

Outcome 6

Rural Health

Improved health outcomes for Australians living in regional, rural and remote locations

OUTCOME SUMMARY – THE YEAR AHEAD

In 2006-07, the Australian Government is committed to improving health outcomes for Australians living in regional, rural and remote locations and supporting a diverse range of rural health programs and activities. The key component is the Rural Health Strategy, a 2004-05 Budget initiative which provides \$830.2 million over four years for a flexible package of health and aged care services and workforce measures.

Rural health programs and strategies, including the Rural Health Strategy, are managed by a number of Divisions in the Department. These rural health initiatives are discussed in the 2006-07 Portfolio Budget Statements under the relevant outcome chapters. The Health Services Improvement Division manages a number of programs that increase access to health services for people living in rural and remote areas and undertakes cross-portfolio monitoring of rural health.

In early 2006, Council of Australian Governments (COAG) agreed to a series of measures designed to improve access to health services for people in rural and remote areas. Implementation of the Better Management of Rural Health Programs measure will commence in 2006-07. The Program will involve the consolidation of funding for nominated rural health service delivery programs to better target the health service needs of people in small rural and remote communities.

Departmental Programs Specific to Rural Health

The table below lists each key rural health initiative in Outcome order and indicates those programs that are components of the Rural Health Strategy.

Outcome	Rural Health Activity
Outcome 2	Visiting Optometrist Scheme (VOS) Rural Pharmacy Allowance and Support Program Rural and Remote Pharmacy Workforce Development program - Scholarship
Outcome 4	Multi Purpose Services Program (MPS) Rural and Regional Building Fund (and Viability Supplement) Aged Care Adjustment Grants for Small Rural Facilities * Australian Government Aged Care Nursing Scholarship Program

*Part of the Rural Health Strategy.

Budget Statements – Department of Health and Ageing

Outcome	Rural Health Activity
Outcome 5	Additional Practice Nurses in Rural Australia and Other Areas of Need - Medicare items Additional Practice Nurses in Rural Australia and Other Areas of need - PIP Loading Practice Incentives Program (PIP) Rural and Remote General Practice Program (RRGPP) Training for Rural and Remote Procedural GPs Program Rural Locum Relief Program (RLRP) Rural Women's' GP Service (RWGPS) Rural Retention Program (RRP) More Allied Health Service Sub Program (MAHS)* HECS Reimbursement Scheme (HECS) * Rural Registrars Incentives Payments Scheme (RRIPS) * 50 GP training places* Workforce Support for Rural General Practitioners (WSRGP) *
Outcome 6	Multi Purpose Centre Program (MPC) Royal Flying Doctor Service (RFDS) Regional Health Services Sub Program (RHS)* Rural Primary Health Projects Sub Program (RPHP)* Rural Private Access Program (RPA)* Medical Specialists Outreach Support Program (MSOAP)*
Outcome 10	Supporting Women in Rural Areas Diagnosed with Breast Cancer (SWRDBC)
Outcome 12	Additional Practice Nurses in Rural Australia and Other Areas of Need – Training and Support Rural Clinical Schools (RCS)* University Departments of Rural Health (UDRH)* Rural Australia Medical Undergraduate Scholarship (RAMUS)* Medical Rural Bonded Scholarships (MRBS) * Rural Palliative Care Program (RPC) Mentoring for Regional Cancer Services Rural Undergraduate Support and Coordination Program (RUSC) Rural Health Support, Education and Training Program (RHSET) Advanced Specialist Training Posts in Rural Areas (ASTPRA) Rural Advanced Specialist Training Support (RASTS) Support Scheme for Rural Specialists (SSRS) *

* Part of the Rural Health Strategy.

Key Strategic Directions for 2006-07

During 2006-07, the Australian Government will:

- implement the COAG Health Reform Agenda measure Better Management of Rural Health Programs;
- continue the focus on improving access to health services for people living in remote and Indigenous communities; and
- continue to encourage the increase in privately insurable health services in rural and remote Australia by providing funding through the Rural Private Access Program.

