



Australian Government

BUDGET*



A National Health and Hospitals Network for Australia's future

May 2010



A National Health and Hospitals Network for Australia's future

Delivering better health and better hospitals for all Australians

May 2010

© Commonwealth of Australia 2010

ISBN 978-0-642-74609-2

With the exception of the Commonwealth Coat of Arms; all material presented in this document is provided under a Creative Commons Attribution 2.5 Australia (<http://creativecommons.org/licenses/by/2.5/au/>) licence.

For the avoidance of doubt, this means this licence only applies to material as set out in this document.



The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the CC BY 2.5 AU licence (<http://creativecommons.org/licenses/by/2.5/au/legalcode>).

The document should be attributed as the 2010-11 Australian Government Budget — A National Health and Hospitals Network for Australia's Future

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are detailed on the It's an Honour (<http://www.itsanhonour.gov.au/coat-arms/>) website.

Contact us

Inquiries regarding the licence and any use of this document are welcome at:

The Manager
Communications Unit
Ministerial and Communications Division
The Treasury
Langton Crescent
Parkes ACT 2600

medialiaison@treasury.gov.au

Internet

The Commonwealth Budget Papers and Budget related information are available on the central Budget website at: www.budget.gov.au

Printed by CanPrint Communications Pty Ltd

Contents

New health investments in the 2010-11 Budget	2
National Health and Hospitals Network — a comprehensive reform package	3
A National Health and Hospitals Network	4
What this means for Australians	5
Preparing for future challenges ...	6
... and addressing problems with our system today	7
Building on reforms to date	8
We've listened to the community and experts	9
A reformed system, funded nationally ...	10
... run locally	11
Putting the nation's finances on a more sustainable footing	12
Higher standards and less waste	13
Personally controlled electronic health records	14
Investing in better health now	15
Reducing waiting times	16
Increasing hospital capacity	17
Taking responsibility ...	18
... and investing in GP and primary health care	19
Training more doctors ...	20
... nurses and allied health professionals	21
Better supporting older Australians ...	22
... by investing in aged care	23
Better mental health care	24
Tackling smoking rates	25
Supporting rural and regional communities	26
Better value for money	27
Summary of measures	28

New health investments in the 2010-11 Budget

The 2010-11 Budget delivers a further \$2.2 billion package of investments in the *National Health and Hospitals Network* over four years*. This includes:

\$772 million to improve access to General Practitioners (GPs) and primary health care

- \$417 million to improve after-hours access to GP and primary care services and establish Medicare Locals — ensuring every Australian and their family has the access and advice they need locally, when they need it.
- \$355 million to deliver 23 new GP Super Clinics across the nation and upgrade around 425 GP and primary health care clinics.

\$523 million in training and supporting Australia's nurses

- \$390 million to better support practice nurses in GP clinics.
- \$60 million in training and education incentive payments to assist nurses and personal care workers in aged care.
- \$69 million to establish the first ever rural locum scheme for nurses, build nursing careers and support nurse practitioners in aged care.

\$467 million to modernise our health and hospital system

- \$467 million to introduce personally controlled electronic health records for every Australian who wants one from 2012-13 — improving patient safety and health care delivery and slashing cost duplication.

\$400 million to drive efficiency and high performance

- For the first time, setting a nationally efficient price for public hospital services — and ending disputes about hospital funding.
- Setting national quality and safety standards and ensuring transparent reporting on performance.



National Health and Hospitals Network — a comprehensive reform package

The Government has announced a comprehensive package totalling \$7.3 billion over five years* to reform Australia's health and hospital system:

Hospitals — funded nationally, run locally

- For the first time, the Australian Government will become the majority funder of the Australian public hospital system and will shoulder a greater burden of growth in health and hospital costs. The running of hospitals will be devolved to Local Hospital Networks.
- The Government is investing an additional \$3.5 billion to improve access to emergency departments and elective surgery, to provide at least 1,300 new sub-acute beds, and to fast-track the introduction of activity-based funding.

Better access to GP and primary health care services

- For the first time, the Australian Government is taking full funding and policy responsibility for GP and primary health care and it will provide additional funding of \$1.2 billion to improve access to services, including after-hours services.

Training more doctors, nurses and allied health professionals

- The Government is investing \$1.2 billion to support Australia's health workforce, including more doctors, scholarships for allied health students, rural locum schemes for nurses and allied health professionals and providing financial support for nurses in general practices.

Supporting aged care

- For the first time, the Australian Government is taking full funding and policy responsibility for aged care and it will invest \$533 million to help take pressure off our hospitals and ensure the needs of Australia's growing number of elderly people are met.

Investing in prevention

- To reduce the prevalence of smoking, the Government has increased tobacco excise.
- The Government is providing \$2.6 million to support the introduction of plain packaging for tobacco products and continuing to fund a National Tobacco Campaign.

Helping those with mental illness

- For the first time, the Australian Government is taking funding and policy responsibility for primary mental health care and it will invest \$123 million to help people with a mental illness.



* Funding reflects national roll-out of the *National Health and Hospitals Network*.



A National Health and Hospitals Network

The *National Health and Hospitals Network* will be a nationally funded and locally run health network that will ensure future generations of Australians enjoy affordable and universally accessible health care.

The Australian Government will become the dominant funder of hospital services and have full policy and funding responsibility for GP, primary health and aged care.

The Australian Government will leverage its funding responsibility to deliver more coordination, control and accountability at a local level. This includes a new national performance framework to make the system more transparent and drive improvements to ensure all Australians can access high-quality, safe and efficiently run health care.

In addition to these long-term reforms, the Australian Government will deliver \$7.3 billion in additional funding over five years including investing in hospitals, providing better access to GPs and primary health care, including primary mental health care, supporting our health workforce and modernising our health system.

Fully funded health reform

The Government's preventative health measure, increasing tobacco excise, will provide \$5 billion over five years towards this investment. This increase, along with savings including from better value medicines, means this comprehensive reform is fully funded over the forward estimates and is wholly consistent with the Government's fiscal strategy.

The Government is delivering fundamental health reform and significant additional investments which are:

- fully funded over the forward estimates;
- wholly consistent with the fiscal strategy; and
- not adding to the budget deficit.



What this means for Australians

More hospital services with reduced waiting times

- A four-hour National Access Target for emergency department waiting times.
- An Elective Surgery Access Guarantee to fast track surgery for patients who have waited longer than clinically recommended.
- A National Access Target of 95 per cent of elective surgeries performed within clinically recommended times.
- At least 1,300 additional sub-acute beds by 2013-14 to allow patients to access the right type of hospital or community care they need.

Improved primary health care and better after-hours access

- A national after-hours service to provide telephone support, and if necessary, provide access to after-hours GP services in the community.
- More GP Super Clinics to provide a range of services in a convenient location.
- Additional and more coordinated services for Australians living with diabetes.

