

Tuesday, 4 May 2010



For immediate release

Health budget receives bouquets and some brickbats from healthcare peak body

Victoria's peak public health group today welcomed the Victorian Government's investment in hospital services as a boon to the State's public hospital industry.

The Victorian Healthcare Association (VHA) was pleased with the 10.38 per cent increase in the acute budget allocation.

Its chief executive, Trevor Carr said this funding will be vital if Victoria is to meet the increased service targets in the areas of elective surgery; specialist outpatient clinics; in emergency department activity; and in palliative care bed days.

VHA chief executive, Trevor Carr, said the overall health budget increase of \$986.1m was in line with what is needed to meet demand.

"This year's VHA budget submission had called for an \$885m increase in service funding, and when adjusted for the latest elective surgery blitz, the budget increase is consistent with that," Mr Carr said.

Mr Carr said the level of investment in capital for the health system was also welcome.

Investment in rural projects begins the process of addressing the under investment in rural health infrastructure evident over the past decade.

"The VHA is particularly pleased the Victorian Government is investing in regional self-sufficiency. This is evidenced by the capital announcements for Bendigo, Ballarat and Barwon, and the local health service investments at Leongatha and Coleraine," Mr Carr said.

The capital investments announced today also reflect hospital demand growth in outer suburban population corridors in Melbourne's north and west.

One oversight is the Government's failure to address the infrastructure needs of community health in these high growth and high need areas.

Another concern is the ongoing lag in commissioning new sub-acute beds to meet the commitments made by Government in earlier budget periods.

Only 40 of the 170 sub-acute beds announced in December 2008 are currently operational.

"This reality reinforces the need for a longer term outlook on infrastructure," Mr Carr said.

"For this reason the VHA will continue its campaign to convince the State Government of the merits of a 10 year infrastructure plan for health".

Such a plan is long overdue and would improve transparency in the way capital funding is allocated.

The Government and the opposition now have the opportunity, through the 2010 State Election, to correct this deficit.

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The VHA is concerned about the level of commitment shown by the State Government to primary healthcare in this budget.

In his 'Putting Patients First' plan, the Victorian Premier stated that "Victoria supports a much stronger investment in keeping people well and out of hospital through a range of measures across preventative health, primary healthcare, dental care and aged care."

Despite this acknowledgement of the importance of primary healthcare and prevention in April, the 2010-11 budget, delivered only one month later, fails to add capacity to the primary care sector, and instead is characterised by static service targets.

Increases in mental health and drug service funding can also only be described as soft.

Mr Carr acknowledged the recent COAG agreement would see the Commonwealth Government assume 100 per cent responsibility for primary healthcare.

"However, the State Government's failure to invest in primary healthcare is slightly cynical and inconsistent with its previously stated priorities".

"In a state that has provided so much leadership in developing and sustaining health systems, the Government's reluctance to invest in this way can only be described as disappointing."

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

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