MORE DOCTORS, BETTER SERVICES

Regional Health Strategy
A MESSAGE FROM THE PRIME MINISTER

It is with great pleasure that I introduce the Federal Budget 2000-01 health initiatives for Australians living in regional and rural communities.

For too long, people in these areas have not enjoyed the same access to health and medical services taken for granted in the capital cities. This was a matter of concern to many people I spoke to during my recent visit to parts of regional Australia.

Since coming to Government in 1996, we have taken on the enormous challenge of providing better health and medical services in rural and regional Australia. No previous government has done more. It is a tough job, but slowly things are beginning to change.

This Budget represents the biggest and most fundamental change of all.

Since 1996, there has been a substantial increase in the number of GPs providing Medicare services in rural and remote Australia.

There are heartening signs that efforts such as the John Flynn Scholarships and the initiatives to reward doctors who go to and stay in medical practice in regional areas are paying off.

There is now a greater recognition of the rewards - professional, personal and financial - of country medicine.

Health services are slowly establishing and reinventing themselves to meet the needs of rural and regional communities and are on the increase.

Targeted funding for health initiatives for rural and regional Australia has increased by 50 per cent in the past three years.

However, there is still room for improvement.

This Budget builds on the foundations of past years. As a result of these initiatives:

- there will be more new doctors practising in rural and regional Australia over the next five years;
• a range of new scholarships will increase the number of young people in medical school training for rural general practice; and

• many struggling country hospitals will be given help to restructure and continue providing reliable services to their surrounding communities.

I invite you to read on to share in these landmark initiatives, which have great potential to improve the lives of so many Australians.

The Hon John Howard MP
Prime Minister of Australia
FOREWORD

This is the third consecutive major Federal Budget investment in health by the Coalition Government.

This year’s Budget focuses on one of our most pressing health issues. It tackles the problems and inequities facing rural, regional and remote communities through two key strategies - more doctors and better services in an integrated package worth $562 million over four years.

Never before has there been such systematic, long term reform to revolutionise rural and regional health as we know it.

This is the product of a vision. A window to the future where our unique geography is no longer a barrier to first class health care.

The Budget builds on the successes of many of our innovations in rural and regional health such as the GP Rural Retention Program and other landmark initiatives to get more doctors and services into the country.

Indeed the very future, in economic and social terms, of our valued rural, regional and remote communities, depends heavily on the adequate provision of accessible, high quality health care.

More Doctors, Better Services

The Hon John Anderson MP, Deputy Prime Minister and Minister for Transport and Regional Services

The Hon Dr Michael Wooldridge MP, Minister for Health and Aged Care

Never before has there been such systematic, long term reform to revolutionise rural and regional health as we know it.

This is the product of a vision. A window to the future where our unique geography is no longer a barrier to first class health care.
Despite great strides in addressing the imbalances, the shortage of health professionals in rural and regional areas is still a problem. In this Federal Budget package, around $210 million will be spent to increase the number of doctors, specialists and allied health professionals such as nurses, psychologists and podiatrists, working in rural and regional Australia.

Importantly, we are going to see significant cultural change that will further open the way for greater educational opportunities for country students and revolutionise the medical workforce in rural and regional Australia.

Historically, the medical fraternity has been dominated by those whose career paths lie firmly within the cities.

While 25 per cent of young Australians live and are educated in rural Australia, less than 10 per cent of the medical school intake at some of our most prestigious city universities has a rural background.

If you come from rural Australia the chances of you going back to rural Australia are 45 per cent. If you come from urban Australia, the chances of going to the country are only five per cent. There is a range of exciting initiatives in this Budget to turn this situation around and build on past successes.

Nine new clinical schools in regional areas and three new University Departments of Rural Health will be set up, so that we will have a comprehensive national medical education network. One hundred new scholarships will encourage medical students to take up country practice. Financial assistance for medical students from country areas will be extended to enable them to afford to study away from home, and graduates will be rewarded for practising in rural and regional communities by having their HECS debt reduced.