More doctors, nurses and allied health professionals

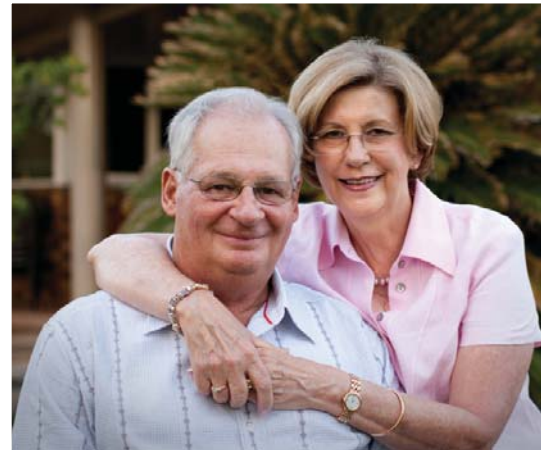
- 5,500 new GPs or GPs undergoing training over the next decade.
- 680 more specialist doctors over the next decade.
- More support for nurses and allied health professionals.

Improved access to aged care

- 2,500 additional aged care places and assistance through aged care one-stop shops.
- 286 sub-acute beds or bed-equivalents in multi-purpose services that provide integrated health and aged care services. Eligibility for those services will also be expanded, creating an additional 300 beds.

Better support for Australians suffering from mental illness

- Up to 30 additional *headspace* services to support an additional 20,000 young Australians per year.
- Up to 3,500 young Australians benefiting from early intervention and treatment for psychosis.
- Up to 25,000 people with severe mental illness benefiting from care packages.
- 136 more mental health nurses.



'These reforms will deliver better health and hospital services by:

- *helping patients receive more seamless care across sectors of the health system;*
- *improving the quality of care patients receive through performance standards and improved engagement of local clinicians; and*
- *providing a secure funding base for health and hospitals into the future.'*

Council of Australian Governments Communiqué,

April 2010



Preparing for future challenges ...

One of our greatest challenges is to ensure that future generations will enjoy world-class, universally accessible health care — the quality of care that has helped deliver Australians one of the highest life expectancies in the world.

While Australia's health system serves most Australians well, it is facing a number of serious challenges:

- An **ageing population** will substantially increase both health care needs and expenditure, while further constraining our health workforce. The *2010 Intergenerational Report* forecasts the proportion of our population aged over 65 will increase from 14 per cent in 2010 to 23 per cent by 2050.
- Our **population is projected to grow** from 22 million people today to 36 million by 2050. This will create the need for more health services, new investment in health infrastructure and an expanded health workforce.
- **Chronic disease** is a large and increasing burden on our health system. For example, the cost of type two diabetes is projected to increase by more than 520 per cent from 2002-03 to 2032-33.
- **Costs have increased sharply** in recent years and are expected to continue growing. The *2010 Intergenerational Report* projects health costs to increase from 15 per cent of all Australian Government spending now (4.0 per cent of GDP) to 26 per cent by 2050 (7.1 per cent of GDP).
- **Workforce shortages** are already placing limitations on the delivery of health care — particularly in regional and rural Australia.



... and addressing problems with our system today

Too much blame and fragmentation between governments

- Australia currently has eight different state and territory health systems.
- The distribution of responsibilities for health between different levels of government is blurred, resulting in duplication, cost-shifting and blame-shifting.

Gaps and poor coordination in health services that people need

- Many people are unable to access GP services after-hours.
- Some groups in our community, such as Indigenous Australians and people with chronic disease, have poor health outcomes, and are unable to access appropriate care.

Too much pressure on public hospitals and health professionals

- Almost one in six elective surgery patients and one in three people attending emergency departments wait longer than the recommended time for treatment.
- Australia's rates of hospital admission are above the OECD average.

An unsustainable funding model

- In the five years to 2007-08, public hospital expenditure grew at an average of close to 10 per cent per year. Projections show that by 2045-46, health spending alone will be more than all own-source tax revenue collected by State and local governments.

Too much inefficiency and waste

- The Productivity Commission estimates that some public hospitals may be running up to 20 per cent less efficiently than best practice.

Not enough local or clinical engagement

- Current arrangements fail to make the most of the expertise of our doctors and nurses. This also means that some services are poorly tailored to community needs.



Reform is needed now

To continue to enjoy access to world-class health care, we are undertaking far-reaching reform of our health and hospital system to deal with current problems in the system and meet the challenges of the future.



Building on reforms to date

In its first two years in office, the Government has undertaken major reforms across the health and hospital system. It has:

- increased funding for public hospitals;
- targeted key pressure points such as emergency departments and elective surgery;
- commenced training more doctors and nurses; and
- invested in health infrastructure.

Building on past investments

In November 2008, the Government reached a \$64 billion agreement with State and Territory governments for health and hospitals funding over five years, a 50 per cent increase compared to previous Australian Government funding for public hospitals.

The agreement included: a \$1.1 billion health workforce package; \$750 million to take pressure off emergency departments; and \$500 million for sub-acute care facilities.

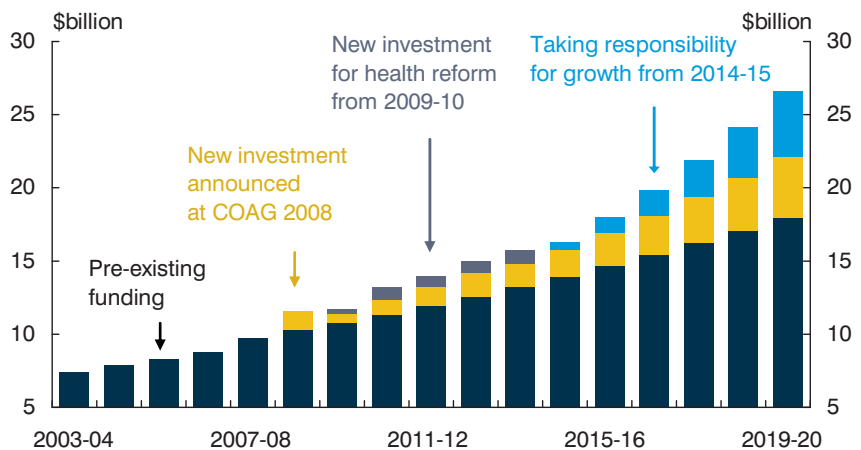
The Government also invested \$872 million in preventative health programs for schools, workplaces and local communities with a high incidence of chronic disease.

To help close the gap between Indigenous and non-Indigenous health outcomes, the Australian Government, States and Territories also agreed to invest \$1.6 billion in measures to reduce chronic disease in the Indigenous population.

In addition, the Government has invested \$600 million in an elective surgery waiting list reduction plan that has already delivered more than 62,000 additional procedures.

And, in the first ever major investment by an Australian Government in health and hospital infrastructure, \$3.2 billion was provided in the 2009-10 Budget for 35 infrastructure projects across the country.

Additional Australian Government funding for public hospitals



We've listened to the community and experts

National Health and Hospitals Reform Commission

The Government commissioned the most comprehensive review of Australia's health system in 20 years.

