



PRIME MINISTER

FOR MEDIA

3 MARCH 1989

I have today signed an agreement with the Victorian Premier, Mr Cain, guaranteeing substantially increased Commonwealth funding for the State's public hospital system over the next five years.

As a result Commonwealth/State funding arrangements for public hospitals have entered a new era.

For the first time, the Federal Government has agreed to index the grant not only to take account of general cost increases, but also to reflect ageing and growth of the State's population.

Older people are major users of hospital services and the new funding arrangements will ensure the grants keep pace with the general ageing of the population.

This new formula will give Victorian public hospitals more than \$250 million in extra Federal funds over the next five years.

Under the new Medicare hospital agreements, Victoria will receive \$793 million in 1988/89, including \$3.5 million towards the cost of treating AIDS patients and \$9.4 million to fund a range of incentives designed to improve the efficiency of the public hospital system.

The Premier has indicated that the incentive money will enable the State to develop innovative approaches to reduce the need for admission to hospital or to facilitate early discharge. This year's initiatives will include extra day surgery procedures, additional home nursing services and the formation of palliative care teams in metropolitan and country areas.

The new agreement provides proof of Labor's continuing commitment to the principles of Medicare, and specifically reinforces the right of public patients to free access to hospital services according to medical need.

Both of our governments are totally committed to ensuring that Medicare patients continue to receive comprehensive, high quality care. In addition to the already substantial funding provided by the State, the new Commonwealth grant will enable Victoria to maintain the fine record of its public hospitals.