

22 January 2016

Mr Danny Pearson MP
Chairman
Public Accounts and Estimates Committee, Parliament of Victoria
Parliament House
Spring Street, East Melbourne VIC 3002

Dear Mr Pearson

PAEC Inquiry into the Impact on Victorian Government service delivery of changes to National Partnership Agreements

Thank you for your letter dated 21 December 2015 seeking additional information following our appearance at the Committee's public hearing on 19 November 2015. We have considered your questions, and provide further detail below as requested.

A. Regulatory and compliance burdens/costs in NPAs

1a. Could the VHA please provide any details to the Committee in terms of quantifying the regulatory and compliance burdens/costs of NPAs and its impacts?

1b. Could the VHA please provide any details to the Committee on any actions currently being taken to help minimise the regulatory and compliance burdens/costs of NPAs?

It is not possible for the sector to isolate costs of regulation and compliance for NPAs. The VHA has previously written to the Commonwealth Government on the topic of multiple accreditation. The VHA does not oppose reporting or compliance, however our concern is with duplication, and reporting which is of no consequence. We do not suggest that reporting against the NPAs themselves has specifically increased the burden; however we urge governments to consider the purpose of reporting and compliance requirements to ensure they are meaningful and beneficial to health and health service delivery. In particular, we recommend that any new reporting requirements are first audited against existing reporting and compliance requirements to avoid unnecessary duplication. A copy of our submission to the "Reducing regulation in the health portfolio" submission is attached for your information (attachment 1).

B. Impact of changes to NPAs on service delivery

2. Could VHA please provide the Committee with further details and/or examples to illustrate the full extent on how health-related capacities or service delivery were reduced?

The NPA on Treating more Public Dental Patients and the NPA on Adult Public Dental Services were intended to relieve pressure on public dental waiting lists. During the peak of activity of the NPA, the number of people waiting for dental care reduced to almost half for general care, and to one third for denture care. However the NPA on Adult Public Dental Services was deferred under the 2014-15 Commonwealth budget. Following deferral, Victoria saw waiting lists grow to higher levels than pre-NPA for care with dental patients waiting over 12 months for general dental care in the January to March 2015 quarter. This reflected a 25 per cent increase in waiting time, compared to the same period in 2014 when patients waited, on average, 10 months. As well as tangible impacts on service capacity and delivery, staffing levels were also impacted, with a 66 FTE reduction in staff from June 2014 to June 2015.

The VHA was pleased to see the Victorian Government agree to fund 65 per cent of the NPA yet to be introduced, which allowed Dental Health Services Victoria to maintain staff (to a

degree), but not services. Consequently, we anticipate that the overall number of people waiting for treatment will continue to grow and thus the average time waiting for treatment. These two factors will unfortunately negate the positive outcomes observed during the period of the NPA.

3. Could the VHA please provide the Committee with further details and/or examples to illustrate the full impact and extent of what these significant uncertainties are?

The NPA on Closing the Gap in Indigenous Health Outcomes had two key targets: 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. This NPA was utilised to support the roll out of Victoria's Koolin Balit¹ funding across health services. This funding aimed to support access to health services and medical specialists to improve access to specialist care.

The cessation of the Commonwealth contribution to this NPA reduced the overall funding available for the Closing the Gap initiative, particularly in the areas of primary care services, health promotion, social marketing and workforce. As well, changes in funding sources resulted in changes to reporting structures. The VHA is not privy to the overall impact of this uncertainty, but would welcome a dedicated review on this matter by the Department of Health and Human Services or Parliament.

4. Could the VHA please provide the Committee with further details and/or examples to illustrate the full impact and extent of the associated risks and impacts due to the cessation of this NPA funding?

Please see above, question B2.

5. Could the VHA please provide the Committee with further details and/or examples to illustrate the full impact and extent of the associated risks and impacts due to this NPA funding reduction?

Please see above, question B2.

6. Could the VHA please provide the Committee with any detailed evaluation/analysis to quantify the impact of program changes as a result of NPA funding cuts on the cost of living for Victorians, in particular concession care holders?

Dental Health Services Victoria (DHSV) treats a very unique cohort of patients who are almost exclusively concession card holders, and this is an indicator of the effects of NPAs on these priority populations. Cutting the NPAs related to dental services impacted particularly children and concession card holders through:

- Lack of access – due to staffing changes, loss of service funding; and
- Increased waiting times for dentures/public treatment.

Over the period of the NPA (Jan 2013 – present) 111,000 eligible Victorians accessed care, including a large proportion from priority groups (Indigenous, homeless and refugees/asylum seekers). Over the peak year of NPA funding (2013-14) there was a 24 per cent increase in people accessing care. Numbers have since declined with activity winding down for the end of the NPA.

Increased NPA funding and activity saw demand increase by 54 per cent, which equates to waiting list numbers climbing to higher than pre-NPA levels. This has led to more people waiting

¹ Further information available from: <https://www2.health.vic.gov.au/about/health-strategies/aboriginal-health/koolin-balit>

for services during the NPA period, presumably people who had previously not sought treatment. The NPA encouraged eligible people to present for treatment, reflecting the increased perception of accessibility by the community.

The cessation of the NPA risks a loss of faith by the community in the services due to inconsistency with waiting periods, and puts at risk the positive impacts that dental care can have on an individual's health and wellbeing.

Should you require any further clarification, please do not hesitate to contact my EA Liz Orkney on 9094 7777.

Yours sincerely



Tom Symondson
CEO
Victorian Healthcare Association
Attach.