The National Health and Hospitals Reform Commission's July 2009 report emphasised three main goals:

- tackling major access and equity issues that affect health outcomes for people now;
- a health system that is better positioned to respond to emerging challenges; and
- creating an agile and self-improving health system for long-term sustainability.

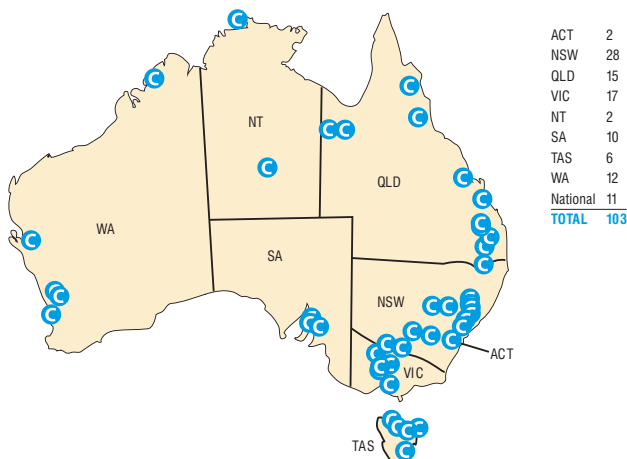
Consultation with health professionals and the Australian people

The Prime Minister and Health and Ageing Ministers have taken part in more than 100 consultations on the Commission's report with patients, health professionals and the public. The Government has also consulted on the development of this plan with State and Territory governments through COAG, reaching agreement with all but Western Australia at the April 2010 Council of Australian Governments meeting.

2010 Intergenerational Report

Another source of input was the *2010 Intergenerational Report*. This report projects that growth in all categories of Australian Government health spending will increase and that rising health costs will be by far the largest contributor to increased Australian Government spending in 2050, accounting for around two-thirds of the overall increase in spending.

Locations of Australian Government's health reform consultations



The Government has listened carefully to the advice and views put forward by patients, health professionals and the Australian community.



A reformed system, funded nationally ...

The Government will take majority funding responsibility for public hospital services and take full policy and funding responsibility for GP, primary health and aged care.

It will dedicate around one-third of total GST revenue directly to health and hospital services across the country.

From 2014-15, the Australian Government will fund the lion's share of growth in health and hospital costs directly from its budget.

Becoming the dominant funder of the Australian hospital system

The Australian Government will become the dominant funder of the Australian public hospital system by funding:

- 60 per cent of the national efficient price of public hospital services provided to public patients;
- 60 per cent of costs to support small regional and rural public hospitals;
- 60 per cent of recurrent expenditure on research and training functions undertaken in public hospitals;
- 60 per cent of buildings and equipment for public hospitals; and
- over time, up to 100 per cent of the national efficient price of 'primary health care equivalent' outpatient services.

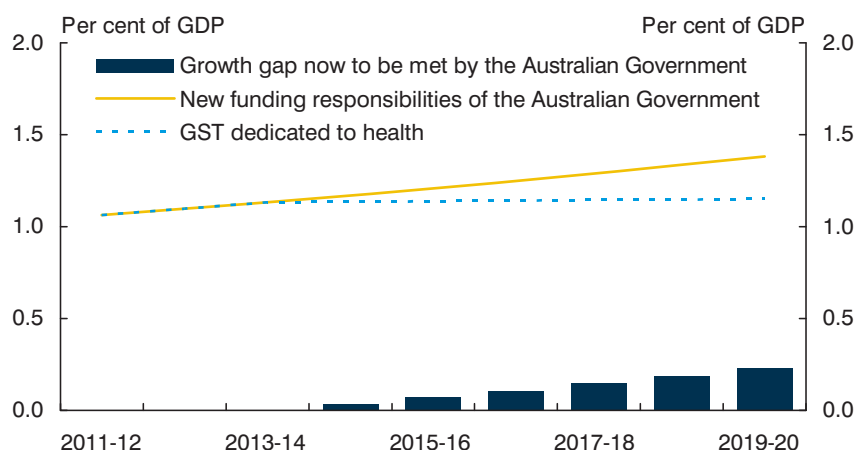
The Government will also take full policy and funding responsibility for GP and primary health care, primary mental health and aged care services.

Funding the majority of growth in health and hospital costs

The Government will finance its increasing responsibility for health care funding by dedicating around one-third of total GST revenue directly to health spending.

From 2014-15, the Australian Government will take responsibility for funding the majority of growth in health and hospital costs directly from the Australian Government budget with guaranteed benefits to the States of \$15.6 billion from 2014-15 to 2019-20.

New Australian Government funding responsibilities



... run locally

Local Hospital Networks

Local Hospital Networks (LHNs) will be established to ensure that local communities have a say in how their hospitals are run. The LHNs will be the direct managers of single or small groups of public hospitals and their budgets.

LHNs will be held accountable for their performance against new national standards.

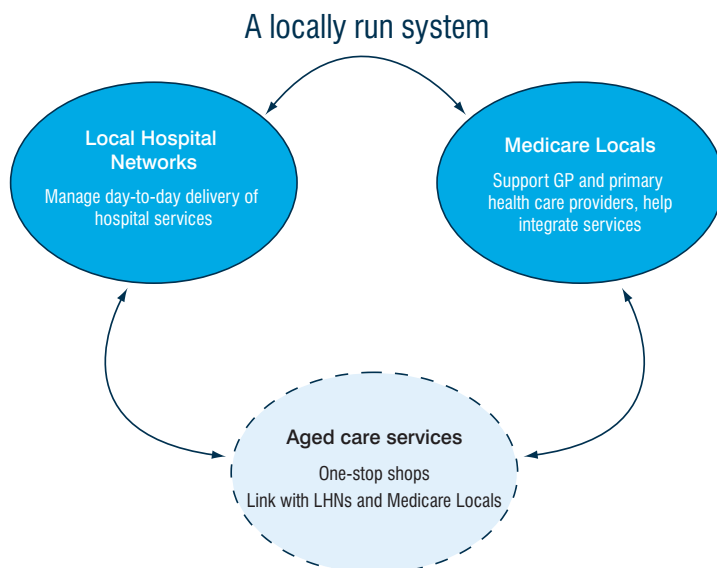
Medicare Locals — new primary health care organisations

The Australian Government is investing \$291 million over four years to establish Medicare Locals across the country. They will support local communities and health professionals, improve access to services (including after hours) and drive integration across GP and primary health care, hospital and aged care services.

Aged care providers

To assist older Australians to more easily access information and assessment for aged care services in their local area, the Australian Government is investing \$37 million over four years to establish aged care one-stop shops across the country.

The Government will also work with aged care providers to ensure that aged care services are coordinated with LHNs, Medicare Locals and GP and primary health care services. This will help ensure that older Australians are provided with better integrated and more efficient care.



The Government recognises the importance of ensuring that local communities have a say in how their health and hospital services are run.

