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Australian Health Care
Reform Alliance



NATIONAL RURAL
HEALTH
ALLIANCE INC.

MEDIA RELEASE

30 March 2015

Budget cuts to Health Flexible Funds threaten vital services

A coalition of eleven peak organisations from the health and community sectors is calling on the Australian Government to scrap plans to cut nearly \$200 million in funding to key health initiatives from the end of the financial year. The foreshadowed cuts would reduce the capacity of non-government organisations and peak bodies to deliver services across the country and to provide advice and support for reform in health.

“The 2014-15 Budget Papers indicate that \$197.1M will be cut from the ‘Health Flexible Funds’ over 3 years from 2015-16 to 2017-18. There is still no clarity in relation to how these savings are to be achieved, with existing funding contracts for many NGOs set to expire on 30 June 2015. Among the 16 Flexible Funds apparently to be affected are those supporting the provision of essential services in rural, regional and remote Australia; working to Close the Gap in health outcomes for Indigenous Australians; managing vital responses to communicable diseases; and delivering substance use treatment services around the country. Obviously it's of great concern to all the services and organisations potentially affected,” explained Michael Moore, Chief Executive Officer (CEO) of the Public Health Association of Australia (PHAA).

“Any cuts to the Health Flexible Funds will just put more barriers in place for Aboriginal people to access essential health programs and services. We are particularly concerned about the future of the Close the Gap Indigenous Chronic Disease package, which aims to prevent chronic disease including GP services, medications and tackling smoking. The new Primary Health Networks will not be able to pick these critical programs up as they have barely been established yet,” said Lisa Briggs, CEO of the National Aboriginal Community Controlled Health Organisation (NACCHO).

“Further cuts to funding for NGOs in the Health portfolio will only lead to worse public health outcomes and increasing expenditure on the acute care sector over time. All the evidence shows that we need to be supporting preventive health care and timely interventions that reduce the likelihood of expensive hospitalisation. Services provided by the community sector are integral to the achievement of key health and economic goals,” said Janine Mohamed, CEO, Congress of Aboriginal and Torres Strait Islander Nurses and Midwives (CATSINaM).

“Maintaining funding to the NGO sector within the Health portfolio is vital to achieving key targets for Closing the Gap in health outcomes for Indigenous Australians. Likewise, alcohol and other drug services would be severely impacted by any funding cuts. The Assistant Minister for Health has recognised the importance of alcohol and other drug services, for example in her work at the United Nations Commission on Narcotic Drugs in relation to methamphetamine, which is impacting heavily on rural and regional communities throughout Australia. To think that funding for these vital services is currently under threat beggars belief,” said Rebecca MacBean, spokesperson

for the Alcohol and other Drugs Council of Australia (ADCA). Professor Ian Webster, Patron of ADCA, reiterated the importance of funding for alcohol and other drug treatment services.

“Our organisations stand together in calling on the Australian Government to scrap its plans to cut \$197.1M in funding from the Health Flexible Funds over the next 3 years. If the cuts go ahead it could decimate NGO sector responses to many of the key challenges in public health and leave Australian families and communities without the support they need,” said Tony McBride, Chair, Australian Health Care Reform Alliance (AHCRA).

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