Better health services is also a major theme of the Budget. The highly successful Regional Health Services Program, which matches services to the specific needs of a town or community, will be expanded by more than 50 per cent. There will be a more comprehensive range of support for pharmacy services. And small regional community hospitals in trouble, will be given funding to upgrade and implement changes to enhance
the high quality care they provide to their patients.

One of the issues of great concern to the Government has been the impact of the lack of services and doctors in the country on health and morale in towns and communities.

Recent data shows that death and chronic disease is higher among rural and regional communities. Coronary heart disease, asthma and diabetes are the biggest killers. This Budget will work to address these problems by helping to combat illness and injury such as farm accidents. Facilities to take care of the frail aged will also be upgraded and increased so older people won’t have to travel long distances to receive high quality care and accommodation.

We are very proud of this Government’s achievements in health so far. Improvements to rural and regional health, our immunisation program which is protecting our kids from disease, private health insurance reforms such as the 30% Rebate and Lifetime Health Cover, increased public hospital funding, and strides in mental health - just to name a few.

The challenges now continue.

We invite you to find out more about the many measures in this year’s Budget dedicated to building on the foundations already in place to improve the health of rural and regional communities.

The Hon John Anderson
Deputy Prime Minister and Minister for Transport and Regional Services

The Hon Dr Michael Wooldridge
Minister for Health and Aged Care
MAJOR RURAL INITIATIVES SINCE 1996

Since coming to government in 1996, the Coalition has implemented some initiatives specifically aimed at improving the health of people living in rural and regional Australia and enhancing their access to essential health services.

These include:

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<th>Initiative</th>
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<tr>
<td>• Introduction and expansion of Medicare Easyclaim Facilities (currently 580)</td>
<td>1996</td>
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<td>• Establishing seven University Departments of Rural Health</td>
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<td>• Establishing John Flynn Scholarships for GP students to allow rural placement during vacation (600 available to date)</td>
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<td>• Increased funding to establish National Rural and Remote Health Support Program</td>
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<td>• Development of Rural Workforce Agencies in each State and Territory to address rural GP shortfall and provide support and training for existing rural GPs</td>
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<td>• Increased number of Multipurpose Services (by 30)</td>
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<td>• Announcement of a Medical School at James Cook University in Townsville</td>
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<td>• Commitment for at least 30 new Regional Health Services</td>
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<td>• General Practice retention grants to provide further incentive for rural practice</td>
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<td>• Aged Care initiatives including a major capital funding program</td>
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<td>• Implementation of Rural Australia Medical Undergraduate Scholarship (RAMUS) scheme for people from rural areas to train in General Practice</td>
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<td>• Establishment of a Clinical School at Wagga Wagga</td>
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<td>• A Rural Women’s GP Service</td>
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THE STORY SO FAR
**The Story So Far**

Health care is one of the most important issues facing people in rural, regional and remote Australia.

People living outside metropolitan centres expect and are entitled to the quality health services enjoyed by their city counterparts, but this has not always been the reality.

Throughout much of rural and regional Australia there is a shortage of health care providers, high turnover in the health workforce, and major problems in gaining access to services. These problems are worse in remote communities.

**Rural and regional Australia - a snapshot**

There are around 19 million people in Australia; about five million (or 26.2 per cent) live in rural and regional areas and approximately 650,000 (or 3.4 per cent) live in remote areas.

Generally, their standard of health is lower, they are more likely to be at risk of major disease and are hospitalised more often than those living in metropolitan centres. Statistics show death rates and hospitalisation from injury are also significantly higher in rural areas than in city areas.

Rural people tend not to consult professionals except for urgent problems and do not have the same access to the preventative health and health education services provided in cities. In some remote areas, per capita use of services under Medicare is only one-quarter of the national average.

**Regional health - a national priority**

Providing accessible, quality health services in rural, regional and remote areas is a complex and multi-faceted problem. The Government has recognised that solutions that might work in metropolitan centres are often not applicable to rural and regional areas. Commonwealth, State and Territory governments and non-government organisations have begun dealing with regional health as an issue in its own right.