Local Hospital Networks will be established to run hospitals.

Medicare Locals will link local community primary health care services to improve access to care.

Aged care one-stop shops will help older Australians access the information and services they need.



Putting the nation's finances on a more sustainable footing

Creating a secure funding base for public hospitals

The States currently have responsibility for funding the bulk of hospital costs, yet their taxes are inefficient and narrow, and grow at a slower rate than health costs.

On the basis of current spending and revenue trends, health spending alone will absorb more than the entire own source tax revenue collected by all States by 2045-46.

Without health funding reforms, the States will be required to raise significantly more revenue from their inefficient taxes. This will affect the financial sustainability of the health system and be a drag on broader productivity growth across the economy.

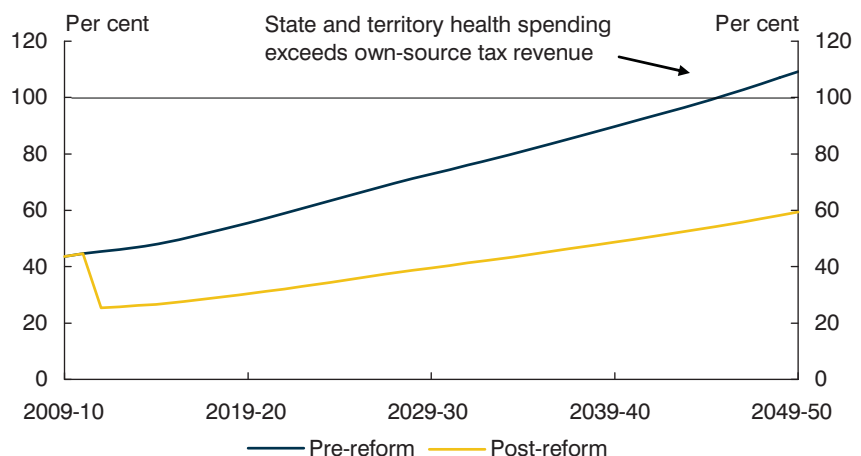
A long-term commitment to funding growth

The Australian Government is much better placed to meet this increasing expenditure, and more so into the future as the population ages. So at the heart of these reforms is the Australian Government's commitment to become the majority funder of public hospitals and to take full funding and policy responsibility for GP and primary health, primary mental health and aged care services. The Australian Government has guaranteed a net benefit of \$15.6 billion to the States and Territories from 2014-15 to 2019-20.

On current trends, there is a real risk that State and Territory governments will not have the financial capacity to meet health spending obligations in the longer term, placing our health system and services at risk.

These new arrangements represent a fundamental reform of federal financial relations and will improve state and territory budgets, freeing up the resources for other vital public services.

Unsustainable pressures on state and territory budgets relieved by reform



Higher standards and less waste

Tough new national standards and reporting

The Australian Government will leverage its majority funding responsibility to ensure health and hospital services deliver on tough new national standards. These will cover:

- access to public hospitals, including emergency department and elective surgery waiting times;
- access to local GPs and other health professionals; and
- improved safety and quality across the health system.

These national standards will be backed by transparent public reporting — which will increase accountability for health services and governments and deliver improved outcomes for Australians.

Paying for services: reducing waste and ending blame

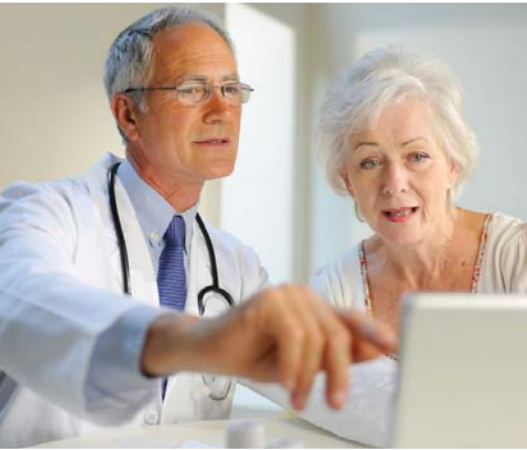
Local Hospital Networks will be paid an efficient price per hospital service delivered. States will no longer receive block funding for all hospital services. This will reduce waste and increase the number of services provided for each dollar invested.

An Independent Hospital Pricing Authority, at arm's length from governments, will set the national efficient price of public hospital services. The umpire will determine the rate of growth in health costs, and put an end to finger pointing between governments over whether funding is keeping up. The umpire will also take into account the higher cost of delivering services in rural areas, including the use of block funding where appropriate.



These reforms will help to ensure that the right services are delivered in the right place at the right time. This will make for a more effective and efficient health system.

Improving the efficiency of the health system will make it more sustainable into the future.



Personally controlled electronic health records

The Australian Government is investing \$467 million over two years to establish the key national components to introduce a personally controlled electronic health record for every Australian who would like to use one, from July 2012.

Empowering patients

Patients for the first time will be empowered with easy-to-access information about their medical history, including medications, test results and allergies, allowing them to make informed choices about their health care.

Patients will control what is stored on their health records and will decide which health professionals can view or add to their files.

Streamlining health care

Personally controlled electronic health records will ensure an individual's health care information is available where and when it is needed. They will also substantially reduce costly medical errors and re-testing that are common under the paper-based system.

To achieve this, the introduction of personally controlled electronic health records will be supported by the States' own investments in core health information systems to allow health care providers to connect with the national eHealth system.

The Government will also work with the health sector to ensure the new eHealth infrastructure securely and efficiently connects with current data systems.

Hamish is 85 years old and is cared for by his 74-year-old wife and his 45-year-old daughter.

Through the use of his personally controlled electronic health record, Hamish's carers can see that his drug list is accurate, even though his pharmacist, district nurse, GP, multiple hospitals, specialists, and other agencies all participate in his care.

Sharing this information with his healthcare providers has helped him avoid getting sick due to medication errors from multiple prescriptions.



Investing in better health now

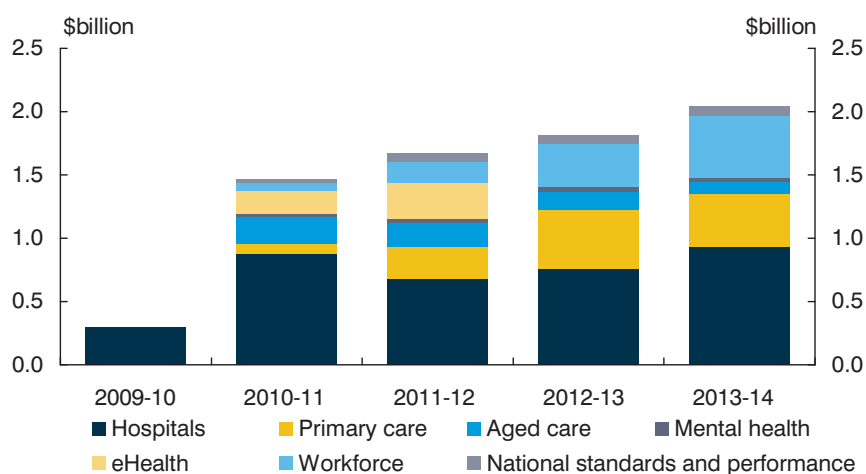
Immediate investments

The Government is investing \$7.3 billion over five years as part of the *National Health and Hospitals Network* to help deliver immediate health and hospital service improvements. This includes:

- \$3.5 billion to improve hospital performance through reduced waiting times in emergency departments and improved access to elective surgery;
- \$1.2 billion to train more doctors, nurses and allied health professionals;
- \$1.2 billion to improve GP and primary health care services;
- \$533 million to better support older Australians by investing in aged care;
- \$237 million to improve how the system works through a national standards and performance framework; and
- \$123 million to improve funding for mental health programs, including *headspace*.

