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For immediate release

Capital funding plan urgently needed for Victoria's public health sector

Victoria urgently needs a 10-year strategic plan to upgrade its public health infrastructure to ensure equitable access to quality facilities for all Victorians, a peak health body has warned.

The state currently lacks a comprehensive plan to align election promises with capital investment priorities to upgrade the state's ageing public health facilities.

And major health infrastructure projects currently underway in Victoria place an undue strain on the overall health system, where smaller projects can produce positive outcomes for local populations, particularly in rural areas.

The Victorian Healthcare Association chief executive, Trevor Carr, said depreciation of the state's health infrastructure was particularly evident in rural areas and has important flow-on effects - such as making it difficult to retain and attract staff.

"To ensure equivalent health facilities for all Victorians, government capital investment should be linked to an open systemic review of health service infrastructure and identification of high need areas," Mr Carr said.

"The VHA's position remains that, while continued investment in infrastructure is required; the issue is not the amount of spending made on capital projects. Instead, the spending must be equitable and in line with established priorities."

Mr Carr praised the Victorian Government for increasing capital investment funding for health infrastructure in recent budgets but said the process continued to lack transparency and a coherent strategy.

The VHA this week released its policy recommendations for improving Victoria's public health infrastructure in its position statement - "Capital Expenditure in the Victorian Public Healthcare System".

The report's four main recommendations are -

1. That the government develop a 10-year strategic plan for capital investment in Victoria that is aligned with current policy, transparent in process, takes into account new environmental building standards and ensures appropriate facilities for local communities.
2. The ceiling for minor capital projects increase from \$100,000 to \$250,000 to take into account inflation and DHS create a new medium funding stream of between \$250,000 and \$5 million.
3. That macro-capital projects - such as the redevelopment of state or major metropolitan health services - be separated from funding streams used for smaller projects.
4. In the next 12 months, the state government look at alternative strategies to incorporate depreciation costs into its capital funding strategy.

The need to simplify the planning process for capital works applications is critical for small rural health services, which find the processes overly time consuming and complex, Mr Carr said.

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Depreciation is another major issue affecting rural health services due to the higher costs of both maintaining and upgrading older facilities.

The VHA believes depreciation should be addressed by grants held by local planning networks or regional DHS offices that fund capital works and equipment renewal on a priority basis.

The VHA is also concerned that the federal government's recent \$10 billion Health and Hospitals Fund to support refurbishment of the nation's hospitals is "unsustainable" in the long term.

Mr Carr said governments have overlooked the efficacy of small amounts of funding used wisely and the need to fund community-based care as growing numbers of chronically ill Victorians access non bed-based care.

"Small amounts of money used effectively can provide significant outcomes for populations," Mr Carr said.

This is particularly the case among community-managed Community Health Services, where some service delivery budgets have doubled in the past five years and infrastructure has not increased to cope.

The VHA is the peak advocacy body representing public healthcare interests in Victoria. Its members include public hospitals, rural and regional health services, community health services and aged care facilities.

For a full copy of the VHA's position statement: Capital Expenditure in the Victorian Public Healthcare System go to: www.vha.org.au.

For further information and
Interviews, contact
Trevor Carr
CEO
Victorian Healthcare Association
(03) 9094 7777 or (0409) 362 382

