



Fact Sheet 19

# Rural health in the 2009 Federal Budget<sup>1</sup>

MAY 2009

**Given the current fiscal environment, the rural health sector did well in the 2009-2010 Budget. There are significant new incentives for general practice, investment in cancer and maternity services, and access to MBS and PBS for nurse practitioners and selected midwives.**

Some significant progress in rural and remote health was made through the 2009-2010 Federal Budget, especially for rural general practice. A new 5-point classification scale will be used to determine eligibility for national rural and remote health programs, and there are some major new investments in health infrastructure. As ever, other professions will hope to take their lead from general practice, and all parties will be keen to see what devil may be in the details.

For people in rural, regional and remote areas, the highlights include the following.

**Cancer Centres.** Funding of \$560 million has been provided to establish ten best practice regional cancer centres, with associated accommodation, to address the poorer access and outcomes in cancer detection and treatment for rural Australians.

**Maternity Services.** A significant package of measures to improve maternity services and options for women was announced. It includes access to MBS and PBS for midwives working in collaborating teams, expansion of the Medical Specialist Outreach Assistance Program, additional scholarships for GPs and midwives, and support for midwives' professional indemnity. The package will be introduced progressively from 1 July 2009, with new arrangements for midwives commencing from 1 November 2010.

The Commonwealth will work with State and Territory Governments and other stakeholders to develop a national maternity service plan to ensure a more strategic approach to maternity services, particularly in rural areas.

**Infrastructure funding in rural Australia.** Grants of up to \$500,000 have been allocated for both public and private primary care services in 40 locations (\$13.9 million). There are funds for major expansions of hospitals in Townsville, Rockhampton, Alice Springs, Launceston, Darwin, an integrated district health service in Narrabri, and other infrastructure in the Kimberley, at Burnie, and for the Mersey Community Hospital.

**Nurse Practitioners.** To help improve access to primary care, especially in rural and remote areas, Nurse Practitioners throughout Australia will be able to provide services funded under MBS and PBS. (Let us hope this measure will flow as well to Remote Area Nurses who are vital to health services in many remote locations.)

**Mental health.** This important area continues to get some much-needed attention. There is money to continue mental health services in rural and remote areas, and to provide support for



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drought-affected communities, and new money for support for communities affected by the Victorian bushfires.

**Medical workforce.** Vocational training for general practice is vital to the health and wellbeing of people in rural and regional Australia. There is provision for a 35 per cent increase in GP training places, to 800 places per year; and \$41.2million over four years for additional places in the Prevocational General Practice Placement Program.

To attract more Northern Territory students to medicine, including Aboriginal and Torres Strait Islander students, the Government will provide a capital grant of \$27.8 million over three years for the establishment of the NT Medical School, and funding from 2010-11 towards recurrent costs.

**Other workforce training.** Additional funding of \$6.8 million over four years will be shared among the existing University Departments of Rural Health to encourage students of medicine, nursing and other health professions to pursue a career in rural practice by providing opportunities for students to practise their clinical skills in a rural environment. In addition, \$4.1 million over four years will allow 30 full-time equivalent annual placements for dental students to undertake clinical training in rural areas with the aim of encouraging those students to practise in rural areas upon graduation.

As is well known, health graduates are too often lost to the profession in which they train. To combat this, the Government will provide \$82.6 million over four years to reduce the Higher Education Loan Program (HELP) debt repayments for education and nursing graduates working in these professions. HELP debts

<sup>1</sup> Note: this outline has been prepared in good faith by the NRHA. Precise details of the programs referred to should be checked with the appropriate public service agency.



PHOTO: JOHN HOEY

will be reduced by \$1,536 (indexed annually by the Consumer Price Index) for each year in which the graduates work in these professions, up to a maximum of five years.

A number of nursing education and recruitment initiatives will be consolidated, including Bringing Nurses Back into the Workforce; the Rural Nurse Initiative (Nurse Scholarship program); Retraining Scholarships for More Practice Nurses and Allied Workers in Metropolitan Areas; Additional Practice Nurses for Rural Australia; and the Mental Health Postgraduate Scholarships scheme.

## Workforce incentives and a new geographic classification

A significant initiative is adoption of a new geographic classification system for rural, regional and remote health workforce incentives. The new classification system is ASGC – Remoteness Areas (RA). It has been developed and supported by the Australian Bureau of Statistics and will be updated with each new Australian Census.

Application of the new system will be 'scaled' to provide greater incentives for service in areas of increasing remoteness. It will result in an additional 2400 doctors and 500 communities being eligible for rural incentives for the first time. To provide for newly eligible doctors and to increase the attractiveness of more remote areas, funding for the range of incentives will be increased. No doctors currently receiving incentives will be worse off.

The Department of Health and Ageing has a Remoteness Area Locator on its public website which provides, for all towns in Australia, the level of remoteness and the scale of incentives for medical practice in that town. (see <http://www.doctorconnect.gov.au/internet/otd/Publishing.nsf/Content/RA-intro>)

**Locum services.** A new National Locum Relief program will fund more than 400 locum placements to enable GPs working in 'hard to recruit' areas to take a break or undertake further education and training. A salary subsidy will be introduced to assist rural doctors in recruiting locums to their practice. The existing Training for Rural and Remote General Practitioners Program will be extended to doctors working in urban areas in order to better equip them to undertake a rural locum placement. Urban doctors participating in this program will be required to undertake a rural locum placement.

## Closing the gap in Indigenous health

The Budget follows through on commitments made by the Council of Australian Governments (COAG) on Indigenous health, education and employment.

In the health portfolio the targets include working in partnership with Aboriginal and Torres Strait Islander people and organisations, and in collaboration with State and Territory Governments, to 'close the gap' in life expectancy within a generation, and to halve the gap in mortality rates for Indigenous children under five within a decade.

Under COAG, the Government has committed \$805.5 million over four years for a package of measures to drive improvements in Indigenous health, especially in the early intervention and treatment of chronic illness. Mothers' and babies' services will be expanded in high need localities. There are also programs relating to Indigenous drug and alcohol services, rehabilitation, and Bringing Them Home counsellors.

Funding has been provided for the Remote Area Health Corps program in the Northern Territory, for eye and ear health, and for oral health. A new Centre of Excellence in Indigenous Health and Education is to be established in Darwin.

## A national approach to rural health

The Budget confirmed the intention of the Australian Government to work with State and Territory colleagues through the Rural Health Standing Committee of the Australian Health Ministers' Advisory Council to develop a new national strategic approach for rural and remote health. The NRHA is vitally interested in this work, which will be informed by reports from the National Health and Hospitals Reform Commission, the Council of Australian Governments, the National Primary Health Care Strategy, and the National Preventative Health Strategy.