*Healthy Horizons - A Framework for Improving the Health of Rural, Regional and Remote Australians* was developed in 1998, providing the framework for cooperation in regional health. It has seven goals:

- improve health in the highest priority areas including asthma, diabetes, cancer and heart disease;
• improve the health of Aboriginal and Torres Strait Islander peoples;
• undertake research and provide better information to rural, regional and remote Australians;
• develop flexible and coordinated services;
• maintain a skilled and responsive health workforce;
• develop needs-based flexible funding arrangements for rural, regional and remote Australia; and
• achieve recognition of rural, regional and remote health as an important component of the Australian health system.

Throughout 1999, a rural health stocktake was undertaken by Dr Jack Best OAM, eminent physician, in communities across Australia. This enabled the Government to hear directly from individuals and communities about their health needs and about ways to improve their access to appropriate services.

The Federal Government has also developed a whole-of-government approach to delivering services in regional Australia. The Deputy Prime Minister convened a Regional Australia Summit in October 1999. More than 280 delegates met to develop a national appreciation of the challenges and opportunities in regional Australia.

Professor John Chudleigh, Orange Agricultural College, University of Sydney, was asked to chair the Summit Steering Committee. The Committee’s interim report to the Prime Minister stresses the high priority Summit participants placed on improving health for rural and regional Australians and addressing their specific needs. Central to this is greater access to services.

There have been many successful measures put in place over recent years to improve access to health services for communities in rural and regional Australia.

• Since legislation regarding Medicare Provider Numbers was passed in 1996, the number of doctors practising in rural and regional Australia has gone from under 7,500 to almost 8,300.
• The Rural Retention Program, introduced last year, recognises the diligence and commitment rural doctors bring to their work and has encouraged many to stay on in areas that have trouble keeping their doctors.

• The world renowned John Flynn Scholarships are growing stronger every year. Now we are seeing some 600 medical students returning to the same communities each year for four years and establishing close links with people in those areas.

• Scholarship programs have been set up to help to support financially country students who want to study medicine. Around 200 scholarships are awarded each year. There are also more and more nurses taking advantage of scholarships for rural and regional areas.

• In 1998, the Government set up Rural Workforce Agencies to help rural and regional communities to attract doctors and provide rural doctors with locum relief to give them a well deserved break.

• Last year, the innovative Rural Women’s GP Service was announced. This will make a big difference to the health of women in rural and remote areas. Latest promising figures show that 55 per cent of these receive regular breast cancer screening, and 70 per cent over the age of 18 have a pap smear every two years.

These are major achievements. However, the Regional Australia Summit still emphasised that communities need better and expanded access to health care services. Feedback to the Government, including to the Prime Minister during his regional visits, confirmed the need for greater access to health services.

This Budget is about long-term, fundamental change. Never before has such dramatic and radical reform been undertaken to improve the health of rural and regional Australia.
THE REGIONAL HEALTH STRATEGY
AT A GLANCE
MORE DOCTORS, BETTER SERVICES

Components of the Regional Health Strategy are mutually reinforcing. They will work together to increase the availability and viability of rural health services for the long term.

- The number of GP training positions in rural Australia will be increased significantly.
- Allied health professionals will be engaged to work with local doctors to meet community needs.
- Specialist outreach services to bring visiting specialists into rural and regional areas.
- Support services to help doctors newly located in the country.
- A first-ever rural medicine national training network - nine new clinical schools in country Australia, and three new University Departments.
- A larger part of all medical school training will take place in rural areas.
- 100 new places in Australian medical schools from next year for students prepared to commit to country practice.
- Recognising the high costs that country students face in studying medicine, an expansion of the Rural Australia Medical Undergraduate Scholarship (RAMUS) scheme.
- The opportunity for doctors who are prepared to go to rural areas to 'work off' their HECS debt.
- Encouragement of medical schools to take a greater proportion of rural students.
- Increasing the Regional Health Services Program by more than 50 per cent, giving an extra 85 communities services they wouldn't otherwise have had.
- Support to attract and retain rural pharmacists.
- A life-line for small non-government country hospitals at risk of closure.
- A chronic disease strategy directed in particular towards asthma and diabetes in rural Australia.
- A strong future for small rural aged care facilities.
MORE DOCTORS
A LARGER, STRONGER RURAL WORKFORCE

The Federal Budget provides $210 million to increase the number of doctors, specialists and allied health professionals working in rural and regional Australia.

