent target — an improvement on the previous year. Again we forecast a further improvement outcome of 89 per cent.

Mr DALLA-RIVA — But, Minister, these are real-life — —

The CHAIR — Through the Chair!

Mr ANDREWS — You have asked your question, and I am answering it.

The CHAIR — The minister has the call.

Members interjecting.

The CHAIR — Mr Dalla-Riva, the minister has the call.

Mr DALLA-RIVA — This is what is happening out there at the moment. People are dying, and all you are wanting to do is to say you are not meeting your benchmarks.

The CHAIR — Mr Dalla-Riva, you should show more respect to the proceedings of — —

Mr DALLA-RIVA — I tell you what: this government should be showing more respect to the people who are wanting an ambulance to — —

The CHAIR — Mr Dalla-Riva, I ask you that you refrain. The minister, to answer. The minister has the call. Please follow the normal procedures of the parliamentary committee hearings.

Members interjecting.

Mr ANDREWS — I think it is very unfair to say that. It is very unfair on our ambulance paramedics.

Mr DALLA-RIVA — What are you doing to manage it?

Mr WELLS — No. You are the minister.

Mr DALLA-RIVA — You are the minister. What are you doing to manage it?

Mr ANDREWS — No, you have indicated that no-one cares. Your comment was no-one cares. That is absolutely a disgraceful comment.

Mr NOONAN — It is.

Mr WELLS — All we have heard are excuses this morning.

Mr ANDREWS — No. You made the comment; Mr Dalla-Riva made the comment that no-one cares.

Mr RICH-PHILLIPS — Give the family some answers.

Mr WELLS — You are just giving excuses.

Mr ANDREWS — And he should be accountable for the comments he makes. You just said no-one cares.

Mr WELLS — You should be accountable for the ambulance service.

The CHAIR — Mr Wells! I do not like doing this, but you need to recognise the Chair, Mr Wells, when I stand. The behaviour of some of the members — and the minister should not be provoked either — is inappropriate and not showing respect to normal parliamentary procedures. I ask members and also the minister to reflect on their behaviour and the normal processes. A question is asked and an answer is given. It is not a free-for-all around the table. I would ask you to reflect upon your behaviour, and that includes everybody here. The minister has the call. The minister to answer please, without assistance and without interjection.

Mr ANDREWS — Chair, it is my experience and it is the fact of the matter that every one of our paramedics cares. Every member of staff of Ambulance Victoria, all of those dedicated public servants in the Department of Health who look after ambulance programs, every member of the government, indeed every member of the Victorian community cares to provide better services as we go forward. That is why these budget papers with investment from our government forecasts that very improvement. They are the facts of the matter. We will always strive to provide to our paramedic workforce and all of their partners more resources, additional support so that they can provide life-saving care to the growing number of patients, the growing caseload that is needing that care.

Our record is one of investment, but at the same time we are open and up-front about the fact that there is more to do, and we will continue to invest as we have done. Our track record is one of investment — that simply cannot be denied. There are more paramedics providing more life-saving care to more Victorians than has ever been the case. It may suit some members of the committee to simply wash that away and ignore that, but that is the fact of the matter.

Mr DALLA-RIVA — Why don't you give Mr Cummaudo — —

The CHAIR — Without assistance, please.

Mr DALLA-RIVA — He has been waiting for two years.

The CHAIR — Without assistance.

Mr ANDREWS — On behalf of our dedicated paramedic workforce, I say to all members of this committee and indeed all Victorians: they are committed and passionate health professionals, dedicated clinicians who work in very trying, very taxing, very complex situations 24 hours a day, 7 days a week. They have the full support of our government, and they will continue to enjoy that support through record resources, policy, innovation. That is what we have done and that is what, Chair, we will continue to do, because we understand just how important those services are.

Mr DALLA-RIVA — So will you give a response to Mr Cummaudo?

The CHAIR — We have dealt with that. Ms Huppert?

Mr RICH-PHILLIPS — Why are you blocking the release of documents to the Cummaudo family?

Ms HUPPERT — Thank you, Chair.

Mr WELLS — Hang on; they have waited for two years for closure on this very difficult case. This family has been trying for two years.

Mr RICH-PHILLIPS — The department is blocking the release of documents.

The CHAIR — Ms Huppert has the call.

Mr WELLS — Your department is blocking the information.

The CHAIR — Mr Wells, will you stop interrupting?

Mr WELLS — So this family needs closure.

The CHAIR — Your behaviour is intemperate, Mr Wells. Ms Huppert has the call. Thank you.

Ms HUPPERT — Thank you, Chair. Minister, in your presentation you talked about the capital investment in our hospitals around the state. I note that the government announced the second stage of the Olivia Newton-John Cancer Centre last week, which is listed in the asset initiatives in budget paper 3 on page 309. Could you please outline for the committee the progress of this particular cancer centre and other cancer treatment-related facilities that are being supported through this budget?

Mr ANDREWS — Thank you very much, Ms Huppert, for your question. As you know and I think as the committee knows only too well, cancer is everybody's business. Cancer is a key priority for me as the Minister for Health; it is a key priority for the Victorian government and indeed for every single Victorian. Every day 70 Victorians are diagnosed with cancer, and sadly every year 10 000 Victorians lose their lives to cancer. All of us are touched by cancer in one way or another, either personally, through family, through friends, team-mates or workmates. This really is everybody's business, and that is why as a government we have not just invested additional resources but we have put in place the policy framework to link up, to integrate, to really take a series of disparate and separate cancer services and build a cancer system. That is the envy of many other states. The Victorian cancer action plan is the key piece of architecture that drives investment in terms of early screening, rapid translation of research into better clinical practice, boosted treatment space and a better service system, and fourthly, better support through palliative care, through seeing care in its broadest sense and

understanding that it is not just about clinical oncology, it is about many other social and psychosocial services and other supports we can provide to patients. That is what the plan is all about.

It is not just about throwing money at the problem, it is also about making sure we have actions and detailed targets to keep us all of us accountable, and that is what the Victorian cancer action plan is built on. Chief among those is our five-year survival rate target — to take to 74 per cent by 2015 the number of cancer patients who are alive at the five-year mark. This is critically important work. It is a very substantial financial investment, but I cannot stress enough that it is also policy leadership. It is not just a matter of the government, there are many other partners in this. This is a plan that is truly owned by the cancer control and the cancer treatment sector right across the state. The cancer action plan, particularly in relation to those targets, has been singled out for praise not just nationally but also at an international level. All of our partners should be very proud of that.

I spoke about supportive care and providing the broadest possible offering to cancer patients, and there is perhaps no better example of that than the Olivia Newton-John Cancer Centre out at the Austin. I think committee members are pretty well aware of this project. In its first stage it was a partnership between the commonwealth government with $25 million, our government with $25 million and $25 million from the foundation through philanthropic and other important community fund-raising. In this year's budget we provide the Department of Health, in partnership with DIIRD, $68.9 million to fund an important part of stage 2. I am advised that stage 1 will start either this week or perhaps next week. It may already have started in terms of important building there, but this additional funding means that stage 2 will also be able to be funded. What that means is that radiation oncology, which is currently run off the Austin repatriation hospital site, will be able to be moved up to the main Austin Hospital site and be consolidated in one place. Additional bunkers and additional LINACs means more patients will be able to get their radiation oncology at that one site in Melbourne's growing northern suburbs.

There are also other services, in particular, wellness, as well as providing information, support and the broadest possible care to cancer patients, and not just to the patients themselves but to carers, to family members, to loved ones. This is a fantastic project and one that we are very pleased to have been able to support in the first instance through stage 1 and then to be able to provide, as part of a comprehensive addition to the cancer plan statewide, additional funding for stage 2. It is all about saving lives and treating additional patients.

If we look at ambulatory oncology, something like an additional 1500 patients will be able to be treated annually as a result of this centre, and if we look at radiotherapy, something like 420 to 450 additional patients per year will be able to be treated as a direct result of this. It is not about numbers, it is all about better outcomes for cancer patients, their families and their carers through practical, meaningful and better care.

Can I also say that the Ludwig Institute for Cancer Research has its principal Victorian site, indeed its principal Australian site, out at the Austin, and these moneys will build in shell, with some fit-out but in shell in the main, important translational research facilities. The Austin sometimes does not get quite the credit that it ought to not only for the volume of work it does in terms of medical, surgical and radiation cancer care but also the world-leading research it does in partnership with others. This is a very strong project and one we are pleased to support. That is not just because of its outcomes but also because it is about new models of care. It is about doing things differently, it is about driving reform and backing doctors, nurses and others who are at the cutting edge of doing things differently, innovating and changing. That is how we will get better outcomes for cancer patients. It is a project that already has the attention of other states and countries around the world. We are very pleased to be able to provide, as I said, $69 million to make what was Olivia Newton-John's dream and indeed the dream of many others the practical reality we know it will be.

Ms Huppert, there are many other investments in terms of cancer throughout the budget, and we will perhaps have an opportunity to talk about some of those in more detail later this morning.

The CHAIR — I point out to the press that there are rules for the recording of proceedings here. In terms of filming the people who are speaking, the camera can concentrate on them. It is not appropriate, though, for filming to be done in terms of other things happening in the room. For example, filming members of the committee walking in and out of the room is not appropriate, and I remind press of that, otherwise they will not be able to film.

Ms PENNICUIK — It says on page 75 of budget paper 3 that one of the aims of the department is 'shifting the focus towards effective prevention and early intervention'. In your presentation, and even when you were answering the question put by the Chair, you mentioned that preventing illness was a focus. Also, in your presentation, which I was very interested in, you mentioned the increasing share of category 1 to 3 triage patients in emergency departments. I think this has been a problem for a long time, and a lot of the anecdotal and research evidence is that there are a lot of people presenting to emergency departments — and your figures are pretty well backing this up — who should not be there. They are not getting access to primary care so they are ending up in the emergency department for things that they should not be in an emergency department for.

Mr ANDREWS — Yes.

Ms PENNICUIK — I notice also in the output summary on page 77 of budget paper 3 that the budget allocation for primary and dental health is reduced by 5 per cent in 2010–11. There is a note there which talks about the bushfire case management, and I think that needs a bit of explanation. I do not quite understand what that is. Perhaps you could explain that. But also the increase in funding towards public health and drug services is fairly modest. My question really is, given all of that, what is your strategy going forward to actually alleviate that problem in emergency care by focusing on prevention and primary care?