This funding is in addition to the Australian Government's guaranteed top-up payment to the States of \$15.6 billion from 2014-15 to 2019-20.

Immediate additional Australian Government investment in Australia's health



From this year, the Government will invest \$7.3 billion in hospitals, GP and primary health care, mental health care, aged care and the health workforce.

These investments focus on the health services that Australians rely on most to keep them healthy, and to help them get better if they happen to fall ill.

Reducing waiting times



With roll-out commencing January 2011, people presenting to a public hospital emergency department will be admitted, referred for treatment or discharged within four hours of presentation where it is clinically appropriate to do so.

Following roll-out commencing January 2011, from January 2015 95 per cent of all patients waiting for elective surgery will be treated within clinically recommended times.

From July 2012, any person waiting longer than clinically recommended for elective surgery will have their surgery fast tracked.

Emergency departments

The Government is providing up to \$750 million over five years to the States to support the staged introduction of a four-hour National Access Target to reduce emergency department waiting times.

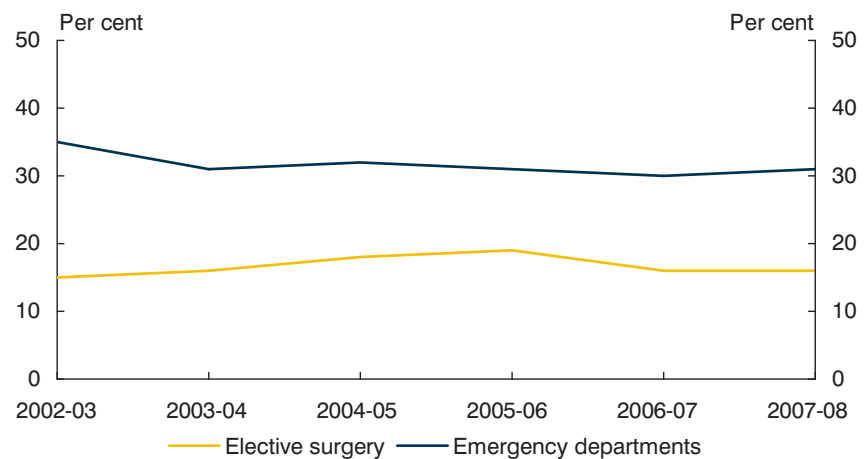
- This includes \$250 million over four years for emergency department capital investment to deliver necessary capacity and patient management improvements.
- The implementation of the four-hour National Access Target will be undertaken in consultation with clinicians and will apply to patients where it is clinically appropriate.

Elective surgery

The Government will also provide \$800 million over five years to the States to implement a National Access Target for elective surgery so that, from January 2015, 95 per cent of all patients waiting for surgery will be treated within clinically recommended times. An elective surgery access guarantee will also apply from July 2012. Under the guarantee, any person waiting longer than clinically recommended will have their surgery fast tracked.

- This includes \$150 million in capital funding over three years to boost elective surgery capacity.

Hospital patients not seen within clinically recommended times



Increasing hospital capacity

1,300 new sub-acute care beds

The Government is investing \$1.6 billion over four years to fund more than 1,300 new sub-acute care beds by 2013-14, improving access for patients and reducing pressure on public hospitals.

Investing in hospital capital

The Government is investing \$400 million over four years for capital investments in emergency departments and elective surgery. In addition, the Government is providing \$200 million over four years in flexible funding for use across emergency departments, elective surgery, and sub-acute care.

These investments will deliver immediate improvements and help lift public hospitals to the new, higher national standards.

Investments to take pressure off hospitals and emergency departments

Other investments will help take pressure off public hospitals. These include providing \$120 million over three years in capital funding for around 286 additional beds and bed equivalents in multi-purpose services. This investment will provide more sub-acute care for older Australians in rural and regional areas.

In addition, the Government's reforms in GP and primary care, and prevention, will prevent and better manage disease and reduce pressure on hospitals.



The Government is making significant investments to increase the capacity of our hospitals. This includes:

- funding new sub-acute care beds to take pressure off public hospitals; and
- providing capital funding to help ensure that facilities are available to meet access targets and guarantees.



Taking responsibility ...

Better quality primary health care

- For the first time, the Australian Government will be fully responsible for GP and primary health care services including primary mental health care services.
- Better coordinated primary health care, with a focus on local needs, will also reduce pressure on public hospitals and improve the efficiency of the health system overall.

Taking responsibility for GP and primary health care services

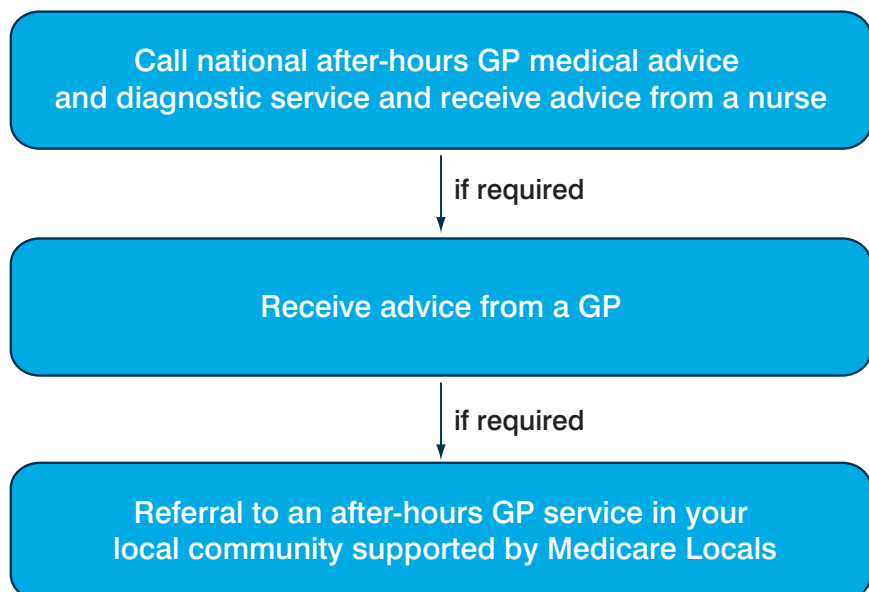
The Australian Government will take full funding and policy responsibility for GP and primary health care services, including primary mental health care, from 1 July 2011.