Initiatives covering the continuum of study, training and practice will provide more doctors in rural areas and assist others to continue working there.

More places for doctors to train in country medicine

Recognising that a shortage of doctors is a key concern in rural and regional areas, the Government will provide $102.1 million over four years to increase access to GP services in regional Australia immediately.

The number of places for vocational post-graduate training for general practice will increase by fifty next year, taking the total number of places to 450 per year. Of these places, 200 will be in rural and regional Australia.

This rural emphasis in the allocation of places will be complemented by financial incentives to encourage medical practitioners to undertake their vocational training in rural and remote locations.

The aim of this measure is to increase the number of general practice registrars with confidence-building experience in rural areas, which can help them in their choice to take up practice in these areas after they finish their training. It will mean more doctors will be better prepared to handle the professional and personal demands of rural work.

More nurses, psychologists, podiatrists and other health professionals

Many rural and regional communities don’t have the range of allied health services that are available in metropolitan areas, so many rural doctors have to compensate and provide these services on top of their day to day workload.

The Federal Budget provides $49.5 million over four years to:

• increase the range of allied health services, including nurses, psychologists and podiatrists, and

• support doctors in caring for their community.
Having access to more allied health services will directly benefit rural and regional communities.

**More specialists**
The Budget provides $48.4 million so that rural and regional people can receive specialist services in their own communities, rather than having to travel long distances.

There will be funding for incentives and travel costs for specialists to conduct outreach specialty work and to act as mentors for local health professionals to help them increase their skills. This will ensure that when specialist services are not directly available, there are doctors and services available to meet health needs.

**More support for rural doctors**
Budget funding of $10.2 million over four years will go towards support for rural doctors in their regions, particularly those who are newly arrived.

The rural Divisions of General Practice will be resourced to expand their role to attract and keep doctors in areas of need.

The types of support on offer for doctors will include professional and family support, links with other health professionals, mentoring of medical students and continuing medical education.

**More rural medical education and training for doctors**
As part of the aim to increase the numbers of doctors in rural and regional areas now and into the future, $162 million will go towards supporting their training and educational needs.

There are incentives for qualified medical practitioners to undertake their general practice-specific postgraduate training in rural and regional areas immediately increasing general practice services in these areas.

This is supported by measures to increase the number of rural and regional doctors in the long term through providing opportunities for an additional 100 new medical students each year to gain university places in return for rural practice; graduates to “work off” their HECS debt in a regional area; and expanding the Rural Australian Medical Undergraduate Scholarship (RAMUS) scheme for rural students studying medicine.
More tertiary opportunities

This initiative builds on the Coalition’s 1996 commitment to expand the capacity of universities to specialise in the unique needs and challenges of rural health. The regional clinical training school at Wagga Wagga and the seven University Departments of Rural Health are leading the way.

The Victoria/South Australia Greater Green Triangle, consisting of Warrnambool, Mount Gambier and Rainbow, will be the first communities to benefit from this expansion.

The Federal Budget provides $117.6 million to establish nine new Clinical Schools in rural and regional areas and three new University Departments of Rural Health.

This will strengthen the rural focus in medical training, increase opportunities for medical students to complete training in rural service delivery, encourage country students to pursue a career in rural medicine, and improve coordination of rural placements for students and the quality of the experience gained.

For the first time, we will have a national network of medical training in the country. This network will increase the number of health professionals in rural and regional areas where clinical schools and University Departments of Rural Health are located, and support and continuing education opportunities will be available for existing health professionals in the area.