Mr ANDREWS — I thank Ms Pennicuik for the question. This is a really important challenge, and one that has been the subject of much of the national health reform debate in recent times. Obviously it is pretty much accepted evidence-based practice that if you can intervene earlier, if you can provide support in the early years — and when I say support it is not just about medical or clinical support, it is also about wellbeing and wellness and a sense of safety and a sense of security, so I am making some broader points across the whole of government — if you can intervene early in so many different ways and provide support and a supportive environment, then you can deliver better life opportunity and better outcomes, and that is absolutely the case in terms of health.

Ms PENNICUIK — I agree.

Mr ANDREWS — In terms of the linkage, though, with the growth in low-triage category — that is, categories 1, 2 and 3, the most urgent patients — I think that cannot be directly linked with a failure in primary care. However, I would say if you have had for a long period of time increasing numbers of Victorians from low socioeconomic backgrounds — people on fixed and limited incomes, people who perhaps do not have the housing and food security that they need, Indigenous Victorians, many different groups — if for long periods of time growing numbers of Victorians in those cohorts and others have not been able to get to see the bulk-billing GP, for instance, then what that means is chronic conditions that if well-managed really would have an impact but a much lower impact can lead to very poor health outcomes. That is a long-term issue, though, and we have seen for some time now, for many, many years, access to commonwealth-funded primary care without co-payment, access to the fundamental building blocks of our health system, not at levels they should be at.

Again, this is a health debate, not a hospital debate, and many have tried to focus different governments' attentions on these things. I think it is fair to say, and I might ask Dr Brook to perhaps supplement this, that while we have some certainty about what will happen with funding allocations as part of the COAG process for hospitals and we have some certainty around specific initiatives the commonwealth government has funded — for instance, practice nurses, additional GP places and changes to taxation in terms of tobacco products — there is less certainty in primary care. We have some governance arrangements that even as recently as last night we have a clearer sense of, but there is a lot more work to be done around what the commonwealth government's reforms to primary care will mean.

There is some additional money for resources. I think they would probably say a very substantial boost, but there is some work to be done. You can be confident that I take this matter very seriously and as a government we do as well. We will have a bilateral discussion with the commonwealth government around what 'Medicare Local' — as they were calling it as recently as last night — means. We will work diligently around this, because I think it is fair to say, and each of us as members of Parliament would know in our own local communities, that as a state we are perhaps more in the business and have more invested in what used to be traditionally commonwealth-funded primary care and therefore preventive health care than many other states — primary care partnerships, stand-alone community health, many hundreds of millions of dollars, many, many staff, and much effort at a local community level, more so than many other states.

What I would say to you is that in broad terms that is the kind of debate, and there is a real tension between investing early and at the same time having to meet the challenges of successive governments in Canberra not having invested early. Those two tensions are live and they are very difficult for us to juggle, but we are committed to a whole raft of programs, whether it is early intervention in chronic disease teams, the Hospital Admission Risk program or things like WorkHealth, which really has turned on its head the notion of health services screening for risk factors — not even for actual chronic conditions but risk factors — and the way in which we build health and wellbeing into everyday life, noting that that is funded as an occupational health and safety measure, noting that healthier workplaces are in fact safer.

What I would say to you is that there are many different projects that we fund in the budget. There are additional moneys this year. Again, there is a tension there between providing acute and, if you like, time-critical care and intervening more early. But I would say to you that that whole debate is very much active at the moment and is part of the foreshadowed commonwealth primary care changes. In terms of the broader outputs, Dr Brook might be able to — —

Ms PENNICUIK — Excuse me, Chair, just before we go on, just to clarify, I hear what the minister is saying but I suppose in a nutshell the budget paper is saying a shift in focus of primary care and I see a reduction in it in the actual budget, and that note (g) does not really explain why that is. How is it we are having a shift to prevention but much of the budget is not a shift to that?

Mr ANDREWS — Before I ask the secretary to speak directly to the bushfire issue, and I will ask Dr Brook to speak to this as well, can I just make the point that the key here is when we say 'we' who do we mean? Is it just the state government or is it the state government and the commonwealth government?

Ms PENNICUIK — I am just looking at your budget paper and what it says in there.

Mr ANDREWS — Yes, and those budget papers provide allocations over the forward estimates. During the full term of the forward estimates the commonwealth government will take exclusive control in policy and funding terms for primary care. This is a very busy space. There is a lot of hard work to be done; we are committed to doing it. Given the record investment we have already made in terms of primary care, that bilateral arrangement will be very, very important for patients who have come to rely upon services that probably should be provided by the commonwealth but have for a long time been provided by us. The secretary can speak to the bushfire issue, and then Dr Brook might like to add to it in broader terms.

Ms THORN — After the 7 February 2009 bushfires the government set up a case management service to provide all people directly affected who required it with assistance to manage the turmoil in their lives. That service provided a whole range of activities and assistance to those people, and it continues today. In order to support that, which at its height involved over 400 people, I think it is, providing direct services, the then Department of Human Services was allocated funding to actually provide the service. For purposes of location in the budget, it was part of the primary care output appropriation. With the creation of the Department of Health and its movement out of the Department of Human Services, the funding for the case management service was transferred to the new Department of Human Services out of the primary health output appropriation. That is really the explanation for that shift. It is in the vicinity of $40 million to $50 million.

Mr ANDREWS — I can add to that, Chair. I am advised the Victorian bushfire case management funding was around $55 million. That has gone from our output to the human services output. But the total decrease is only some $21.4 million, so save for that governance change, if you like, or machinery-of-government change, we would actually be talking about an increase in this output group of some $30 million.

Again, I just make the point more broadly this is a busy space. There will be more to do, and we will be diligent about it. Dr Brook might want to add to that.

The CHAIR — Quickly, thank you.

Dr BROOK — Sure. Just to confirm exactly what has been said, but add to it, when new allocations are made they have to go to one or other output group. So there are actually two sets of allocations that have changed during the years. The first is bushfire recovery money, which has been addressed. There is also closing the gap money, a very significant investment in a genuine attempt to close the difference in life expectancy between indigenous and non-indigenous Victorians. The budget papers from 2009–10, BP 3, give you a very

clear explanation of all of that. It is important to look to the targets, though, because there is certainly no reduction in targets, so the underlying primary care program remains as it was.

Just to reinforce again the minister's statement that as of 1 July 2011, funding and policy responsibility for all the things that we currently understand to be primary care will become a commonwealth responsibility, and we will be working with them bilaterally to negotiate exactly what those arrangements mean. They do mean what they say. However, the services currently provided by the state are certainly going to continue at least into the medium term, and the arrangements that we make in this state we can be reasonably confident will be Victorian arrangements — that is, there will not necessarily be a one-size-fits-all footprint in the whole of Australia.

The new organisations, Medicare Locals, will become important. This is the new name for what have previously been caught primary health-care organisations, or PHCOs. Medicare Locals are going to be brand-new organisations which will coordinate and provide better services for people in general practice who currently have to navigate entirely on their own through the health-care system.

The issue of people turning up to emergency departments is a very complex one. There is no doubt that there are people who turn up to emergency departments, and there are very good studies of this, who do so because they see it as a one-stop shop. So they are actually making a rational decision; they are prepared to go to a hospital emergency department and have that done. It is our aspiration, working with the commonwealth, that the new organisations would provide that kind of service so that people do not have to go, inappropriately as it were, to a hospital emergency department to get the service that you would hope they would get through general practice and all the services which surround it.

The CHAIR — I think you should take it on notice, Minister, to try to give us a reconciliation of the funding arrangements that Ms Pennicuik has asked for.

Mr ANDREWS — I am more than happy to provide that, Chair.

Ms PENNICUIK — Thank you, Minister.

Mr SCOTT — Minister, under asset initiatives in budget paper 3 page 309 it is shown that funding has been allocated to expand intensive care and theatre capacity. What is the government doing to improve the delivery of these services?

Mr ANDREWS — Thanks, Mr Scott. This is a very important question. ICU capacity, or critical care capacity, is really central to patient flow and to providing to our most seriously ill and unwell patients the services that they and their families want and need. This budget does provide, both in terms of capital works and also output, very substantial support in terms of additional ICU capacity.

If you look at it, there are a number of adult ICU beds across the state and there are a number of paediatric intensive care beds at two sites, the Royal Children's Hospital and Monash Medical Centre. Those beds in the main treat the most ill, the most seriously unwell, patients in our system. Over 19 800 patients were treated in Victorian intensive care units last year, compared to some 17 900 in 2001–02. So we have seen growth in terms of the numbers of patients requiring critical care, and that is why as a government we have provided not just physical infrastructure funding but also recurrent funding.

These are very expensive services to run, but they are obviously critically important. The wage costs are very high, and the staff-to-patient ratio is often in excess of one to one. There is very expensive equipment and very expensive treatment agents in terms of pharmaceuticals and therapeutics. But it is at the really sharp end of our system and very, very important. That is why in this budget and in previous budgets we have provided substantial support to grow overall capacity. Indeed, between 2001–02 and 2008–09 there has been a 17.5 per cent increase in average daily intensive care hours, so the average number of hours of care provided in intensive care units across the state. That is a very substantial boost, but it is important to have provided that additional funding to treat those patients because as an ageing community and a growing community, and indeed — picking up some of the points that Ms Pennicuik made — a community that is increasingly unwell, it is important to have that additional capacity within the system.

We saw the benefit of that growth, the benefit of steady improvement each and every year in terms of hospital capacity. Last year when we were confronted with H1N1 human swine flu with a number of patients who were

very, very unwell, we were able to see the system cope well, thanks to the dedication of our team — doctors, nurses and in this case, some intensivists and others. Their dedication and their hard work was part of that, but also additional support to grow the capacity of the system.

The budget also provides increased statewide ICU capacity to purchase equipment to deliver 10 additional ICU beds across the system. These additional beds will be at the Alfred, the Austin, Frankston, Geelong, Northern and St Vincent's, and these beds build, of course, on previous investments both recurrently and in terms of asset.