Improved access to after-hours GP and primary health care services, supported by Medicare Locals

The Australian Government will also invest \$126 million over four years to provide a national after-hours GP medical advice and diagnostic service. Australians seeking medical advice after hours will be able to speak with a registered nurse and a GP over the telephone. If required, hotline clinicians will be able to arrange follow-up care in the patient's local community.

The after-hours service will be supported by Medicare Locals. Medicare Locals will play a vital role in coordinating GP and primary health care, hospital and aged care services. The first Medicare Locals will be operational by mid-2011.

How the GP medical advice and diagnostic service works



... and investing in GP and primary health care

Infrastructure funding for more GP Super Clinics

The Government is investing \$355 million over three years to build more GP Super Clinics across the country to provide a comprehensive range of services in a single location. An additional 23 new GP Super Clinics will be constructed, and approximately 425 existing general practices and primary care facilities will be upgraded to assist with the delivery of team based care to provide similar services.

Coordinated care for Australians with diabetes

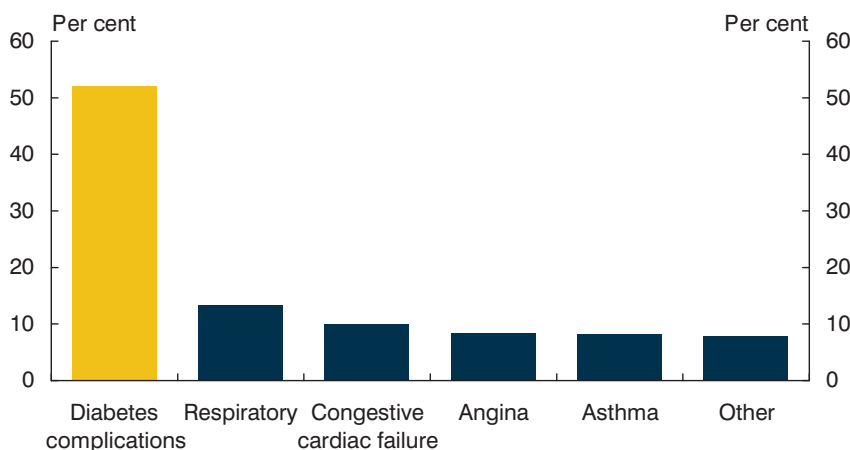
A \$449 million investment over four years will improve the quality of care for Australians living with diabetes, who currently make up 32 per cent of all avoidable hospital admissions and comprise over half of avoidable admissions of those with chronic conditions.

Patients will be able to enrol with a general practice of their choice, which will receive funding for every enrolled patient. GPs will use these funds to cover the costs of providing GP services, and to purchase other vital services from podiatrists, dieticians and diabetes educators.

The Government will work with patient and health consumer representatives and key primary health care groups, including GPs and allied health providers, to develop a performance framework.

The Government expects that nearly 260,000 diabetic patients and 60 per cent of all GPs will sign up to the program in 2012-13, its first year of operation.

Potentially preventable hospitalisations for chronic conditions, 2007-08



Nathan enrolls with his general practice to help manage his newly diagnosed diabetes condition through the Government's diabetes management program.

His GP prepares a care plan which identifies the services he will require over the next 12 months, including those of a podiatrist, a dietician and a diabetes educator.

Nathan's general practice is funded to provide care for his diabetes management and for his ongoing GP primary health care. The practice also organises access to the other care Nathan requires.



Training more doctors ...

More funding for more doctors

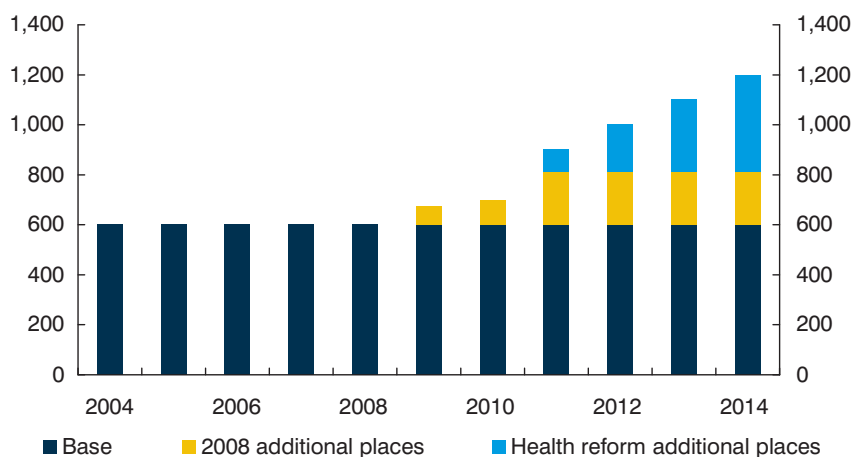
The Government will invest \$495 million over four years to fund more places on the Australian General Practice Training Program as well as increase the capacity of the already successful Pre-vocational General Practice Placement Program. The Government will also be investing \$145 million over four years in the training of record numbers of specialist doctors to ensure Australia will have the specialist workforce that it needs. Together, these initiatives will deliver:

- 1,375 more GPs practising or in training by 2013;
- 5,500 new GPs or GPs undergoing training in the next decade;
- 575 additional training places a year for junior doctors in general practice by 2012-13; and
- 680 more specialist doctors in the next decade.

Verity has had trouble accessing a GP as the local provider is not taking on any new patients.

With an increase to the number of GPs, Verity can stop going to the emergency department for day-to-day care issues and develop a relationship with her new local GP for ongoing primary health care.

GP training places per year, 2004-2014



... nurses and allied health professionals

Nurses: the backbone of Australia's health system

The Government will provide \$390 million over four years to better support nurses working in general practice.

The Government will also provide additional investment of \$132 million over four years including to:

- help nurses and other aged care workers to upgrade their skills and qualifications;
- fund an additional 600 enrolled nursing training places and 300 undergraduate nursing scholarships in aged care;
- support rural locums for 3,000 nurses over four years; and
- support nurse practitioners in aged care.

Boosting allied health

Allied health professionals such as physiotherapists, speech pathologists and occupational therapists perform a vital role in Australia's health system.

An ageing population requires a better distribution of allied health professionals, particularly in rural and regional areas where there are shortages of health professionals.

The Government will invest \$5.3 million over four years to introduce a rural locum service to allow allied health professionals to continue their professional development and \$6.5 million over four years to double the number of scholarships for them in rural and regional areas.



Emily is given support to do an allied health clinical placement in regional Australia.

She gets to know the local community and to enjoy working with the doctors and nurses at the local hospital and with GPs in town.

Following the completion of her studies, she returns to set up her practice.



Better supporting older Australians ...



Improving access to, and the quality of care in, the aged care system will help take pressure off our hospitals, while ensuring the needs of Australia's ageing population are met.