Major Activities

Implement COAG Health Reform Agenda Measure – Better Management of Rural Health Programs

In February 2006, COAG agreed to the Commonwealth, State and Northern Territory governments each consolidating their existing funding for specified rural health service delivery programs in agreed rural and remote communities. This separately consolidated funding will be provided to local auspicing bodies who will have the flexibility to purchase those health services most needed by local communities.

The consolidation of the Australian Government's rural health service delivery programs will involve significant re-engineering of the current administrative arrangements for rural health programs. This will include the development of new funding agreements incorporating funding for multiple programs, and bilateral Memoranda of Understanding between the Australian Government and the States and Northern Territory governments.

The Australian Government will work closely with State and Northern Territory governments on the implementation of this measure. Programs for consolidation will be identified during 2006-07 as will sites for priority development and auspicing bodies for consolidated funding.

National Review of the Royal Flying Doctor Service

A national review of the Royal Flying Doctor Service was conducted in 2005-06. The Review examined the operational activities, funding and governance arrangements of the RFDS and made recommendations to the Department on models to enhance the capacity of the RFDS to deliver health services to people living and working in rural and remote Australia.

In 2006-07, the Australian Government will determine how the recommendations of the Review can inform the development of the next funding agreement with the RFDS, due to commence in July 2007. Any new agreement will be aimed at ensuring the viability and sustainability of the RFDS into the future.

Increasing Access to Primary Care and Allied Health Services

Access to primary and allied health services will be maintained by the Department during 2006-07 through the Regional Health Services network, with a continuing focus on the creation of new services in remote communities.

Through the national rural primary health projects and the Building Healthy Communities initiatives, the Australian Government will continue to fund health prevention and health promotion activities in rural and particularly remote communities. These projects target the risk factors that contribute to poorer health outcomes, such as:

- high rates of smoking and harmful alcohol consumption;
- high rates of obesity and low rates of physical activity; and
- injury.

During 2006-07, the emphasis will continue on projects targeted at improving health outcomes for Aboriginal and Torres Strait Islander people.

Rural Private Access - Increasing Access to Privately Insurable Health Services

The Rural Private Access (RPA) Program was announced in the 2004-05 Budget under the Rural Health Strategy as the Increasing Access to Private Health Services in Rural Areas Program. The RPA is a competitive grants program that seeks to increase the range, availability and viability of privately insurable health services in rural and remote Australia.

Ongoing monitoring and analysis of the impact on health service delivery of the first three funding rounds of this program will shape the fourth funding round planned for 2006-07. An evaluation of the outcomes of this program will be conducted as part of the lapsing program evaluation of the Rural Health Strategy.

Refine and Strengthen Current Programs and Administration

Many of the Department's key rural health programs and strategies have been in place for five years, having been established under the 2000-01 Regional Health Services Strategy. Throughout this time, program administration has been reviewed for efficiency and effectiveness and improvements have been implemented where necessary and practical.

In addition to this on-going process of program improvement, the formal evaluation of the Rural Health Strategy will commence in 2006-07. The evaluation will target the key components of the Strategy, including health service delivery (public and privately insurable), health workforce, promotion and prevention activities and capacity building in remote communities.

Outcome 6 Resourcing

Table 3.1.6 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 6, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs.

Table 3.1.6: Total Resources for Outcome 6

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Administered appropriations		
Program 6.1: Rural Health Services		
Appropriation Bill 1	104,584	104,802
	104,584	104,802
Total Administered Appropriations	104,584	104,802
Departmental appropriations		
Health and Ageing		
Output Group 1 - Policy Advice	1,798	1,788
Output Group 2 - Program Management	8,191	8,147
Total price of departmental outputs <i>(Total revenue from government and from other sources)</i>	9,989	9,935
Total revenue from government (appropriations) contributing to price of departmental outputs	9,989	9,935
Total revenue from other sources	-	-
Total price of departmental outputs <i>(Total revenue from government and from other sources)</i>	9,989	9,935
Total Price of Outputs for Outcome 6 <i>(Total Revenue from Government and from other sources)</i>	9,989	9,935
Total estimated resourcing for Outcome 6 <i>(Total price of outputs and administered appropriations)</i>	114,573	114,737
	2005-06	2006-07
Average staffing level (number)		
Department	92	102

Measures Affecting Outcome 6

A summary of measures affecting this outcome is provided at Table 2.2, Section 2. Measure descriptions are published in full in Budget Paper No. 2, *Budget Measures 2006-07*, available on the Australian Government website at <<http://www.budget.gov.au>>.