Probably the shining example in recent times is the new Alfred intensive care unit, $25 million, and some very important partnerships with the Fox family and other philanthropic sources. That added additional capacity to that particular facility. Not many of us will have visited there, but I have had the pleasure of visiting there a couple of times now and it is a truly state-of-the-art, and one of the world's very best intensive care unit spaces. We saw the power of that investment in terms of the Black Saturday bushfires when the Alfred basically shifted its normal trauma load to the Royal Melbourne Hospital, showing that our trauma system, rather than just trauma services, worked very well so that they could properly focus as a statewide burns unit to provide that care and support to some very seriously ill patients as a result of the Black Saturday fires.

That is another way of, if you like, quantifying what those investments mean, but it is not just about capital works and equipment. It is also about ongoing funding. As you know, in last year's budget we provided very substantial support — the best part of $400 million over four years for additional beds. An important component of that was additional adult intensive care unit beds, additional neonatal intensive care unit beds and also ICU nurse liaison support to make better use of our workforce. ICU nurses are a precious thing and we need to make sure that we properly support them to do their work.

In terms of theatre capacity, Mr Scott, there is a substantial boost. At Barwon last year we funded two additional theatres and upgrades to the current six theatres. There is also additional support this year around ICU physical infrastructure at Barwon Health. Last year there was one ward; this year there is a further ward on top of that.

The Royal Melbourne Hospital, which is Australia's busiest hospital, is a major trauma centre, but also a major centre of a whole lot of other activity. Neurosurgery, cancer, a whole range of different services are run there. It is a very big part of our system. There is funding in this budget for both increased bed capacity there, but also a 12th theatre. That work has already started in terms of planning and tendering and things of that nature, but it is again important to give to the Royal Melbourne, given the central role that it plays both in terms of elective surgery, but most importantly in terms of trauma, the additional theatre capacity so they can continue to do their important work.

There are many other examples across the state, too numerous to mention, from our important targeted equipment program. That again is re-funded in this year's budget. Giving to our hospitals and to the dedicated clinicians who work in them the tools, if you like, that they need is very important, and that is why we are pleased to have provided some hundreds of millions of dollars over our time in office to purchase that equipment — the best equipment — to in turn provide the best care. Much of that equipment is anaesthetic machines, all sorts of other theatre tables, different equipment that is absolutely linked to treating the most ill patients in our system and growing the overall capacity of theatres and the overall capacity of the system more broadly.

Whether it is in terms of ICU infrastructure, ICU ongoing funding or support to open more theatres and to upgrade theatres and to equip theatres with the equipment that is so important, the budget delivers in all those important areas.

Dr SYKES — Minister, I would like you to provide some information to me in relation to health services for smaller country communities. The two examples I wish to use are the Strathbogie shire and the Alpine shire. Rather than put it all on the table in one go, I would prefer to do the Strathbogie shire first and then, when you have answered that, go to the Alpine shire.

Strathbogie shire is a shire of low socioeconomic status, in a general sense, and there are many public patients but no public hospitals. The health services in Strathbogie shire are primarily provided by three former bush nursing hospitals at Nagambie, Violet Town and Euroa. Whilst Nagambie and Violet Town are going relatively well, the Euroa Hospital is operating at a loss, and that situation is not sustainable, and if it is not addressed we

will have another Sea Lake. A short-term solution is to have a small number, a handful, of public beds in the hospital. That will generate enough cash flow to keep it alive. A longer-term solution and a longer-term desire of the Strathbogie shire community is for a coordinated community health service involving those three providers. What can you tell me about what you are able to do to ensure that people in the Strathbogie shire have equal access to health services?

Mr ANDREWS — This is a very important question, and again I have the privilege of visiting many health services each and every week — some in very big regional centres, and some in very small towns. I can recall being at a number of openings of important bush nursing centres, redeveloped, reborn in some instances, because of support from our government. It is often very small amounts of money, only a few hundred thousand dollars, but they make such a powerful difference to that particular town. If my memory serves me correctly, I was in Dartmoor a little while ago to open additional services there. There are a number of different communities I have been able to visit, very small communities, and the investments we have made through the allocations that we as a government have made to bush nursing centres more broadly have made a very powerful difference. Often the bush nursing centre is a major employer in that town as well, even though it may have a small workforce, but they are steady jobs — they are climate-change-proof jobs, if you like — and they are about the future of the town and people being confident that services will continue there.

In terms of Strathbogie shire — I will ask Dr Brook to supplement this as well — I am more than happy to get some advice from the department about the Nagambie, Violet Town and Euroa bush nursing centres and what, if any, additional support we can provide. Our support has in the main been either to purchase services, so there are some recurrent dollars that flow to this sector, but mainly we have committed and have delivered in full a number of small grants for capital improvements. Some of these facilities, in order to be accredited and in order to continue to provide residential aged-care services and other services — primary care in the main — have needed support from our government, and we have been only too pleased to provide it.

I am pleased that you mentioned Sea Lake. Sea Lake was a very important example of what can be achieved even in a very small country community, and an isolated country community at that, if governments work together. We had Mallee Track Health Service, Sea Lake, as a private, not-for-private health service, our government and the commonwealth government cashing out a whole lot of MBS entitlements, being able to put them on a much more secure financial footing, and guaranteeing those high-care residential aged-care beds and other services in that town.

Without that partnership, then those services would have been lost to Sea Lake and the many families that either live in that town or in the broader district and look to Sea Lake for the services they need. In terms of that example as well, there are a number of residents in the aged-care facilities, so they would have needed to have found an alternative place to live and almost certainly there would not have been a profitable or viable private provider in Sea Lake. So I think we have got a good record of properly supporting these very small health services, but they do play a big role in the community.

I am advised that my office met with the CEO of Euroa hospital recently. My department officers, my department regionally and perhaps at a head office level, are working with the CEO of the Euroa hospital around these issues. But I am more than happy, Dr Sykes — I know you are interested in these matters — to take the broader issue on notice and perhaps respond to you or the committee and to you separately, if you would like.

The CHAIR — Quickly on the Alpine one.

Dr SYKES — In relation to the provision of services in the Alpine shire, we actually have a situation there where Alpine Health services operate at three locations, Myrtleford, Bright and Mount Beauty. They come under pressure on two counts. One is their basic operating costs and the second is the need for aged-care facilities at Bright. In relation to the operating costs, as costs have gone up, it must be about six years ago, they addressed that by encouraging greater use of the private health insurance system by encouraging people to come in as private patients rather than public. That met their short-term cost price pressure. Then last year, to accommodate the rising costs, they actually had to sack 10 people to come within budget. I am advised by the CEO and the chair that in the event of further cost price squeezes the next thing to go will be services. There will be a reduction in services unless the funding arrangements for their operating costs are modified.

In relation to aged care at Bright, as you would be aware, Minister, Bright has an ageing population that is ageing at a greater rate and has a greater proportion of older people than many other communities in Victoria. Many of them have very modest financial circumstances and there is a growing need for aged-care facilities there that will only come about with substantial state and federal government support, so operating and aged care.

The CHAIR — Quickly, please, Minister.

Mr ANDREWS — Thanks, Dr Sykes. In relation to Alpine Health, you are referring to the state-declared health service, as opposed to the bush nursing centres you were talking about before. I know that region and indeed the department at the head office level have been working with Alpine Health for some time now. I have had the pleasure of visiting Alpine Health at least once — I think more than once, actually — to announce rural maternity initiative funding there. It is a great health service, a really strong health service, but it faces what many of our scenic communities face: an ageing population, but then big spikes in terms of the number of people who visit and are in those communities during, in this case, winter and summer peak periods when you have got lots of tourists coming through. That does put pressure on the services that they run.

Size and scale and the sort of economies of scale that come from that are a real challenge for smaller health services. That is why we put in place the small rural health service funding model, so that we do not provide just WIES. We do not just provide activity-based funding; we provide block grants to give them the flexibility to tailor their services and arrange their affairs in the most sustainable way.

Similar to the previous example in Strathbogie, I am more than happy to write to the committee and perhaps respond with you separately. I know that my office has been working with you reasonably intensively around some GP services in that broader King Valley area. I know this is a slightly different area, but I think we have established our bona fides in terms of working through issues that you raise and I would be more than happy to do that.

Just on the broader issue of bush nursing centres and small rural health services and some of the challenges they face that are unique to them as one part of our system, Dr Brook is probably well placed to give us some further advice on that.

The CHAIR — Yes, quickly.

Dr BROOK — The small rural health service model is the model which we have adopted which, it is pleasing to see, has been reinforced by the national health reform process. It basically, as the minister says, ensures that small health services are able to remain viable in our system without the strictures that are imposed by what would be called activity-based funding for every single thing that they do. They have a great deal of flexibility in how they transfer resources.

The two sets of facilities you are talking about differ even from that model. The Alpine Health group is in fact a multipurpose service, so it is funded under a joint arrangement with the commonwealth and the state. There are a number of multipurpose services in Victoria and, indeed, in Australia.

The biggest issue financially that Alpine Health has long had has been that this means that the commonwealth cashes out its aged-care work. They are a very big provider of aged care; a lot of what they do is in fact aged care. But the cash out rate is low when compared to how it might be if they counted each patient by category, as would happen in a standard residential aged-care facility. They are issues that the department is working through with them. There are also issues, as the minister said, of economies of scale and size through which we will work. But these things can only actually happen by very careful study of precisely what are the issues, precisely what financial stresses they may face and what is their planned future. It is not necessarily just a matter of looking to what has been there before.

Exactly the same applies to the quite different issue of Euroa. Euroa is a bush nursing hospital, which of course is a historic community-based private hospital. We have a long history of working closely with such places. On some occasions their trajectory has been to move them in under the public sector. That happened a great number of times, particularly in the western part of the state where small communities could no longer sustain health services. In other instances, they have had a trajectory of moving to aged care. If it is not appropriate for them to try to maintain acute services, then it is better to try to work through the planning that is required to work out

what that might mean. But it also might mean that they come under our much more primary care model, irrespective of whether they are providing aged care or not. We have seen that in Sea Lake and we have seen that in some smaller communities up on the Murray. What we can do in these circumstances — and we are willing to do and the department is happy to, I am sure, advise you further in detail — is to engage with the commonwealth because it is very important that that happen, and even more so now that the commonwealth is going to take over full funding and policy responsibility for primary care as of 1 July 2011.

