



NATIONAL RURAL  
HEALTH  
ALLIANCE INC.



The Hon Scott Morrison MP  
Treasurer  
PARLIAMENT HOUSE ACT 2600

Cc The Hon Sussan Ley MP  
The Hon Fiona Nash MP

15 January 2016

Dear Treasurer

### **Health priorities for the 2016 Budget**

I am writing to you about several issues arising from the Mid-Year Economic and Fiscal Outlook (MYEFO) and priorities for the 2016-17 Budget.

The National Rural Health Alliance (the Alliance) is comprised of 36 national organisations and is committed to doing whatever it can to improve the health and wellbeing of the approximately 7 million people who live in rural and remote Australia. Our collaborative work with your Government is at the heart of our endeavours.

Alliance Members include national consumer groups, representation from the Aboriginal and Torres Strait Islander health sector, health professional organisations and service providers.

The Alliance has been monitoring closely the changes in health and aged care policy and programs and the way in which budget changes may impact on people living in rural and remote Australia. There are three key areas that we wish to bring to your attention as you prioritise issues for the 2016-17 Budget.

#### **Health and health care workforce**

The Alliance notes the substantial reduction in health workforce funding announced in MYEFO, but welcomes the increased targeting on the rural and remote sector. Integrated education, development and support arrangements for health students and professionals in rural and remote Australia are fundamental to addressing the persistent health workforce shortages and maldistribution that exist in those areas. Workforce initiatives are crucial to improving health care access, which for people living in rural and remote Australia is often more difficult.

Together with new models of care, such as those based on eHealth, a more adequate multi-disciplinary health workforce in rural and remote areas is central to improving health outcomes.

The Alliance notes that a significant portion of the initiatives announced in MYEFO are directed to building the Integrated Rural Training Pipeline for the medical workforce. The Alliance urges the government to consider expanding further on these initiatives and to develop similar, systemic approaches for the entire health workforce, including nurses and midwives, allied health professionals, paramedics and oral health practitioners.

The Alliance appreciates that the Government is seeking to put the Budget onto a sustainable footing, and notes that the health sector has been the focus of considerable change and tightening over the past two budgets to achieve that end. Your Government has several important review processes in train, including the Review of the Medicare Benefits Schedule, the work of the Primary Health Care Advisory Group

(PHCAG), consideration of reform of the Federation and reform of the taxation system. Together, these have the potential to direct existing resources to better effect, including reducing long-term pressure on the health system.

We therefore urge you not to make further cuts to the health budget until your Government is able to consider, together, the findings of these processes and the recommendations from them.

### **Aged care**

The Alliance notes that aged care has also been subject of significant reform and cost cutting. This is an area of concern to the Alliance; access to appropriate aged care services locally is a critical issue for families in rural and remote Australia.

The age profile of people living in rural and remote Australia is tipped towards the older end and average incomes are lower than in the major cities. Having to move away from family, friends and familiar environments to access aged care services is therefore a significant, potentially detrimental, life decision for frail, older people in rural and remote Australia.

We have been concerned with several recent reports about the closure of aged care services in rural areas despite high demand - such as in Stanthorpe. As you know there has also been recent public attention to the issue of some residential aged care facilities being unable to meet the needs of their residents, who are among the most vulnerable Australians. It is a matter of concern if, at a time when the frailty of residents is increasing, there is insufficient nursing care available to them.

We are very concerned about the need to grow the aged care workforce in rural and remote communities to ensure the ongoing viability of services. The demand for the health and community sector workforce will continue to grow, as it has for the past decade. Supporting workforce development in this area is an investment in system sustainability and quality care for our older people, as well as a source of employment in rural and remote communities.

### **Primary care and prevention**

There is evidence from around the world that the highest returns on health investment are from resources devoted to primary care and prevention. (We are keen to know what the PHCAG will propose in this regard.) This fact assumes special importance at a time when health budgets are subject to significant pressure.

Successful health promotion programs result in economic benefits by easing growth pressures on the health budget and underpinning economic participation. They also have immediate benefits by reducing potentially avoidable hospital admissions, helping to Close the Gap in Aboriginal and Torres Strait Islander health outcomes, and reducing future demand on aged care, disability and welfare outlays.

Since the long-term economic benefits to the nation of investment in primary care and illness prevention are so large and so secure, we believe there should be a bipartisan approach to them. This would provide very welcome stability for service providers in the area.

We are pleased to offer you support in working towards these principles.

Yours sincerely



Gordon Gregory  
Chief Executive Officer