



## MEDIA RELEASE

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### **\$2.1 billion ‘Grand Canyon’ in rural health funding demands urgent fix**

**Landmark reports have again underlined the significant underspend on primary care in rural and remote Australia, and shown the need to fix what the Rural Doctors Association of Australia (RDAA) and the Australian College of Rural and Remote Medicine (ACRRM) say has become the ‘Grand Canyon’ of healthcare delivery in Australia.**

RDAA says a top priority for the Federal Government must be to implement real measures to boost the number of doctors and other health professionals in the bush, as without first addressing this chronic shortage it will be “extremely difficult” to make lasting improvements to the system as a whole.

Jointly, the Australian Institute of Health and Welfare (AIHW) report, *Australian health expenditure by remoteness: a comparison of rural, regional and city health expenditure*, and additional analysis by the National Rural Health Alliance, show a primary care deficit in rural areas in 2006-07 of at least \$2.1 billion, comprising an out-of-hospital Medicare deficit, an underspend through the PBS, and inequity relating to dental and allied health services.

The analysis shows that in 2006-07 country people missed out on 25 million services just from doctors, specialists, diagnostic services and PBS scripts. And because of the massive underspends on primary care, people in regional and remote areas have higher rates of hospitalisation than those in the cities, with the Government having to spend \$830 million extra in 2006-07 on what the Alliance estimates is some 60,000 extra acute care hospital episodes.

“These critical reports underline yet again the Grand Canyon that has formed between the funding of and access to primary healthcare in the bush and that in the cities” RDAA President, Dr Paul Mara, said.

“And it’s a canyon that’s costing, not saving, governments money.

“Not only is the rural underspend unfair and immoral but it’s putting more country Australians in hospital at great cost to both them and taxpayers. Good access to primary care is critical in keeping people out of hospitals and avoiding the more expensive treatment that a hospital stay entails. This is true whether you are talking about the middle of Melbourne or the back of Bourke. We keep waiting for governments to recognise this.”

Dr Jeff Ayton, President of ACRRM, said that the current term of minority federal parliament provides the best chance ever of improving access to primary care for thousands of rural and remote Australians.

“While the Federal Government’s health reforms will provide some opportunities to improve access to healthcare in the bush, at the end of the day the Government will have to bite the bullet and make the real investment needed to build the rural health workforce...including more doctors, nurses and other health professionals,” Dr Ayton said.

“The time for tinkering at the edges is over. Until there are enough hands on the deck of the ship, we can’t expect it to sail at full speed nor can we expect it to stay upright.”

RDAA and ACRRM are happy to work constructively with the Federal Government to implement a number of key workforce measures to help address these issues, including:

- **A National Rural Generalist Training Pathway** to support and train the rural doctors of the future to provide essential health services in rural communities and rural hospitals

- **Medicare fee for service incentives** to compensate those doctors who support rural communities by providing essential medical services including hospital-based services such as accident and emergency, after-hours on-call, obstetrics, anaesthetics and surgical care
- **Urgent improvements** to the Australian Standard Geographical Classification – Remoteness Areas (ASGC-RA) system to again ensure smaller country towns have higher relocation and retention incentives than larger centres, thus boosting their ability to attract doctors.

The AIHW report, *Health expenditure in rural and remote Australia*, can be found at [www.aihw.gov.au](http://www.aihw.gov.au). The Alliance's complementary report is at [www.ruralhealth.org.au](http://www.ruralhealth.org.au) (go to Publications).

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