If the preferred model is one which is a significant boost in primary health care and creating a primary care centre — perhaps not exactly a community health centre, but a primary-health-focussed model with some aged care or not — then we have to actually work with the commonwealth. The only way we can achieve that would be to do that. But the first thing we would do would be to look very closely at their planning and support them with planning because small services like this cannot undertake, for them relatively expensive health service planning, so we move progressively from there.

The CHAIR — Minister, I wanted to refer you to capital investment, something which you gave us a slide on. I notice a nice photo there of Barwon Health as well in the slide. The committee is interested in what is going to be the impact of the capital investment going forward in this particular budget, $2.3 billion. Maybe you could use Barwon Health, since there is a photograph of it there, as an example to illustrate what the impact of this is going to be, particularly and obviously, on patients, because what we are interested in is what is the impact of the investment in delivering services for people in Victoria.

Mr ANDREWS — As I said earlier in my presentation in my answers to other questions, this is a very strong outcome in terms of health capital works and health infrastructure — the physical fabric, both in terms of buildings but also equipment and critical infrastructure — that makes such a huge difference to patients right across the state. Rural and regional capital works have been strongly supported in this budget. Whilst Barwon Health is not the biggest in dollar terms of the asset initiatives that are funded in this budget, it is a very important boost for two reasons. Last year we provided around $30 million for an additional medical-surgical ward, to upgrade the six existing theatres and in fact to increase the number of theatres from six to eight, if memory serves me correctly. That is all about making sure that Geelong, which is a growing community and an ageing community, has access to the services that they need and that the staff there in turn have the physical facilities that they need.

This year's budget builds on that, with a further ward on top of the one that is under construction now and additional space for intensive care beds, but also, and perhaps most importantly, funding as part of that $33.6 million to purchase land in Geelong's southern suburbs for a second hospital for that growing regional centre.

In terms of Geelong's southern suburbs, whether it is Armstrong Creek or other residential developments that are planned, there will be very substantial numbers of people living – extra families and households in those local communities. It is important that we do not just keep pace with that growth but we stay out in front of it, and this funding to purchase land and to do the important planning work will see us achieve that. That will be to the benefit of people in Geelong, the Surf Coast and also the Bellarine Peninsula as well. They are growing communities. Any of us who have travelled down that way recently know Geelong is growing at a fast rate and its southern suburbs are growing but also right through Torquay and that corridor — —

The CHAIR — The Great Ocean Road.

Mr ANDREWS — And of course the Great Ocean Road, and also back down along the Bellarine Peninsula as well there is very substantial growth and this additional facility will mean that we can better meet the challenges that that growth poses.

In terms of the additional ward space and ICU space, when that is completed that will see something in the order of 2500 additional patients able to receive their care at the Geelong Hospital each year. Obviously a second hospital for Geelong in its southern suburbs will see many tens of thousands of patients receive their care, but in the short term there will be this additional boost. Work for the medium term and long-term planning has already started, and we will work through that very diligently knowing just how big Geelong is and that it is forecast to grow even further.

But as I said earlier on in relation to other health services in regional Victoria, whilst this is a very strong budget it is important that we all acknowledge and understand that it builds on a very strong record of investment, both in terms of capital works, where in the order of $197 million has been invested by our government in capital works, infrastructure and medical equipment across Barwon Health, and also in terms of ongoing funding — recurrent funding — to treat patients there is a 131.7 per cent increase in their ongoing budget, and that is for the current financial year. Obviously there will be further allocations. That number will grow, because, as you know, Chair, every hospital in every year of our term in office has received a funding boost, and 2010-11 will be no different.

In raw numbers, that 131.7 per cent increase represents an increase from $114 million to $264 million. But it is not just about money; it is about staff and patients. To give you one further example of what that investment means, it means 45 per cent additional nurses, going from 1092 EFT in 1999 to 1587 equivalent full-time nursing staff. In terms of capital works now and planning for the future — staying ahead of growth, in what will be without doubt one of the fastest growing parts of rural and regional Victoria — ongoing funding now and into the future, we are supporting Barwon Health and the communities in that region very, very strongly.

The CHAIR — Thank you very much, Minister.

Mr WELLS — Minister, I once again would like to bring you back to the ambulance service and budget paper 3, page 82. Once again we make the point that government has failed to meet its own benchmark within the 15-minute target, only achieving 83 per cent of that time statewide. I want to refer the minister to the case of Kim Broadbent, 34, who was impaled in her groin — it exited through her stomach — on a fence at the family farm at Yarrawonga. Ms Broadbent's mother, Heather, says her daughter was left hanging in agony for 47 minutes before the ambulance arrived because there was no paramedic on duty at Yarrawonga that night. I would also like to draw the minister's attention to the media reports of Rupert Rafferty, the five-year-old boy who died whilst waiting for 65 minutes for a specialty ambulance paramedic. I would like to quote the *Sunday Herald Sun* where it stated:

> … something must be done to fix the state of the ambulance service in regional areas.
>
> …
>
> This is about government resourcing. Once again, we call on authorities to urgently act on ambulance services in our state.

My question is, Minister: given that for the last five years these benchmarks have not been met, when will you call for an independent inquiry into these failures by you and your department?

The CHAIR — Minister, insofar as it relates to the estimates.

Mr ANDREWS — I thank Mr Wells for his question. In relation to the estimates, I just again make it clear that year on year — and the expected outcome for this year — has seen consistent improvement on both those measures. That is what our ambulance paramedics are fundamentally concerned about. That is what they care about, that is what I care about, that is what Ambulance Victoria and the communities that it diligently serves care about — bringing about sustained improvement. That is what we are committed to doing.

I want to see a situation where more resources are dedicated to pre-hospital ambulance services, to emergency care and transport. Again, Ambulance Victoria reviews the way in which it provides services each and every day. As a professional organisation concerned with bringing about improvement, it is part of their core business and that is why Ambulance Victoria operate that way. I am confident that they have the tools and the outlook to constantly monitor case load, to constantly monitor ways in which they can improve services. I am satisfied that that is the appropriate review mechanism, in terms of making sure that we have got good advice and good, sound policy to underpin budget decisions.

You referenced the budget papers. There are additional moneys for ambulance in this year's budget. That is all about keeping pace with increasing costs. There is the Kinglake branch I mentioned. There is the Whittlesea branch I mentioned. These are all important investments. They are all about further supporting improvement against those targets, and the improvement is there to see — year on year, and in terms of what we expect will be the outcomes going forward. So the fact of the matter is we are seeing improved response time performance, but it can always be better. I am the first to say that. That is why I, the government, the department, Ambulance Victoria and all of its workforce and partners work so very hard at all times to try and improve service delivery.

That is what guides us. It is about patient outcomes and I am confident that we will continue to do that important work.

Mr WELLS — Through you, Chair, the actual question was: when will you call for an independent inquiry into these failures?

Mr ANDREWS — I have answered that. I have just answered that.

The CHAIR — I think the minister has actually answered that — —

Mr ANDREWS — You are not listening.

Mr WELLS — So are you saying — —

Mr ANDREWS — You are not listening. I have just answered that.

Mr WELLS — Hang on, there is no point getting upset.

Mr ANDREWS — No-one is upset.

Mr WELLS — Minister, I am just — —

The CHAIR — All right.

Mr ANDREWS — I have answered your question.

Members interjecting.

Mr ANDREWS — I have answered your question.

The CHAIR — Minister and Deputy Chair!

Mr WELLS — The issue is: when will you call for an independent inquiry — —

Mr ANDREWS — I have just answered that question.

The CHAIR — The minister has answered that part of the question — —

Mr WELLS — Into the minister's failures? So for Hansard — —

Mr ANDREWS — I have just answered that question.

Mr WELLS — For Hansard, you are saying that there will be no independent inquiry?

The CHAIR — No. The minister has already answered that question.

Mr ANDREWS — You can refer to Hansard if you like, because I have answered the question.

Ms GRALEY — Chair, I would like to ask my question.

The CHAIR — Yes, you will get your turn, Ms Graley.

Mr WELLS — Okay. There is no point getting upset. We are just wanting some answers.

Mr ANDREWS — This amateur theatre is impressing no-one.

The CHAIR — Thank you, Minister. Deputy Chair!

Mr ANDREWS — No-one is getting upset.

The CHAIR — Deputy Chair!

Mr WELLS — Minister, we are just wanting an answer about an independent inquiry — —

Mr ANDREWS — I have answered the question.

Mr WELLS — And you have ruled it out.

Mr ANDREWS — I have answered the question.

Mr WELLS — You have ruled out an independent inquiry.

Mr ANDREWS — I have answered the question.

The CHAIR — Deputy Chair!

Mr WELLS — So these families will not have closure?

The CHAIR — Mr Wells!

Mr ANDREWS — I have answered the question.

Mr WELLS — The buck should stop here.

The CHAIR — Mr Wells, your behaviour is inappropriate. You have to go through the Chair.

Mr NOONAN — On a point of order, I would just make the point that we are here to assess the budget.

Mr WELLS — Yes, exactly.

Mr NOONAN — We are here to assess the budget estimates process. I respect anyone's right to ask a question, but we are here on the budget estimates, not to ask for independent inquiries.

Mr RICH-PHILLIPS — Is this a comment or a point of order?

Mr WELLS — Yes, what is the point of order?

Mr NOONAN — The point of order is about the relevance of the question that you are asking.

The CHAIR — I am happy to rule on that. Without assistance, Mr Wells, thank you.

Mr WELLS — Families need answers.

The CHAIR — Mr Wells! Without assistance.

Mr WELLS — We are not getting any answers.

The CHAIR — Please respect the processes, thank you. I am happy to rule on the point of order. The question was about relevance. The original question, insofar as it related to the estimates, was relevant. The minister did answer it. Ms Graley has the call.

Ms GRALEY — Thank you, Chair. Minister, I know I have spoken to you about radiotherapy services before. I know from personal experience what a demanding and tiring time receiving radiotherapy treatment can be, and how important it is to have good access and for it to be as local as possible. I would like to refer you to the item 'Growth in hospital services' on page 306 of budget paper 3 and the corresponding reference on page 307 to additional service capacity, including radiotherapy. I would like you to advise the committee how the government will use this funding to improve cancer treatment for all Victorians?