Taking full responsibility for the aged care system

The Government will take full policy and funding responsibility for all aged care services, including the Home and Community Care program for all States other than Victoria. This will enable the development of a nationally consistent aged care system covering basic home care through to residential aged care.

Delivering immediate improvements to help older Australians

The 2010-11 Budget invests \$533 million over five years to deliver immediate improvements to help older Australians and their families better navigate the aged care system. Major investments include:

- \$145 million over four years for more Zero Real Interest Loans to support the development of 2,500 additional aged care places in areas of need;
- \$120 million over four years in capital funding for 286 sub-acute beds or bed equivalents in multi-purpose services; and
- \$99 million over five years to provide enhanced access to primary health care.



... by investing in aged care

Improving consumer focus and protection

The Government will invest:

- \$37 million over four years to assist older Australians to more easily access information and assessment for aged care services, through aged care one-stop shops; and
- \$72 million over four years to strengthen the Aged Care Complaints Investigation Scheme and enhance regulation of Aged Care Accommodation Bonds.

Planning for the future

To set out the path for further structural reforms and ensure that the aged care sector is equipped to meet the challenges of tomorrow, the Government has requested the Productivity Commission to undertake a public inquiry into aged care services. The Commission is due to report in April 2011.

In addition, to better plan for aged care workforce needs into the future, the Government will:

- invest \$128 million over four years to help attract and retain nurses in the aged care sector; and
- explore the regulation of personal care workers to provide a basis to consider registration as part of the National Registration and Accreditation Scheme.



Lucia, who has dementia but is otherwise fit and healthy, lives in an aged care home and has a fall which opens a gash in her leg.

Rather than being sent to an emergency department for attention, her GP visits the aged care home and determines there is no fracture.

A nurse visits regularly to treat Lucia's wound.



Better mental health care

The Government is providing \$123 million over five years to help young people with, or at risk of, mental illness.

The Government will improve coordination by taking on funding and policy responsibility for primary mental health care.

\$59 million over five years is being directed to care packages to better support up to 25,000 people with severe mental illness.

Greater policy and funding leadership

The Government is taking full funding and policy responsibility for primary mental health care to drive better coordination of community-based mental health services. COAG agreed to undertake further work on the scope for additional mental health services reform in 2011, including the potential for leadership in specialist community mental health services.

Expansion of *headspace* youth-friendly mental health services

The Government is providing \$79 million over four years to deliver up to 30 new *headspace* services and extra funding for the existing 30 sites. Once fully established they will provide support and early intervention services for an additional 20,000 young people each year.

Early Psychosis Prevention and Intervention Centre (EPPIC) model

Funding of \$26 million over four years is also being provided to expand the EPPIC model. With state contributions, this means that up to 3,500 young people aged between 16 and 25 years and their families will benefit from improved detection and earlier treatment and support for early psychosis.

Mental health nurses

A further \$13 million over two years is being provided under the Mental Health Nurse Incentive Program to employ an additional 136 mental health nurses and provide an estimated 11,700 extra services.

Care packages for people with severe mental illness

The Government is providing \$59 million over five years (including \$5.9 million in new funding) to deliver packages of care for up to 25,000 people with severe mental illness.



Tackling smoking rates



Strong action to reduce smoking rates — increasing tobacco excise

From 30 April 2010, the Government increased the tobacco excise and excise-equivalent customs duty rate by 25 per cent.

Increasing the rate of tobacco excise will help provide clear incentives for existing smokers to quit. Higher tobacco prices will particularly discourage young people from taking up smoking as they are more responsive to price rises than older people.

The excise increase will provide an extra \$5 billion in excise and customs duty over five years that, along with existing excise revenues from tobacco, will be directly invested in better health and better hospitals for all Australians.

Plain packaging for tobacco products

In a world first, the Government is investing \$2.6 million over four years to remove one of the last remaining vehicles for the advertising of tobacco by preventing tobacco advertising and promotion on tobacco packaging.

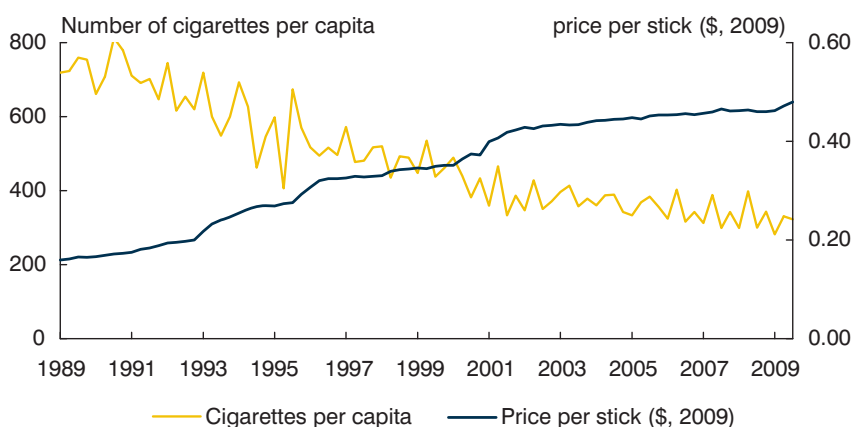
The National Tobacco Campaign — targeted approaches

The Government is contributing \$28 million over four years to continue funding for a national tobacco advertising campaign to target smokers in high-risk and hard-to-reach groups.

Other investments in preventative health

The Government is committing a further \$50 million over four years to community activities to address binge drinking, building on the National Binge Drinking Strategy.

Declining consumption of tobacco in response to price, 1989-2009



The Government is taking strong action to tackle smoking rates by:

- increasing tobacco excise;
- legislating to remove tobacco advertising and promotion from tobacco packaging, a world first; and
- funding a National Tobacco Campaign to target smokers in high-risk and hard-to-reach groups.

Supporting rural and regional communities



The Government is working to ensure all Australians have access to world-class health care no matter where they live by:

- ensuring funding reflects higher costs in rural and remote Australia;
- improving services in rural, remote and regional communities; and
- supporting the rural health workforce.

The Australian Government is committed to improving rural health care and is introducing a range of initiatives targeted at rural, remote and regional communities.

Ensuring funding reflects higher costs in rural Australia

The Government is ensuring that funding for small regional and rural hospitals and Medicare Locals reflects the needs of rural communities and the higher costs associated with delivering services in these locations.

Improving services in rural, remote and regional communities

The Government is working to improve access to health care in rural communities. This includes:

- \$120 million over four years in capital funding to increase the number of sub-acute beds or their equivalent in rural and remote multi-purpose services, and expand the number of rural communities eligible to apply for multi-purpose service funding; and
- \$18 million over three years to continue to allow Medicare benefits to be claimed at certain hospitals in rural Australia to improve access to primary health care services for communities.

