

## **SENATE FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE**

Inquiry into access to the Outcomes of the 42nd meeting of the Council of Australian Governments held on 1 April 2016

Public Hearing – Monday 27 April 2016

Question Taken on Notice – Australian Medical Association

### **1. HANSARD, Page 10**

Senator McKIM: Is the AMA aware of, or has it been consulted on, potential reduction in funding for the Rural Health Outreach Fund?

Prof. Owler: No, we have not been consulted on that.

Senator McKIM: You said you have not?

Prof. Owler: No, I am not aware of being consulted on that.

Senator McKIM: Does the AMA regard the Rural Health Outreach Fund as a good mechanism to deliver services into rural and regional communities in Australia?

Prof. Owler: I am not particularly familiar with the outlook fund, so I would have to take some advice on that I am afraid.

### **Response:**

The Rural Health Outreach Fund (RHOF) is one of the Department of Health's Flexible Funds and consolidates five programmes, namely:

- The Medical Specialist Outreach Assistance Programme (MSOAP);
- MSOAP – Ophthalmology expansion;
- MSOAP – Maternity services expansion;
- Rural Women's GP Service Programme; and
- National Rural and Remote Health – Kimberley Paediatric Outreach Programme.

The RHOF supports appropriate outreach health activities to address health issues identified in regional, rural and remote locations, including through improved coordination and combination of health activities. Under the RHOF the following four health priorities are specifically addressed:

- Maternity and paediatric health;
- Eye health;
- Mental health; and
- Support for chronic disease management.

We believe that a combination of policy initiatives should be applied in order to provide regional and rural areas with a more equitable share of the medical workforce. In this context, the Rural Health Outreach Fund is a good mechanism to deliver services into rural and regional communities in Australia. Overall, we believe the fund has been able to: provide both public and private outreach health services that address prioritised community needs; broaden the range of health services available in regional, rural and remote locations; and remove the financial disincentives that create barriers to service provision.

The RHOF should be adequately funded and based upon the following principles:

- services must be directed to communities where an unmet need is established by the local medical practitioners;
- services must be designed to fit in with local healthcare services, and wherever possible they should include up-skilling and other measures to enhance the sustainability of local medical services;
- funding must be available to existing outreach services;
- there should be strong Medical College involvement in outreach programs in order to encourage greater participation; and
- service should not be withdrawn without consultation with the local practitioner.

The 2014-15 Budget Papers indicate that \$197.1million will be cut from the 'Health Flexible Funds' over 3 years from 2015-16 to 2017-18. \$962.8 million in cuts was announced as part of the 'Rationalising and streamlining Health programmes' measure announced in the 2015-16 Budget. Further cuts to the Flexible Funds will be realised through this measure. Among the 16 Flexible Funds apparently to be affected are those: supporting the provision of essential services in rural, regional and remote Australia; working to Close the Gap in health outcomes for Indigenous Australians; managing vital responses to communicable diseases; and delivering substance use treatment services around the country. Any cuts to the Health Flexible Funds will just put more barriers in place for health care delivery for people in rural and remote Australia. The AMA is very concerned about the impact of the cuts to the Flexible Funds.