Mr ANDREWS — Thank you, Ms Graley, for that very important question, and I know that you bring some personal insight to these matters and that is always very important. As I said earlier, the Victorian cancer action plan is a very important document and one that underpins our work to create a true cancer system rather than individual services. Radiotherapy is a key part of that — growing and expanding radiotherapy capacity. If we look in terms of our time in government, the single machine unit radiotherapy trial is a fantastic new model to make sure that more country Victorians can get the radiation oncology they need closer to home than ever before.

If you look at linear accelerators, and again I do not have a note in front of me, but from memory there were three in rural and regional Victoria when we came to government. After funding provided in this budget and in the forward estimates we are talking about today, there will be something like 12. What that means in real terms is that rather than 45 per cent of country Victorians getting their radiation close to where they live, something like 75 per cent of country Victorians will get their radiation oncology where they live or close to it. That is very important; that is critically important.

That is not to say that it is a perfect system; that is not to say that we cannot do more. We always, through the work of Professor Bob Thomas, my chief cancer adviser and the chair of the Victorian Cancer Agency — he is also the director of surgical oncology at the Peter MacCallum and someone who is well known to many of you — and others, and all the officers of the department and health services, work diligently to make sure we monitor case load and that we monitor changes in terms of patterns and changes in terms of cancer incidence. We do know that access and outcomes are closely linked, and that is why we have worked so very hard to grow radiotherapy capacity in regional Victoria.

But it is not just about regional Victoria; it is about the suburbs as well. There is substantially more capacity today than there has been for some time. Again, we are funding in this budget additional radiotherapy treatments, I think something like 10 000 additional treatments; that is about keeping pace with growth. I think we are detecting more cancer earlier. We are seeing improved modalities and improved treatment outcomes, gated radiotherapy — our state, proudly, as part of the synchrotron is running only one of three microbeam radiotherapy trials across the world, many different advances like CT-guided radiotherapy, many advances that mean as our community grows, as early detection and treatment options grow and as clinical practice advances, we are doing more radiotherapy. That is why it is important that we provide this growth funding to grow that system even further.

I have mentioned the Olivia Newton-John Cancer Centre in relation to a question from Ms Huppert about that; that sees increased radiation oncology facilities there. Obviously Sunshine as well is very important, obviously Bendigo hospital, but also the comprehensive cancer centre at Parkville. So there are many different examples of capital works and infrastructure to build the bunkers, to buy the linear accelerators, to train the workforce as well. The Victorian cancer action plan trains the very specialised workforce that is needed both medically and in an allied health way to be able to provide radiotherapy and all the associated support services.

So capital, recurrent, workforce, right across this budget and budgets before, we really are seeing substantial investments in increased radiotherapy options for patients and a growth in terms of the overall volume of radiotherapy occasions of service. That is only a good thing in terms of cancer survival rates, and this is fundamentally about equity. It is about making sure that more Victorians have access to services close to home, and we have a much, much better network of radiotherapy services today across the suburbs and across country Victoria than we have ever had. But it is not perfect; it can be better and we are committed through the architecture of the Victorian cancer action plan and some recent partnerships with the commonwealth government to further improve that.

Mr RICH-PHILLIPS — Minister, I would like to ask you about the Bendigo hospital proposal. No doubt you have seen the response in the Bendigo paper last week, 'Compromised hospital plan reuses old buildings. Half price?'. It goes on to say:

> Old buildings previously thought to be unsuitable for modern health care form a significant part of the new Bendigo hospital plan, sparking fears of a compromise deal.
>
> Bendigo Health and the state government yesterday failed to deny claims the hospital was allocated less money than it wanted for the project, which seemed to change dramatically in the past six months.

So I ask the minister: can he confirm that Bendigo Health submitted a proposal for a completely new single-site hospital costing substantially more than has been allocated, and if that proposal was rejected? Will the minister explain where the concept of reusing old buildings and spreading the hospital over two sites came from? Why was that two-site development not mentioned in any of the community consultation material that was circulated in the Bendigo community before the announcement?

The CHAIR — Minister, as it relates to the estimates.

Mr ANDREWS — I am very grateful for this question because it allows me to put on the record some important commentary that has been run not by me, not by anybody associated with the government, but by the CEO of the Bendigo Health Care Group, John Mulder. If I can quote — —

Mr RICH-PHILLIPS — Bendigo Health is not part of the state government?

The CHAIR — Without assistance.

Mr ANDREWS — No. I am sorry, what I am indicating to you is that I have not run a commentary on these matters and what I am about to quote does not come from me; it comes from the CEO of the Bendigo Health Care Group, which is an independent statutory authority. John Mulder is of the view — —

Mr RICH-PHILLIPS — He is responsible to you.

Mr WELLS — He reports to you, so what do you expect him to say?

The CHAIR — Mr Wells!

Mr ANDREWS — He does not report to me.

Mr WELLS — Minister, what do you expect him to say? For goodness sake.

The CHAIR — Mr Wells, you are again interrupting.

Mr ANDREWS — It simply shows the ignorance of some. He does not report to me; he is appointed by the board of the Bendigo hospital.

Mr WELLS — Yes, who appoints the board?

Mr DALLA-RIVA — Who appoints the board?

The CHAIR — Without assistance.

Mr ANDREWS — If you are calling into question his integrity and his longstanding track record of health service administration, I reject that outright.

Mr DALLA-RIVA — He is happy with half a hospital?

Mr ANDREWS — It is not half a hospital at all.

Mr WELLS — That is what the papers are saying.

Mr ANDREWS — It is the biggest health infrastructure project country Victoria has ever seen. It is more, can I say to you, Mr Wells, Mr Dalla-Riva and Mr Rich-Phillips, in one single project than your government invested in all rural and regional health capital works across seven years.

Mr DALLA-RIVA — It is our fault.

Mr ANDREWS — There is a context; context is very, very important.

Mr RICH-PHILLIPS — You have not done it yet. You have not fully funded it either.

The CHAIR — Without assistance.

Mr RICH-PHILLIPS — It is only half-funded; it is only half a hospital.

The CHAIR — Without assistance.

Mr WELLS — Half a hospital; half done.

Mr ANDREWS — But if the committee or some members of the committee are unwilling to take my word for it, this is what the CEO had to say:

The proposed redevelopment includes a combination of refurbishment and new building works that represents — —

Mr WELLS — It is a refurbishment; it is not a state-of-the-art hospital.

The CHAIR — Mr Wells!

Mr WELLS — It is not a state-of-the-art hospital.

The CHAIR — Mr Wells, interjections are not recorded.

Mr ANDREWS — This is not even your question. Do you want an answer or not?

Mr WELLS — Goodness me, It is a refurbishment!

Mr DALLA-RIVA — The budget says 'new'.

The CHAIR — Through the Chair.

Mr ANDREWS — Do you want an answer or not?

The CHAIR — Minister! Mr Wells!

Mr WELLS — The hospital says it is not new. The budget says it is a new hospital.

The CHAIR — Mr Wells!

Mr WELLS — We are looking at the budget papers.

Mr ANDREWS — This is John Mulder, the CEO:

… that represents best value for money and delivers everything that Bendigo Health has requested.

Are you listening?

… delivers everything that Bendigo Health — —

Mr WELLS — I am trying to get through the spin.

Mr ANDREWS — The spin from John Mulder, that is what you are saying, is it?

Mr WELLS — No, the spin from you, Minister, about the new hospital.

Mr ANDREWS — You have got to be joking.

… money and delivers everything that Bendigo Health has requested.

I think that puts this to bed. That is a very clear issue.

Mr RICH-PHILLIPS — It does not. Are you denying there was a proposal from Bendigo Health to — —

Mr ANDREWS — You have asked your question. If I can get a word in, I will answer it.

The CHAIR — The minister has the call. Ignore interjections, and as ignored they will not be recorded by Hansard.

Mr ANDREWS — This project is fully funded and fully delivers against the service plan.

Mr RICH-PHILLIPS — It is not fully funded.

Mr ANDREWS — It is fully funded and it delivers against the service plan developed by the Bendigo Health Care Group. It is $473 million, the biggest health project country Victoria has ever seen, and it 'represents best value for money and delivers everything that Bendigo Health has requested'. That is what John Mulder said.

According to some the only thing that represents substantial investment is if you knock everything down and build a complete greenfield hospital — given their vast experience in doing that across Victoria — let me deal with that issue as well. We are always looking to get best value. Some buildings have a useful life, and it would be inappropriate not to make best use of those buildings with a useful life. Mr Mulder goes directly to that issue as well. The notion of bulldozing the whole site and starting from scratch, I think, poses another question. How might one run an operational Bendigo hospital if one bulldozed it first? That is just a small detail but not a detail that anybody in that corner, anybody from the Liberal Party asking these questions, has ever had to deal with, having never built a hospital, greenfield or otherwise, anywhere across the state. This point is dealt with as well because Mr Mulder says:

> To do otherwise would be irresponsible and a waste of previous taxpayer investments.

The shadow Treasurer would have us believe that it is appropriate to bulldoze buildings that have perfectly good, useful life and that are proposed under this new hospital to be refurbished for a whole range of different purposes. The shadow Treasurer would have us believe that that was the way to act — to waste taxpayers money. This is not a government that puts bulldozers through hospitals. That is not what we do at all. What we do is build new hospitals and provide support to health services right across country Victoria.

I will just say again that it is not my view and you do not have to take my word for it. The view of the management at Bendigo hospital and the board is that this proposal delivers everything that the Bendigo Health Care Group sought. It fully delivers their service plan. What I am saying to you on top of that is that it is not just a good project; it is a fantastic project. In the context of the history of our state, it is the biggest investment in country capital works this state has ever seen, and it alone represents more money in one project than the previous government spent across all of country Victoria across all of its seven years. Seven years right across country health delivered less than this one project. This is a fantastic project.

Mr WELLS — I just find the explanation — we are absolutely gobsmacked by this brand-new hospital.

Mr ANDREWS — If people are concerned about this, let me run through what this project actually delivers, Chair; I am more than happy to do it. It will have the capacity to treat 10 000 more people each year.

Mr NOONAN — How many?

