

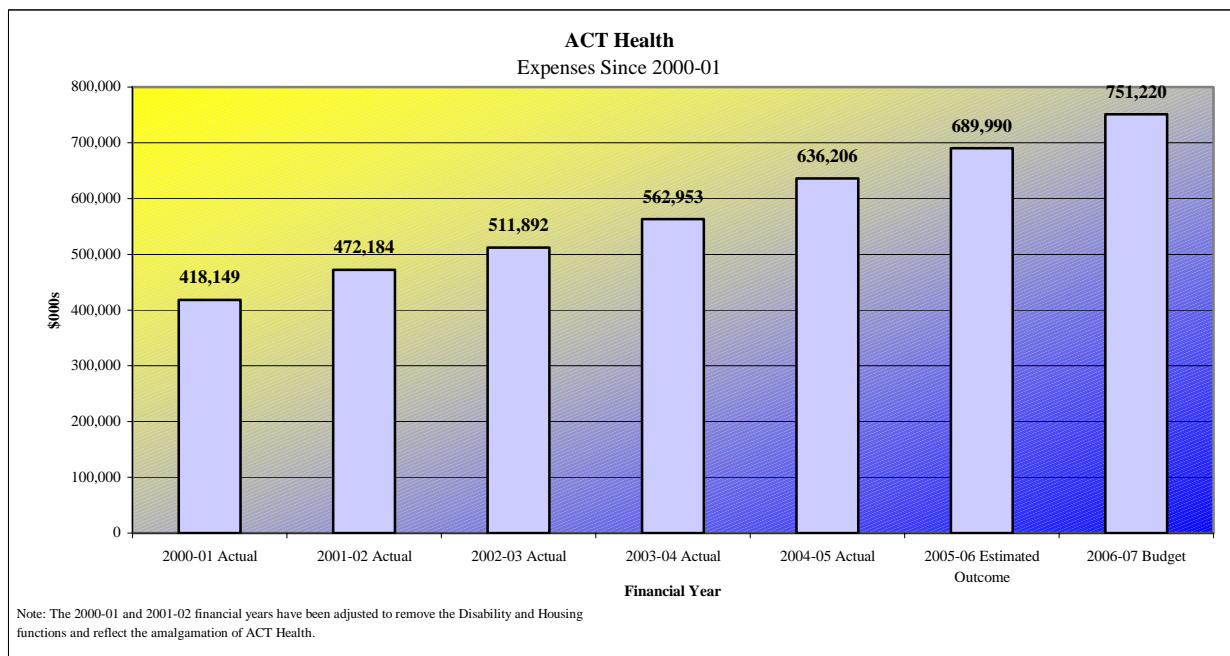


Budget 2006-2007

FACT SHEET #F7: HEALTH

What's in the budget for Health?

The 2006-07 Budget provides record expenditure of \$751.2 million reflecting the Stanhope Labor Government's continuing commitment to providing a high quality, safe and accessible public health service for all Canberrans. ACT Health, with an additional \$81 million in this year's budget, will meet forecast growth in services, a range of new initiatives and price escalation. Expenditure will grow on average 6.2 per cent annually across each of the budget years.



Expenditure has increased by 59% since the Stanhope Labor Government took government in 2001, representing an extra \$280 million in health funding.

Contained in the additional funding is a \$27 million boost for future growth of health services in order to meet service planning forecasts, with initiatives including:

- \$5 million to provide additional critical care bed capacity;
- \$2.2 million for additional cancer care specialist staff and service;
- \$6 million to address the growing need for essential hospital and community based aged care services;



Budget 2006-2007

- \$2 million for community-based health care to predominantly older people and those with chronic disease;
- \$12 million to enhance acute bed capacity in the ACT.

And in addition to growth funding:

- A further \$10.4 million has been allocated to provide for 350 elective surgery procedures in 2006-2007 on top of the record target of 9000 set for 2005-2006.

An additional \$8 million will be provided for increased mental health promotion, prevention and early intervention, and to increase the number of specialist mental health providers, including consumer and carer positions and to provide supported accommodation for young people.

Since gaining office, the Stanhope Labor Government has significantly increased its spending on mental health services, with expenditure increasing by over 85 per cent since 2001-02. Mental Health spending represented just \$27.4 million in 2001-02, increasing under Labor to \$50.9 million in the 2006-07 budget.

- \$18.7 million worth of capital funding has been provided to meet the demand for treatment of cancer across the budget cycle with the purchase of a further linear accelerator. Specifically, the project will increase the number of linear accelerators, from two machines to three machines by 2008 and provide infrastructure to enable the capacity to increase to four machines by 2012.
- A further \$10.6 million will be provided to support the operation of an additional linear accelerator, which should be fully commissioned by 2008. This will lead to dramatic improvements in support for our patients.
- \$4.2 million for health workforce recruitment and retention. This initiative will enable the development of strategies for dealing with target areas of workforce shortage. The recent release of the Workforce Plan for 2005-2010 will provide guidance in building a sustainable health workforce for the people of the ACT.
- \$3 million has been provided to enable the ACT to participate in the National e-Health Initiative, providing the ability to manage information electronically and provide safer, more efficient and better quality healthcare.
- \$400,000 to continue to strengthen the ACT's preparedness for the Avian Influenza pandemic.
- \$750,000 to continue the Access Improvement Program which was established in 2005 to facilitate the redesign of health care delivery processes and work practices.



Budget 2006-2007

- The purchase of second MRI machine for TCH – which will provide a significant increase in capacity allowing an extra 10 to 15 scans a day or up to 3000 extra scans per year.
- \$1.8 million to provide additional support for the frail aged and younger people with a disability to allow them to remain at home and to prevent their early or inappropriate admission to nursing homes.
- \$780,000 towards the introduction of the National Bowel Cancer Screening Program in the ACT.
- \$1.241 million to expand the Manual Handling Program at The Canberra Hospital. The program was developed for The Canberra Hospital in 2004–05 with the aim of reducing manual handling injuries among staff and increasing patient safety. A further \$500,000 will be provided for equipment.

The Government, while providing for record health expenditure requires reform of health cost structures to provide for a sustainable growth in health activity and expenditure across the budget years. This primarily requires moving closer to benchmark costs at peer group hospitals. The Government has moved to a centralised approach in the provision of transaction-based services across human resources, financial services, procurement and information technology. ACT Health is participating in these reforms.

Why is the ACT Government making these changes?

The cost of health services in the ACT have grown at a higher rate than can be sustained and the solution lies in bringing our cost structures closer to the benchmark of our peer group hospitals. It is necessary to target the use of health funding to deliver the services the community expects from the public health system.

The budget has funded growth in activity levels and costs of up to 8 per cent annually for acute services. Funding for elective surgery has also been increased.

To be able to provide such levels of service, it is necessary to reform the existing service delivery in order to bring costs closer to the benchmark for peer group hospitals by reducing administrative and support service costs.

What effect will this have on the ACT's bottom line?

The government has allowed for health expenditure across the budget years based on activity forecasts from service planning and price growth in line with current health sector outcomes. However, the Government also recognises that the capacity to fund those parameters is constrained by economic conditions and therefore requires a lowering of the cost structures within ACT Health and a rationalisation of how support services are delivered. This will require a new focus on the management of service delivery, not reductions in levels of service.