Contribution of Administered Programs to Outcome 6

Program 6.1: Rural Health Services

The aim of the Rural Health Services Program is to increase access for people living in rural and remote communities to a range of health services. The Program recognises the difficulties faced by people in rural and remote communities in gaining access to health services that are more readily available to the wider Australian community, as well as the difficulties associated with making use of private health insurance. Programs are streamed to provide a breadth of services in accordance with identified need. Services and activities funded include specialist services, allied and community health services, emergency evacuations, privately insurable health services, coordination grants for small community health care services and prevention and promotion activities in remote communities. The table at the beginning of this chapter lists the programs funded under Outcome 6. The evaluation of the Rural Health Strategy will include consideration of these health service activities as well as other programs under the Strategy.

Contribution of Departmental Outputs to Outcome 6

The Department describes its core activities in terms of three output groups: policy advice, program management and agency-specific service delivery. Outcome 6 reports on policy advice and program management. Refer to Section 3.1 for more information on output groups.

Performance Information for Outcome 6

Performance information for administered programs, individual outputs and output groups relating to Outcome 6 are summarised in Table 3.2.6.

Table 3.2.6: Key Performance Information for Outcome 6

Performance Information for Administered Programs

Indicator	Measured by	Reference Point or Target
Administered Funding – Rural Health Programs		
Provision of ongoing primary health services in rural and remote areas.	Services established and maintained to improve access.	Existing Regional Health Services are maintained; additional remote services are developed.
Establishment of time-limited preventative health initiatives.	Projects established to improve access to preventative health activities.	Existing preventative health initiatives are maintained; additional remote initiatives are developed.
Improved access to specialist and privately insurable health services for rural and remote communities.	Services/projects established and maintained to improve access.	Existing specialist outreach and privately insurable health services are maintained and additional services and projects are developed.
Cost: \$104.802m		

Performance Information for Departmental Outputs

Indicator	Measured by	Reference Point or Target
Output Group 1 – Policy Advice		
Quality, relevant and timely advice for Australian Government decision-making.	Ministerial satisfaction.	Maintain or increase from previous year.
Relevant and timely evidence-based policy research.	Production of relevant and timely evidence-based policy research.	Relevant evidence-based policy research produced in a timely manner.
Price: \$1.788m		

Indicator	Measured by	Reference Point or Target
Output Group 2 – Program Management		
Administered budget predictions are met and actual expenses vary less than 0.5% from budgeted expenses.	Percentage that actual expenses vary from budgeted expenses.	0.5% variance from budgeted expenses.
Stakeholders to participate in program development.	Opportunities for stakeholder participation through a range of avenues, such as surveys, conferences and meetings.	Stakeholders participated in program development.
Price: \$8.147m		

Evaluations

Evaluation Framework for the Rural Health Strategy

The Rural Health Strategy funding will lapse in 2007-08. During 2006-07 an evaluation framework will be developed for the Strategy which will set a strategic context for conducting the evaluation considering both the service delivery and capacity building aspects of the Strategy. This will enable a broad consideration of the individual programs as well as the overall contribution to improved access to health services in rural and remote communities. Some programs within the Strategy commenced evaluation activity in 2005-06. An evaluation of the entire Strategy will commence in 2006-07 and is due to be completed in 2007-08.

Major Reviews

There are no major reviews planned to be undertaken in 2006-07.

Performance Improvement Initiatives

A key component of the implementation strategy of the COAG Health Reform Agenda measure, Better Management of Rural Health Programs, will be a rigorous program design methodology incorporating program assurance and evaluation frameworks. Given that this measure aims to increase flexibility in the management of funding for specific rural health service delivery programs at the local community level, it is critical that the Australian Government maintains effective accountability for program expenditure and outcomes while reducing red tape.