Mr ANDREWS — Ten thousand more, Mr Noonan. Only 10 000 more people — just a trifle, some would have us believe. There will be triple the number of chemotherapy chairs and double the number of renal dialysis chairs. It consolidates mental health services with extra beds, from 42 to 75. There will be a new women's and children's centre giving proper and dedicated capacity. The baby boom is occurring in country Victoria as well, and this will provide additional support for those important services. There will be three additional operating theatres, taking the number to a total of eight. There will be additional radiation oncology. The list goes on and on and on.

This is a substantial project. This is a good news story for Bendigo and the north-west, and people who know about this project, people who have been involved in securing this funding, know it for what it is: a fantastic project that puts in context the almost negligible investment of the previous government. It is just one example of our commitment to not just Bendigo and the north-west but country Victoria. It is a good project and one that is only supported by Labor and this government, as is made clear by these questions today.

Mr RICH-PHILLIPS — Chair, will you now ask the minister to address the question? The question relates to where the two sites — —

Mr NOONAN — Can I get a question in?

The CHAIR — Mr Noonan has the call.

Mr RICH-PHILLIPS — On a point of order, Chair, the minister has not answered that question. The question related to where the two-site proposal came from and why it was not part of the proper consultation.

The CHAIR — The minister has answered the question as it relates to the estimates, and Mr Noonan has the call.

Mr RICH-PHILLIPS — He has not answered the question as it relates to the two-site development.

The CHAIR — I thank you for your point of order, Mr Rich-Phillips. I have ruled that the minister has answered the question as it relates to the estimates and Mr Noonan has the call.

Mr WELLS — If you think he has answered it, why do you not give the answer to Mr Rich-Phillips then?

The CHAIR — Mr Wells, that is an entirely inappropriate comment. Mr Noonan has the call. Can we move on, please?

Mr RICH-PHILLIPS — He has not answered the question. You know he has not answered the question.

Mr WELLS — What have they got to cover up on this? This is a real concern.

Mr NOONAN — Minister, I want to ask — —

Mr WELLS — It is obviously a cover-up — a half a hospital.

Mr NOONAN — Kim?

Mr WELLS — Sorry, Wade.

Mr NOONAN — Thank you. Minister, I want to ask about the major investment in the western region of Melbourne in terms of Sunshine Hospital's expansion, and I note on budget paper 3, page 309, right at the end of the asset initiatives column is 'Sunshine Hospital expansion and redevelopment — stage 3'. I just wonder for the benefit of the committee what steps are being taken towards this project so far, given it is stage 3 funding, and how will the latest investment of $90.5 million benefit the growing community in the western region of Melbourne?

Mr ANDREWS — I thank Mr Noonan for this important question. Obviously the western suburbs of Melbourne are a group of very proud communities, but they face a whole range of different challenges. As a government, we have been keen not just in health but in many other key services to support the west and families in the west to deliver better outcomes. The Sunshine Hospital redevelopment is a fantastic example of that. We have provided funding in a staged way over this last term of office, fully delivering and in fact exceeding in terms of capacity the commitments we made at the last poll.

I was out there just last week to visit with staff and to talk to a number of the workers who were working on the previous stage that was funded. I know this is of interest to committee members and certainly to Mr Noonan. I had the great pleasure of visiting and touring the almost completed — I think they should be completed by the end of this year — new radiotherapy services there, bringing to Melbourne's west for the first time ever public radiotherapy services. Previously patients had to travel to either to the Peter Mac or to Western Private Hospital. This is a fantastic facility. It is state-of-the-art, and it is all about making sure that what is one of Victoria's fastest growing corridors has access to the care and services as close to home as possible.

Back to the issue around challenges, it is a very diverse community in Melbourne's' west. It is growing, it is ageing, it is very multicultural; there are many different challenges. There are areas of great disadvantage in Melbourne's west. These investments really are about addressing that and partnering with our health service providers out in the west but also with others right across the community to deliver real benefits.

The budget provides, as you indicated, $90.5 million for the third stage of a $184 million project. There is some money provided by the commonwealth at an earlier stage — a small amount but an important amount — and, if memory serves me correctly, funding from Victoria University and from the University of Melbourne around the teaching, training and research building. I had the great pleasure of touring that just last week as well. Very significant progress is being made on that too.

Whether it is in terms of teaching, training and research and so building the infrastructure that will support the best possible workforce out at Sunshine — it is sometimes difficult to get the right staff, to get either the quantity or the types of staff that are necessary out to Melbourne's west — this improved infrastructure will make a real difference to that, but it is also that those services are bringing new public services through radiotherapy. It is also about making sure that we can treat additional patients.

All three stages combined will basically mean 128 additional multi-day beds. There are many thousands of patients who will be able to be treated in those beds. There are also 30 day medical and chemotherapy chairs, additional special care nursery capacity with an increase of eight cots. There is also a whole range of associated clinical support services. This is a very substantial project. It is one that I know the board, the management and the staff — —

I have had occasion to visit Western Health and its campuses many times in my time as health minister. I always have an opportunity to meet with large numbers of staff and to talk to them firsthand about the challenges they face and ways we can support them to do even better. I can say without any doubt that the staff are very pleased because they want what is best for their local community. Many of them live in Melbourne's west, and they are very pleased with the support the government has provided. Again, we are proud to partner with them in terms of these additional resources.

This is just not about important infrastructure; it is also about ongoing funding. We have very substantially supported additional funding — more than doubling the funding across Western Health — for other substantial capital works not including this project, and we will continue to support families in the west. As I said, it is a growing, diverse and very proud community, and we will continue to support families across Melbourne's west for all of those reasons through the provision of first-class health care.

I should just finish on this point: it is not simply a matter of Sunshine. There is also Footscray of course. There is also the Sunbury day hospital, which is again on time and on budget and is taking out to the farthest point of the Western Health catchment, giving them new and important buildings to provide new models of care and additional services for families out in that part of the west. In many different ways we are supporting our families in the west with the best possible health care. Mr Noonan, as a local resident and a local member, you can be confident that we will continue to do just that.

Mr DALLA-RIVA — Minister, I refer you to budget information paper 1, page 48, about the forward estimates with regard to the supposed new Bendigo hospital as listed, although we understand from the CEO that this is a refurbished hospital, I just have a couple of questions about the expenditure that might be developing further on. Can you confirm that the old hospital laundry has asbestos and is not being replaced despite recommendations to do so? Is it a fact that the old laundry would have to be removed under the initial more costly plans? Have oncology and Peter Mac staff or management raised any concerns about this proposal and about not getting a new hospital? Is it a fact that there is now no new cancer centre as in the original plans? I also note that on the 'Bendigo Health redevelopment information sheet' on Jacinta Allan's website, it quotes:

> Following extensive assessment of potential sites, the proposed site has been identified.
>
> It will involve a new hospital building that covers the current Ambulance Victoria site and the area at the rear of the Anne Caudle Centre, currently home to laundry and kitchen facilities. The new hospital will include a range of purpose-built facilities. This site option will allow crucial savings in construction time.

Now that the site option has changed, will there be any time savings that were identified as crucial by your fellow minister in building just one campus? Why then will it now take six years to build? Can you guarantee the existing hospital will operate business as usual during construction? Will it be the case now that parts of the hospital that are remaining, such as oncology and Peter Mac et cetera, have to close down while the refurbishments occur?

The CHAIR — Minister, that is a very extensive question.

Mr ANDREWS — Again, there are elements of that in relation to laundry that I might take on notice and come back to you. But in relation to the continuity of service, we have funded the better part of something approaching 300 different capital projects across Victoria. We have a strong track record of providing support to redevelop, build new and upgrade services whilst they remain as a site that continues to deliver services. I am fortunate to visit those sites often. That does present challenges but challenges we have a strong record of meeting, and I am very confident that through that planning work that staff and the administration at the Bendigo Health Care Group will be able to make sure that the current services are maintained, and they will be able to provide the new hospital whilst continuing to provide services. That is everyone's aim, and I am confident that we will be able to achieve that.

In relation to Peter MacCallum, I do not know whether, Mr Dalla-Riva, you have ever had the opportunity to visit the cancer centre at Bendigo Health Care Group. It is relatively new. Our government was very proud to provide support for it. It is a partnership between Peter MacCallum and Bendigo Health Care Group. There is provision for growth already built into that. There is, from memory, at least one shell space.

I can recall very early on an additional linear accelerator. I can recall that very early on in my time as health minister I went to Bendigo to announce and officially open the second linear accelerator there. Having visited those facilities on many occasions and seen them for what they are — relatively new and purpose-built — I am confident that we will be able to grow cancer-treating capacity in a best-value way.

I do not accept that there is not an expansion in oncology capacity. There simply is; I have already quoted the facts a number of times. There are more than triple the number of chemotherapy chairs. That is a clear expansion. There is an additional linear accelerator for more patients to get their radiotherapy in Bendigo. I think it is wrong to suggest that there is not an expansion as a feature of this project in terms of cancer care. There is; that is the fact of the matter.

This is an important project. It will be delivered in a diligent way. In terms of time savings, the time lines are as indicated by the cash flows and in other supporting documentation we have put out. Again, this is a very big project. You do not build a new hospital of this size and scale overnight; it takes a long time. It takes a long time because you have only one opportunity to get it right. We are determined through planning, through enabling works and through the delivery of this new hospital for Bendigo and the north-west to get it right, and that is exactly what we will do.

There were a number of different elements to your question. I think I have dealt with all of them, but I am happy to take the laundry issue around your concerns in terms of public health and that facility. I do not have advice on that but I am happy to get some advice for you.

The CHAIR — Thank you, Minister.

Ms HUPPERT — I want to ask you a question about hospital services specifically for children. We have heard a lot about the baby boom we have been experiencing in recent years. In your presentation, in the slide you had up on the screen, you refer to the Monash Children's Hospital acute and intensive care services expansion. The Monash hospital plays a really important role in providing health services for the south-east and I wondered if you could outline for the committee some of the details of this expansion and how it will improve healthcare services for children in conjunction with the new Royal Children's Hospital?

Mr ANDREWS — Thank you, Ms Huppert. The Monash Children's is a fantastic project. Almost $11 million has been provided to increase its capacity in terms of paediatric beds, intensive care beds as well as neonatal intensive-care cots, and this is a really important boost for Monash Children's. It is not very well known that the better part of 27 000 kids from across the south-east and also Gippsland and the Latrobe Valley — and children from across the state because there are some statewide services run there as well — get their care at Monash children's each and every year.