Ultimately the overall benefit to people in rural and regional areas will be more health service professionals with specific rural health training.

More medical school places for scholarship holders

From next year, there will be 100 new medical school places every year for students who are prepared to give a commitment to practice in rural Australia, through a new scholarship scheme.

These scholarships of $20,000 per year will be offered to new medical students each year in return for their commitment to practice in rural and regional areas for at least six years after completing their post-graduate training.
In total, $32.4 million over four years is provided to fund the scholarships and associated university places.

Previous proposals have provided no mechanism to stop students paying out their bonds and pursuing careers in the city. We have overcome this problem by ensuring that students who accept these scholarships will be issued with a restricted Medicare provider number (meaning they can only provide Medicare rebatable services in rural areas). This will give them freedom to practice in rural areas for six years after the completion of their post-graduate training. These fully-funded places are open to any student but allocated to universities with a proven track record in attracting rural medical students.

More undergraduate scholarships

The Federal Budget provides $8.0 million over four years to expand the popular Rural Australia Medical Undergraduate Scholarship (RAMUS) scheme, supporting regional students who wish to pursue a medical career. Importantly, it will also result in a greater number of medical graduates entering regional practice.

This measure doubles the number of undergraduate scholarships, bringing the total number of students receiving payments to almost 400 each year. These scholarships support rural undergraduate medical students who are of a rural origin.

The Government recognises that country students can face significant financial burdens when it comes to studying. These scholarships provide financial assistance towards the cost of accommodation, living and travel expenses.
In the longer term this initiative is expected to result in an increase in the number of doctors entering rural practice. Evidence suggests that medical graduates originally from rural and regional areas are more likely to return to these areas to practice once they have completed their training.
BETTER SERVICES
Better services

Many country towns in rural and regional areas often suffer from a lack of health services. This, together with a shortage of doctors, is one of the biggest problems facing our towns and regions.

New, restructured and more flexible services will support doctors and be responsive to local needs.

Better, more responsive services

The Government’s Regional Health Services Program (RHSP) has been very successful in establishing and maintaining practical, high quality health service packages in around 100 communities throughout Australia.

These range from traditional multi-purpose services—where the Commonwealth, States and Territories work together to provide facilities in small towns with the flexibility to meet local needs—through to regional health services which provide funding for new services that relate directly to local priorities.

A $68.9 million Budget injection will increase substantially the size of this program providing around 85 extra regional health services to communities in need over the next four years.

Community health care, child health, aged care, substance abuse counselling and mental health services are some of the packages the program can provide.

Its aim is to work with smaller, local communities to find out exactly what they need and how best to support the services to meet this need. A regional health service is flexible and may consist of a number of different types of care, and this varies from town to town.

The important issue is that the program recognises that there is no ‘one size fits all’ answer, and that local solutions must be tailored to local priorities.

Recently the Government undertook a stocktake of regional services and needs. It showed that where the program was in place, communities were able to get the services they needed, and that because these services were cost-effective, there was a good chance they would remain.

The important issue is that the program recognises that there is no ‘one size fits all’ answer, and that local solutions must be tailored to local priorities.
Cost is often a barrier for rural and regional communities. The program actually links services with other services and health professionals to make them viable. This means smaller areas which can’t sustain stand-alone services will still have access to the health care they need.

An added benefit is that when doctors and other health workers get together, they can share the load, share information, and reduce professional isolation.

By 2003-04, it is expected that more than 250 communities will be benefiting from this expanded program.

**Better pharmacy support**

In many communities, the local pharmacy is a big part of day to day life, particularly in rural and regional areas.

In the Budget, $41.6 million will be spent on a new Rural Pharmacy Maintenance Allowance which will subsume the existing Isolated Pharmacy Allowance and the Remote Pharmacy Allowance. The aim is to provide financial assistance to help pharmacies start up or stay in business.

The payments will be higher than the current ones, providing greater support for pharmacy services operating in communities in need.

