



2016/17 State Budget Analysis: Health

TasCOSS provided advice to the State government to assist it achieve its election commitment:

Tasmania has the healthiest population by 2025

Analysis

The Hodgman Government came into office in 2014 on the vision of making Tasmania the healthiest population within 11 years. This is a laudable goal but one which requires significant commitment by the Government, given that Tasmania has some of the poorest health outcomes of all the Australian states, and glaring health inequities based largely on socio-economic factors. Such entrenched health issues require strong promotion, prevention and early intervention approaches.

The Tasmanian Government continues to focus its available health dollars on infrastructure and acute care and the preventative health and public health portfolios continue to languish without adequate funding. This short-term focus on the acute-end of the service system will not lighten the burden of disease for Tasmanians or the financial burden on the State.

The Federal Government's cessation of several National Partnership Agreements and withdrawal of funding for health continues to be felt across the State health portfolio. As the Federal Government continues to abdicate its responsibilities in health, the Tasmanian Government is increasingly having to fund the shortfall just to keep current services afloat.

In its Budget Priorities Statement TasCOSS recommended an allocation of 5% of the Tasmanian Health Budget to Preventative Health Initiatives and a move toward a Health in All Policies approach. Health Promotion and prevention initiatives in Tasmania are historically underfunded and the Federal Government's cessation of the *National Partnership of Preventative Health*, which resulted in a loss of \$2-3Million per annum to Tasmania over the projected life of the partnership, was a heavy blow. The Government's response to the sector's advocacy was disappointing. Not only are there no extra funds for Preventative Health initiatives in 2016-17 but the percentage allocated to Preventative Health in the forward estimates will actually drop from 1.99% this year to only 1.39% in 2018/19. As a percentage, this is even lower than the very low percentage of the total Australian health budget spent on population and public health services—1.7%. In contrast countries such as New Zealand and Canada spend more than 5% of their health budgets on preventative health¹.

To quote the Health Minister in his Foreword to the Healthy Tasmanian consultation draft, *"keeping ourselves healthier for longer ... is critical to the sustainability of our health system"*. With nine years to

¹ Australian Health Care Reform Alliance (2015) Policy Position Paper 3, Canberra, p2-3

go to 2025, TasCOSS is disappointed not to see any real evidence of the Government's commitment to preventative health in this budget.

Initiatives

There is additional funding in the Budget of \$29.5Million over four years (\$8 million in 2016/17) to further the One Health System initiative. Directed towards highest priority items in the White Paper and Clinical Services Profile implementation plan. This includes consolidation of clinical services, consolidation of all maternity services to single site in the North-West, refocusing the Mersey Community Hospital to sub-acute services and establishing it as an elective surgery centre, reconfiguration of other existing services.

There is also more funding for infrastructure—\$3.7Million for the redevelopment of the Royal Hobart Hospital pharmacy/pharmaceutical production facility.

The Budget includes an additional \$1.4Million per annum for the Emergency Departments of the Royal Hobart Hospital (RHH) and the Launceston General Hospital. The 'Patients First' funding includes Clinical Initiative Nurses to actively monitor and provide advice to patients and develop care plans in consultation with Emergency Department doctors, continuation of Psychiatric Emergency Nurses at RHH (Federal Funding has ceased), implementing Extended Care Paramedics and a First Intervention Vehicle for the Southern Region, all designed to reduce Emergency Department admissions.

There is \$500k per annum over the forward estimates to continue to support healthy choices in schools with a focus on lower socio-economic areas. It includes school canteen accreditation, school gardens, breakfast clubs, and drug and relationship education.

Gaps

Preventative Health

A commitment of \$650k per annum over the forward estimates for *Healthy Tasmania* - the Tasmanian Government's Preventative Health Strategy due for release in mid-2016. The focus of this funding will be on smoking and obesity prevention. This small investment in preventative health (less than 2% of the total health budget) is accompanied by a \$4Million cut to the public health budget due to the cessation of the Federal Government's *National Partnership Agreement on Preventative Health*.

Community and Aged Care Services

There has been a decrease in funding for community and aged care services from \$200Million in 2015/16 to \$194Million in 2016/17. This \$6Million reduction is due to the cessation of the *National Partnership Agreement on improving health services in Tasmania—Schedule D—Better Access to Palliative care*, Adult Public Dental Services and Rural Primary Health Services Program.

Health in All Policies

The State Government has disregarded calls by the sector for a Health in All Policies framework.

[Read more in the TasCOSS 2016 Budget Priorities Submission: Health](#)