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Ms Christine McDonald
Committee Secretary
Senate Finance and Public Administration Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
fpa.sen@aph.gov.au

Dear Ms McDonald

I am writing in relation to the Government's economic stimulus package being considered by the Senate. If the bills supporting this package are referred to your Committee for consideration, the Australian Medical Association (AMA) would like to make the following submission to assist in the Committee's deliberations.

The AMA is extremely concerned that there is no additional general health spending or health and aged care infrastructure spending in this package. Despite the period of unprecedented wealth over the past few years, our public hospitals and health infrastructure generally has been allowed to deteriorate to the point where urgent help is needed. Current government aged care capital funding is insufficient to ensure that aged care operators will invest in expanding our residential aged care supply.

We believe that health should be a high priority on any list of nation building infrastructure development. Investment in health infrastructure delivers the same immediate benefits to the economy as other infrastructure projects, stimulating employment and supporting business. In addition, it provides the added benefit of expanding the nation's capacity to provide health care into the future.

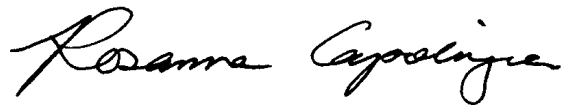
The current and projected economic circumstances will have several direct impacts on the nation's health. It will put extra pressure on the public hospital system as people under financial stress are forced to drop their private health cover. It will also impact on the physical and psychological health of individuals and families whose employment or financial status changes significantly. And finally, we believe health pressures will reduce the overall productivity of the workforce. Doctors in the AMA are already reporting seeing patients whose health has been recently affected by financial stress.

The Health and Hospitals Fund announced in the last budget is modest compared to yesterday's announcement and no funding has yet been rolled out from this Fund. The Government announced additional health spending at COAG in November 2009. However it did not include significant additional funding for health and hospital infrastructure.

The Government itself has acknowledged that since its last economic stimulus package the economic circumstances have significantly worsened, warranting a significant government response at this time. We are alarmed that the response that has been announced does not include health spending.

The AMA calls on your Committee to consider the merits of including health and aged care infrastructure spending in this package. To assist the Committee in its consideration of this matter, the Government should also provide further advice, both to the Committee and to the people of Australia, about the Government's intentions in terms of providing additional funding for badly need health and aged care infrastructure improvements across Australia

Yours sincerely

A handwritten signature in black ink, reading "Rosanna Capolingua". The signature is written in a cursive, flowing style.

Dr Rosanna Capolingua
President

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