Ms HUPPERT — I have used it for my own children.

Mr ANDREWS — It is a very big part of our paediatric healthcare system. I remember that after the budget last year I had a meeting with Shelly Park, the CEO of Southern Health, and Professor Nick Freezer, who is the head of paediatric services. We had a long discussion about what the next priorities for Monash Children's were. They indicated that these works were their first-order priority, and we are very pleased to be able to provide them in this year's budget.

Given the growth out in the south-east, given the work that Monash already does and given trends in terms of the baby boom it is important that we grow the paediatric capacity and provide better fabric so that we can provide better care to cater not only for the current children who attend for care but also the obvious increases that will come over time.

This is a really important project and one that I think is well supported by the staff at the hospital and by the board. I do not think there are any additional allocations in the budget but there is ongoing work around master

planning to make sure we can keep pace with paediatric care needs, particularly in Melbourne's south-east, and we will continue to do that work in partnership with Southern Health.

But the key point here is that this is all about more kids getting their treatment faster in purpose-built and expanded facilities. This was the first-order priority of Southern Health, and we are really pleased to be able to provide the funding to expand capacity for both NICU and PICU and some other associated services. There is going to be a new family room which will be dedicated space for parents. From memory I think Ronald McDonald House is providing something like $300 000 to support that, so I want to thank them.

I also want to thank all the staff at Southern Health, particularly at MMC, from Nick Freezer down. They provide care, sometimes in a bit of an unsung way. Many Victorians would not be aware of the breadth of services that are run in terms of kids' services out at Monash and Southern Health more broadly. They have fantastic partnerships as part of the Paediatric Integrated Cancer Service, PICS, which runs across the state. They have great partnerships with the Peter Mac and with the Royal Children's Hospital.

They provide fantastic service delivery and many specialist services that are only run there such as foetal surgery. The statewide service for foetal surgery is run out at Monash Medical Centre. There are many different examples where, in their own quiet way, Monash Medical Centre and Nick Freezer and his team go about their business and provide fantastic services to a growing number of children. I have not even mentioned premature babies; that is another story. Again, as one of our three tertiary maternity services and two services with paediatric intensive care, they provide seamless care for premature babies, those needing neonatal intensive-care, right through to kids, adolescents and young adults. Because they are a large tertiary hospital as well, they also provide a full suite of adult services.

They really are meeting the broadest possible needs of a growing community in Melbourne's south-east. It is important to thank them for that work and to publicly acknowledge it, but most importantly to give them the support they requested as their first priority, something in the order of $11 million to grow capacity in the short term while we continue to look at ways to further improve the physical infrastructure they use.

Ms PENNICUIK — In December 2008, under the Victorian bed strategy, I think there was an announcement of 130 extra subacute beds of which I think about 40 — —

Mr ANDREWS — It was 170.

Ms PENNICUIK — I think about 40 are operational now, but on page 3 of budget information paper 2 it says an additional 332 subacute beds — —

The CHAIR — What was the reference?

Ms PENNICUIK — It was page 3 of budget information paper 2. Minister, can you clarify what the situation is with regard to subacute beds in this particular budget under the forward estimates? How many are operational from that first announcement, and what is the relationship between that announcement and this other announcement in the context of all your other announcements on hospital services?

Mr ANDREWS — Thanks, Ms Pennicuik. As you would know, we had a detailed discussion about this last year. As part of the settlement of the medical enterprise bargaining with the AMA we did fund extra beds: 100 acute, 170 subacute and 6 intensive care beds. It was a very substantial boost over five years — because there was a half-year effect — in the order of $400 million. That money is in the base: it goes forward. All those moneys have flowed to health services. I will ask Mr Wallace to speak to the issue of the claim, if you like, or the point about how many of those are open and are treating patients, but all of those moneys have flowed to health services, and it is my expectation that those moneys would be invested where they were intended to be invested, and that is in growing capacity in terms of more urgent patients and more elective surgery patients right across the board. There is no link between the two: the second lot of beds that you mention is 332 subacute beds, funded over four years. That was part of the settlement of the COAG agreement.

I should just make the point — I think you, Ms Pennicuik, already know, but others may not — that on 3 March when the Prime Minister announced his plans for a national health and hospitals network there were no additional dollars for the first four years and then there were some vague promises, and that is pretty much all they were, about additional investments in the medium term — in the second six years of the 10-year period.

What we were able to achieve was the best part of $935 million in additional funding directly to our system in the first four years, in place of no moneys being on the table at the start of this reform process. Then we secured a guarantee of that $3.8 billion going forward.

Part of that $935 million, which is the direct state contribution — the stuff that flows directly to us — is 332 additional subacute beds, additional money for elective surgery and additional money to treat more emergency department patients. These moneys do not flow till 1 July, but the department is working through, as I have said a number of times already since COAG, where those beds will go, where they can be most quickly opened and where there is the most pressing need.

These subacute beds really have been — not so much in Victoria's system but in the Australian system — described as the missing link. We have around 2000 subacute beds now, but we obviously welcome the boost, and it will make a real difference, particularly to patients who are rehabilitating after stroke or after complex surgery and particularly those who because of domestic arrangements cannot necessarily be supported at home as quickly as other patients may be. We already run very substantial subacute services. Just in some of the communities we have been talking about in Melbourne's east and south-east — Caulfield, importantly the Kingston Centre, the Peter James Centre — there are many different examples just in that part of Melbourne, but indeed right across the state, where we provide lots of subacute care.

Again we will work through that. Once the money flows we will make sure that we provide that funding and target those investments to where those beds can most quickly be opened and where there will be the most pressing need. On the beds package funded exclusively by our government a year or 18 months ago and the way that has flowed through the system, Mr Wallace might be able to add to that.

Mr WALLACE — I do not have the exact numbers with me, and I am happy to provide you with those numbers. I would just state that the beds package for subacute was designed in a way that there were some new builds that were required, there were some refurbishments of beds that were required and there was some existing capacity within the system that we could fund that could open immediately. I know that the funds have definitely flowed. It is my understanding that the majority, if not nearly all, of the beds have opened, so I would just need to check for you on the exact details of that. But we were very much conscious of the fact that if we were to build all new subacute beds, there would be long lead times in commissioning the beds if that was the strategy we adopted, so we purposely did not adopt that strategy and had a mix. There may well be some beds that needed to be constructed and there would be construction lead times in those beds. I am happy to provide more detail.

Ms PENNICUIK — So I can get all that information on notice, Chair?

The CHAIR — Yes, that is on notice. It is in the Hansard transcript; therefore it is on notice.

Mr SCOTT — Minister, I refer you to budget paper 3, page 309, and budget information paper 2, page 8, where reference is made to asset funding for expansion of Northern Health catheterisation labs. How will this benefit Victorians living in the northern suburbs of Melbourne?

Mr ANDREWS — Thank you, Mr Scott, for what is really a very important question. It is a timely question. I was out at the Northern Hospital, Epping, just yesterday to celebrate with staff this additional investment: two additional cardiac catheterisation labs for diagnostic procedures but also for interventional cardiology procedures. They currently have one cath lab there which was opened by our government back in 2005. It currently provides vascular care and also cardiac care, so it is a pretty busy cath lab. I think it does in the order of about 1500 procedures per year.

Obviously the northern suburbs are growing fast, together with ageing, together with chronic disease and some of the other socioeconomic challenges we spoke about in relation to the west a moment ago. Supporting Northern Health to grow and expand the service offering and also to make sure we have got the best possible services close to where people live is very, very important.

In terms of cardiac care guidelines, it is recommended that people having a heart attack should get their care within 90 minutes of their arrival at the health service. With only one cath lab and growth out in that community there is some pressure there, so it was important, noting that if you can meet that benchmark, you can really improve outcomes, in terms of both ongoing life opportunities for those cardiac patients as well as, ultimately,

the number of patients who can survive their cardiac event. Going from one cath lab to three is a big boost, and we are really very pleased to be able to provide that additional funding.

I can assure you that staff out there were very pleased with the announcement yesterday. As I said, it is about 1500 procedures each year, so diagnostics and also other procedures where stents are put in, balloons, pacemakers — a whole lot of interventional cardiology. It is very important work that really does support patients in a very meaningful way.

Once the two new cath labs are up and running, and they will be dedicated for heart health or heart care, the current lab will then be a vascular-only lab, and that is a good outcome in terms of making sure we can balance a time-critical caseload with those who can in fact wait. There are a number of elective procedures that are done in these facilities as well. But in terms of cardiac procedures there will be something like 2200 procedures per annum that will be able to be performed as a result of this expansion, and that is all about making sure we have the best equipment and the best facilities in Melbourne's growing suburbs so that people can get the care they need as close to home as possible. It is a great project — a project that really does show the practical benefit that comes to patients by having a government that invests in services in local areas, investing where people live. In some instances getting services close to home is about saving lives, but it is also about better outcomes and all the benefits that flow from that after your care.

Dr SYKES — Minister, my question relates to HealthSMART. I am advised that you have taken personal charge of the rollout of HealthSMART. It has involved special briefings with senior departmental officers, and the opposition has, through FOI, obtained copies of monthly reports and briefing notes from the Secretary of the Department of Human Services to you outlining the progress and implementation of HealthSMART for the period April 2008 through to 2009. My question is: what is the total cost of implementing HealthSMART to date, and on what date will the system be fully operational in all Victorian health services and hospitals as planned? What is the estimated final cost of HealthSMART, and how much greater is this then the original government estimate?

Mr ANDREWS — Thank you, Dr Sykes, for what is an important question. It is a very broad question, and on some of it we may have to take on notice and come back to you. What I would say to you though is the original scope of this project was not necessarily that every single hospital would have every single component part of HealthSMART. This is about as much as possible a common IT architecture, but it does have to, and it does, properly acknowledge we have many legacy systems and many different approaches to IT across what is a devolved governance model. We have independent statutory authorities that have made their own decisions over a long period of time. I do not make any political point but both sides of politics and many governments for many years have not invested appropriately in terms of health IT.