Supporting the rural health workforce

The Government is also committed to encouraging health care workers to work in the bush and supporting those who currently do so. This includes:

- ensuring that half of new GP and specialist training places continue to be provided in rural and remote communities;
- investing \$34 million over four years in rural services for nurses and allied health professionals to allow them to continue their professional development; and
- investing \$6.5 million over four years to provide an additional 100 clinical placement scholarships per annum for allied health students in rural and other areas of need to enhance the size, distribution and retention of the allied health workforce.

Better value for money

The Australian Government has worked cooperatively with the medicines industry and pharmacy sector to deliver \$2.5 billion in net savings over five years from 2010-11 to 2014-15.

PBS pricing reforms

So Australians can continue to access new and expensive medicines at reasonable cost, while the ongoing viability of the Pharmaceutical Benefits Scheme (PBS) is maintained, the Government is introducing a suite of reforms to the pricing of medicines under the PBS, negotiated collaboratively with Medicines Australia.

These reforms mean better value for money for taxpayers through expanded price disclosure arrangements and price reductions on medicines subject to market competition.

The Fifth Community Pharmacy Agreement

The Government has also concluded the Fifth Community Pharmacy Agreement with the Pharmacy Guild of Australia.

The new arrangements will support the community pharmacy network and more patient-centred approaches and services, while also providing better value for money.

Improving the sustainability of support for medical expenses

To improve the long-term sustainability of the net medical expenses tax offset, the Government is increasing the threshold above which a taxpayer can claim the offset to \$2,000 and will commence annually indexing it to the Consumer Price Index, with effect from 1 July 2010. These reforms will result in savings of \$350 million over four years.

The threshold was last increased in 2002 and has not been indexed since that time. The number of people claiming the offset has grown by, on average, 12 per cent per annum, while total claims have grown by 16 per cent per annum over the period to 2008.



Better value medicines

The Government is reforming the pricing of medicines under the PBS and entering into a new Community Pharmacy Agreement.

This means better value for money for the Government and taxpayers, contributing to the sustainability of the PBS.

Summary of measures

National Health and Hospitals Network — Package Themes and Titles	2009-10 (\$m)	2010-11 (\$m)	2011-12 (\$m)	2012-13 (\$m)	2013-14 (\$m)	Total (\$m)
eHealth						
Personally controlled electronic health records	0.0	185.6	281.2	0.0	0.0	466.7
Hospitals						
Activity based funding	0.1	67.7	38.1	23.7	33.9	163.4
Flexible funding for emergency departments, elective surgery and sub-acute care	125.0	25.2	25.2	25.1	0.0	200.4
Four-hour national access target for emergency departments — facilitation and reward funding	0.0	150.5	100.5	100.4	150.4	501.9
Four-hour national access targets for emergency departments — capital funding	100.0	50.4	50.4	50.3	0.2	251.4
Improving access to elective surgery — capital funding	75.0	50.4	25.4	0.0	0.0	150.7
Improving access to elective surgery — facilitation and reward funding	0.0	300.6	118.6	116.5	116.5	652.3
New sub-acute hospital beds	0.0	234.3	318.2	447.1	625.9	1625.4
GP and primary care						
Coordinated diabetes care	0.0	5.7	13.3	183.2	247.0	449.2
Establishing Medicare Locals and improving access to after-hours primary care	0.0	14.0	66.6	156.5	179.7	416.8
Improved primary care infrastructure	0.0	56.7	179.4	119.1	0.0	355.2
Improving access to primary care*	0.0	0.0	0.0	0.0	0.0	0.0
Workforce						
Building nursing careers	0.0	1.6	4.8	7.0	7.6	21.0
Expanding clinical placement scholarships for allied health students	0.0	1.6	1.6	1.6	1.6	6.5
Exploring regulation of the personal care workforce	0.0	1.1	1.5	0.8	0.0	3.5
More general practice training rotations for junior doctors	0.0	26.4	34.1	44.2	44.9	149.6
More places on the General Practice Training Program	0.0	3.3	30.8	104.0	206.9	344.9
Nurse practitioners	0.0	2.1	6.8	6.3	3.4	18.7
Research into aged care staffing levels	0.0	0.3	0.3	0.0	0.0	0.5
Rural locum scheme for allied health professionals	0.0	1.4	1.3	1.3	1.3	5.3
Rural locum scheme for nurses	0.0	7.9	6.9	6.9	7.1	28.8
Support for practice nurses	0.0	3.8	70.7	147.6	168.2	390.3
Supporting a professional aged care workforce*	0.0	0.0	0.0	0.0	0.0	0.0
Training and education incentive payments	0.0	11.3	14.3	17.0	17.4	59.9
Training specialist doctors	0.0	14.0	28.8	43.4	58.4	144.5
Aged care						
Expand access to multi-purpose services	0.0	50.7	35.5	35.5	0.3	122.0
Expansion of zero real interest loans	0.0	72.1	72.1	0.4	0.4	145.0
Improving access to General Practice and primary health care	0.2	14.1	14.3	35.3	34.6	98.6
Improving the viability of community care providers	0.0	2.3	2.5	2.6	2.7	10.1
Increasing business efficiency	0.0	0.6	2.1	2.2	2.2	7.0
One-stop shops	0.0	23.3	2.6	5.4	5.5	36.8
Protecting savings	0.0	6.3	5.1	5.2	5.3	21.8
Reform of roles and responsibilities — Home and Community Care and related programs	0.0	19.0	5.4	13.8	0.0	38.3
Strengthening arrangements for complaints	0.0	10.1	12.6	13.4	14.5	50.6
Supporting Long Stay Older Patients*	0.0	1.0	1.0	0.4	0.4	2.7
Mental health						
Additional mental health nurses	0.0	5.3	7.7	0.0	0.0	13.0
Expanding the Early Psychosis Prevention and Intervention Centre model	0.0	6.5	6.3	6.4	6.4	25.5
Flexible care packages for patients with severe mental illnesses*	0.1	-3.0	5.1	2.4	1.3	5.9
More youth friendly services	0.0	10.8	19.9	23.8	24.3	78.8
Prevention						
National tobacco campaign — more targeted approach*	0.0	0.0	0.0	0.0	0.0	0.0
Plain packaging of tobacco products	0.0	1.3	1.0	0.2	0.1	2.6
National standards and performance						
Expansion of the Australian Commission on Safety and Quality in Health Care	0.0	0.7	8.2	12.6	13.7	35.2
Independent Hospital Pricing Authority	0.0	3.8	31.8	28.5	27.7	91.8
Information and awareness	9.9	18.3	1.1	0.2	0.0	29.5
National Performance Authority	0.0	22.3	23.6	29.4	34.2	109.5

Funding reflects national roll-out of the *National Health and Hospitals Network*. At the time of publication, Western Australia had not agreed to be a party to the reforms. The Government continues to discuss with Western Australia its participation in the *National Health and Hospitals Network*.

* Funding already provided for in the forward estimates, including: \$280 million for supporting Long Stay Older Patients and \$53 million for flexible care packages for patients with severe mental illnesses.

