

Tuesday, 5 May 2009



Victorian Healthcare Association

For immediate release

Metropolitan health the big loser in the state budget

Vital infrastructure for Victoria's cash-strapped public healthcare system was overlooked in today's state budget that instead invested heavily in transport and education projects.

The peak body representing the public healthcare sector – the Victorian Healthcare Association – say its warnings that the health system is at a “tipping point” are being ignored by the government.

The VHA's chief executive, Mr Trevor Carr, said it is particularly disappointing that the State Government has failed yet again to commit to a long-term strategic plan for the health system.

There is no comprehensive health plan in the public domain that envisages the health needs of Victorians. In the lead-up to this budget, the VHA had called for major reinvestment in the health system, guided by a 10-year capital investment plan to remove any taint of political bias from the capital grant allocation process.

The VHA estimates Victoria will need an extra 400 hospital beds a year to maintain capacity within the health system in the face of demand driven by population growth and population ageing.

Melbourne City's population is projected to grow by 35 per cent, as a result of affordable housing developments at Docklands. Australian Bureau of Statistics data shows, in the decade from 2006-2016, the number of Victorians aged over 65 years will increase by 31 per cent. These pressures will further strain health services already struggling to meet service demand with limited budgets.

Without State Government investment in a health plan to link government policy and health service funding, Mr Carr said the system will remain ad hoc and subject to accusations of political bias.

“While we understand that we are in the midst of an economic crisis, it is clear the State Government has deemed it worthwhile to articulate a vision for and to invest in other infrastructure projects, but not the public healthcare sector.

“Yet the healthcare system is now at its limits, with a recent VHA-commissioned Access Economics' report showing that hospital emergency departments continue to lose money and core health infrastructure is rapidly depreciating.

“Victoria now has a water plan and a transport plan, but lacks a healthcare plan that offers healthcare providers and the electorate a long-term blueprint for the state's public healthcare system,” Mr Carr said.

Mr Carr applauded the \$66m investment announced for the redevelopment and expansion of mental health services at Dandenong, and the \$156m announced for capital investment at six rural and regional locations. However, the absence once again of a funding announcement for the Box Hill Hospital leaves an unanswered question in relation to the State Governments plans for the future of this important hospital, and amplifies the need for transparency through a longer term planning commitment.

The VHA's 2009-10 submission to the Victorian budget had called for:

- **A 2020 Metropolitan Health Plan** to set guiding principles and measurable benchmarks for acute, speciality, sub-acute, primary and residential aged care that links capital investment with priorities based on need. The current Metropolitan Health Strategy

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(Directions for Your Health System) was endorsed in 2003, but has not been updated despite significant metropolitan growth rates

- **Key metropolitan areas** the VHA identified in need of new health infrastructure were the growth corridors of Casey/Cardinia, Wyndham/Melton and Whittlesea/Hume and a need for a new primary care centre at the Docklands precinct
- **A 10-year capital investment plan for Victoria** to consolidate multiple grants into a single stream to simplify the system and remove any taint of political bias from the capital grant allocation process

Mr Carr said the VHA will now focus on renewing its calls for a rethink on policy guidelines for public healthcare in the lead up to the next state election.

Established since 1938, the VHA promotes improvement in the health outcomes for all Victorians from the perspective of its members that include public hospitals, rural and regional health services, community health services and aged care facilities.



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