HealthSMART is a complex process to play that catch-up. To put in place new systems is not an easy thing; it is a complex thing, but they are investments we think are worthwhile because it is about efficiency, it is about safety and it is about driving better outcomes. In many respects it is just about common sense. If I can just give you a sense of where we have come to, and it is true to say I get regular updates on this important project following an Auditor-General's report a little while ago which, can I say to you, found that the project was over time but was within budget. That is the clear finding of the Auditor-General. I will ask — —

Dr SYKES — I think another way of describing the Auditor-General's finding was to say it was a dog of a project.

The CHAIR — Without assistance. The minister to answer, please.

Mr ANDREWS — The Auditor-General needs no editorial support from you, Dr Sykes.

Dr SYKES — You spent half the budget for a quarter of the planned installation.

Mr ANDREWS — The project has been over time, but the Auditor-General clearly finds that it is within its allocated budget. That is a fact; that is the clear finding of the Auditor-General. I will ask Mr Wallace to supplement this, but if you have a look at the scope of HealthSMART in its early stages, when it first started, there are a number of different component parts. It is not just one system; it is a number of different integrated systems. If we look at finance and supply, we had plans to deliver that in 10 agencies — done. Patient management, 10 agencies — we have delivered that. Client management, we had planned to deliver that in

23 agencies and we have delivered it in all but one, because one withdrew. Rostering, two agencies were planned — delivered. Payroll, no agencies were planned but in fact we have delivered eight. PACS, which is about picture archiving, so digital images and also electronic records, no agencies were planned but six have delivered it. Infrastructure, so that is centralised server, dual data centres, disaster recovery, integration of software, we have delivered that across a number of different sites. Clinicals — this is the more challenging part of this; it is clinical information — is the administration of medication, client management and medical records. This is about IT that is embedded in the clinical care of individual patients.

I think — and in fact I make no apology for being cautious in this space — this is not common charts of accounts or rostering or back office stuff; this is front and centre clinical care, and you have got to get it right. What we have done is we have very deliberately made sure we have rolled this out in a number of selected sites in a cautious way, in a controlled way, to learn from that rollout so we can make sure we deliver safe and effective IT, because there are alternatives and we do not want that. We want to make sure this enhances patient care and does not in any way pose a risk to patient care. I am very up-front about that. I have been very deliberately cautious in relation to the rollout of the clinical element of HealthSMART.

Again, this is over time. I think I have explained that both in terms of complexity, legacy systems and devolved governance model, and the fact that we did have quite some catching up to do. There were very, very poor and in some instances non-existent systems across our health system, but it is within its allocated budget and we intend to continue to deliver what will be a really important set of tools that will enable improvement and enhancement right across the system.

I note there were some important announcements last night in the federal budget around IT and eHealth, and that is why it is important that we work in a diligent way to make sure we have got the architecture, we have got the tools within our system, to be able to talk to GPs and to be able to capitalise on any additional investments that the commonwealth may make. On eHealth the secretary leads a national working group around this. I might ask her to speak to that more broadly — about the power of these investments — but on HealthSMART itself I am sure Mr Wallace can supplement my answer.

Mr WALLACE — I will just make a couple of observations. I mention that the VAGO report also confirmed that the HealthSMART strategy is based on a coherent vision that reflects the global and national trends to increase ICT-enabled health service delivery. The Auditor-General also made comments on the extensive consultation involvement with the health sector, that the government's processes were working appropriately and that they were sound, and also recognised that the program had increased its scope of work during the course of the project within its approved budget.

On the point you were raising a little bit earlier about more of the budget being spent earlier in the project than delivery at that point in time, I think it is probably important for the committee to understand that what we are doing is installing a statewide template into a range of health services, so the process of installing a statewide template of software into health services is that you need to incur some costs going to tender; then you need to purchase the software; then you need to purchase some boxes of wires on which the software runs; then you need to spend some money configuring the software; and then you start rolling it out into individual agencies, because it is a statewide product which is then rolled out.

There are just naturally up-front costs in going through the procurement process, the configuration process, the purchasing process before you start rolling out, and it is quite natural that you would incur a fair bit of cost early in the project prior to rollout. The Auditor-General found that the $323 million budget was on track, and that situation has remained.

Ms THORN — The thing I would just add is that in the opinion of the National E-Health Transition Authority, of which I am a board member, and consultants who have done work for the committee I chair which has been working on a national electronic health record, the investments we have made in HealthSMART — regrettably, yes, some of them have been delayed, but these investments have moved Victoria from being the laggard in the IT space in health in the country to one of the leaders in the IT space in health in the country. Part of the rollout of what we are doing in the clinical space is developing a set of products that will be used by the rest of the country, particularly in the space of medications management, and this has not been done before.

I would also add that I have personally spoken on a number of occasions to the president of Cerner, which is the vendor delivery in the clinical system and is recognised around the world as one of the best clinical systems available, and the health services that are involved in the implementation at this stage are very happy with the quality of the product, but I have spoken to him on a number of occasions about the fact that the process and their resourcing of it has been inadequate to date, and as a result of that they have relocated permanently a number of their key resources from the US to assist in the rollout of the clinical system in Victoria.

Dr SYKES — Chair, can I just clarify the budgetary component?

The CHAIR — We have spent 9½ minutes on this question, so it will be a very quick clarification.

Dr SYKES — It is interesting that we are now moving to time allocations, Chair!

Minister, there have been some quotes made on the Auditor-General's report. Can I just put some quotes to you to put all the coverage on the table. The Auditor-General concluded, 'Half the budget spent for a quarter of the planned installations', 'Implementation delays have led to underspend against forecasts', when it could be worked within a budget, and, 'No reliable method to estimate agency implementation costs'.

Going back to the budget issue, you say you are working within budget. Have you achieved your milestones along the way within budget? You made the point that there were lots of up-front costs. I understand that, but in terms of how you budget for milestones, you would think you would have factored that in. Have you achieved your milestones within budget, and do you remain on target to achieve the total project completed on budget, or are we going to have a myki of the health system?

Mr ANDREWS — I am happy for Mr Wallace to speak to that.

Mr WALLACE — Given time, the simple answer is yes.

The CHAIR — We have time for two more very quick questions, Minister. First of all, could you give us an update — there was lots of money for the Box Hill Hospital — on where progress is, please?

Mr ANDREWS — Thank you, Chair. I know you are interested in this matter, being a representative and a resident in Melbourne's east.

The CHAIR — As is Mr Dalla-Riva.

Mr ANDREWS — Indeed Mr Dalla-Riva and Mr Wells. All of us benefit from the Box Hill Hospital because it is a major piece of health infrastructure, not just in Melbourne's east but as it plays a role with many other services that are statewide or certainly region wide. There was an amount of $407.5 million in additional funding, funded in this budget, brought to book in this budget. It was announced just prior to Christmas.

This really is a fantastic project as well — a bit like Bendigo. It really is about transforming the physical infrastructure at Box Hill, a hospital that is showing its age and is in need of strong support, and that is exactly what it has got from this government: stage 1 funded, open, operating, providing dialysis and other administrative space; this new project doubling the floor space of the current Box Hill Hospital where we take down the Clive Ward building, we then expand that footprint and build a new tower, and we then — and I make absolutely no apology for this — refurbish the best of the current fabric, and again this is not a coat of paint. This is a substantial refurbishment, and doing that allows additional theatres, it allows better ambulatory care space, better outpatient space.

This is a fantastic outcome. I can just say self praise is not worth much, but I can tell you, having visited — which is why I am about to cite this example — when the Premier and I visited Box Hill Hospital to announce the $407.5 million, it is fair to say the staff were very pleased, because they know and they understood, as it was then, in the midst of the global financial crisis, to be able to provide that level of funding, that level of support to transform the physical facilities at Box Hill Hospital was no small thing, and it will mean more patients in Melbourne's east get treated faster; it will improve quality; it will be a better place to work as well; there are also many jobs that will be created as part of this important project.

We are delighted to be able to provide the funding and bring to book in this year's budget the $407 million to make this a practical reality for families in the east, and again it too is another example of our determined effort

each and every year to invest strongly in the fabric of our health system, knowing that that is what drives innovation, that is what drives better outcomes, that is what really is central to the provision of more services and better services as we go forward.

I could go into some detail around individual elements of this, but there is more theatre capacity, a dedicated mother and baby unit, a bigger ED, additional theatres, additional cancer care, doubling the floor space of the current Box Hill Hospital. It is in every sense a fantastic project that will benefit families in Melbourne's east.

Mr WELLS — Just to clarify, Minister, on that point is the total cost $407 million for the Box Hill?

The CHAIR — It is $407.5 million.

Mr ANDREWS — It is $407.5 million. I would refer you to the budget — —

Mr WELLS — That is fine. I will ask you to take this question on notice, given the time. It is in relation to the Productivity Commission's federal Department of Health and Australian Institute of Health and Welfare; it shows that Victoria has the lowest bed to population ratio in the country.

I am wondering whether you can, given the millions of dollars that are spent on the health system, provide the committee on notice of a list of hospital beds and bed types in each of the public health services and public hospitals in Victoria, providing the number of beds open on a consensus date of maybe 30 April this year? Is that possible to get it on notice?

Mr ANDREWS — The average available beds, Mr Wells, is reported in the AIHW reports that are published on a routine basis. The Productivity Commission report and its findings and other findings from other learned institutes, like AIHW and others, use different methods often. I am not disputing the conclusion you have drawn, but what I would say to you, as I have said to you each year I have had the great privilege of being in front of this Public Accounts and Estimates Committee, is that bed numbers are but one measure of capacity across the system.

In terms of how you utilise those beds — and we have seen from slides earlier on — we lead the nation in terms of the length of stay. We would certainly claim that. I think the evidence bears that out. But it is also about the number of same-day patients being treated today being infinitely more than it was 10 years, 20 years or 30 years ago. What were perhaps at one stage pretty crude measures of how much capacity the hospital or health service had are — I would respectfully submit to you — not as accurate today. I am happy to get some advice on what information is available. I will be more than happy to correspond with you on notice.

The CHAIR — That concludes the consideration of budget estimates for the portfolio of health. I thank the minister and departmental officers for their attendance today. In terms of questions that were taken on notice, we will follow them up with you in writing at a later date. The committee requests that written responses to those matters be provided within 30 days.

Witnesses withdrew.