Funding is also provided for new pharmacy workforce development activities including rural pharmacy scholarships and locum arrangements to provide relief when needed.

Pharmacy services are critical in providing care to Indigenous Australians. Pharmacists who provide communities with their medications and other supplies will now get extra support. It also means they can work with Aboriginal Health Services to ensure medicines are being used safely and effectively.

**Better hospital care - a lifeline**

The closure of a hospital in a rural location is a catastrophic event for any community. Non-government rural hospitals tend to be small and many are struggling to survive. This initiative gives a lifeline to those hospitals so that over the next four years each community can examine the hospital’s future and decide how it can best meet future community needs.
Money will be provided to help communities with this process and also give hospitals some breathing space while this is happening.

Around $30.3 million will be spent working with State and Territory governments revitalising bush nursing, small community and other small regional non-government hospitals. Some may need refurbishment, business restructuring and reorganising to help them run efficiently and enhance the high quality care they provide to their patients. Importantly, many may need to be restructured or reconfigured to better meet the emerging needs of the communities they serve.

In country towns, private hospitals have great community support. Most are operated by non-profit organisations and often they are the largest employer which makes them an integral part of not only the health of the community but also the local economy.

Many of these hospitals are best placed to provide a range of care, particularly critical care to people in the region. But many are battling financial and operational obstacles. This Budget measure will help them to identify and put in place the resources, technologies and changes needed to keep them viable and responsive to patients.

Some hospitals may use funding to restructure their facilities to ensure they are better suited to their community's needs – for example, multi-purpose centres and aged care accommodation. Others may revamp the hospital itself and create links with other services to ensure they can provide an integrated approach to care.

Another aim is to increase the capacity of small hospitals to attract more health professionals - doctors, specialists and nurses, for example.

Mainly, this measure will work hand in hand with initiatives to attract and retain doctors and health workers, and expand tailored health services, to enhance quality of health care in country areas.

**Better ways to prevent disease and injury**

People in rural and regional Australia experience higher rates of chronic disease and injuries than people in cities.

From heart attacks to farm accidents, the risks and stresses...
involved in country life are aggravated by shortages of medical services and personnel.

The Government is serious about addressing these issues. The solutions and the management practices in urban centres are often not workable in country settings which don't have the same access to doctors and health services.

The Budget measures as outlined earlier focus on getting more doctors and services in rural and regional Australia.

That is the long-term solution. At the same time, the Government recognises that the diseases and injuries plaguing country people right now must also be a high priority while the longer-term reforms take hold.

Under the Budget, $14.2 million will be spent on developing and implementing a chronic disease support package for small rural and regional communities.

Conditions to be targeted include asthma, heart disease, stroke, renal failure, Type 2 diabetes, and injury to name a few. The package will be tailored for small communities without easy access to a full range of health services.

Funding will be provided to develop new health delivery systems specifically for small communities. These will be evidence based for best practice in prevention, early detection and self-management of disease and injury.

Funding will then flow on to those communities to implement their models, responding to local needs.

Better options for rural older people

Quality aged care is a basic right for all older Australians - regardless of location. The Budget provides $30.8 million in Adjustment Grants of viability and capital assistance to help older people living in rural and regional communities to attain high quality, appropriate aged care facilities where and when they need it.

Too often, older people in rural areas have to travel substantial distances to receive care. The Federal Budget will provide support for small rural aged care facilities to address this. The Adjustment Grants will assist smaller rural facilities to improve their services and remain open.
The majority of facilities in rural and regional Australia are small. These facilities are faced with higher costs than their urban counterparts. Their ability to provide quality care is affected by:

- difficulties in achieving economies of scale; and
- fluctuating resident numbers and higher transport, staffing, food, services, building and maintenance costs.

Rural and regional residential aged care facilities earn around $1,000 less per bed per year than urban facilities from accommodation bonds to fund building improvements. The Grants will help to balance this out.

Ultimately, this will provide better care for older Australians in their local area, close to the comfort and support of their families and friends.