



The sustainability of palliative care in Victoria

Palliative Care Victoria

May 2022



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Inherent Limitations

This report has been prepared as outlined for Palliative Care Victoria in the Scope Section of the contract dated 24 March 2022. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by Palliative Care Victoria consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

Third Party Reliance

This report is solely for the purpose set out in the Scope Section and for Palliative Care Victoria's information, and is not to be used for any purpose not contemplated in the contract.

This report has been prepared at the request of Palliative Care Victoria in accordance with the terms of the contract dated 24 March 2022. Other than our responsibility to Palliative Care Victoria, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

Executive Summary

Background

The demand for palliative care services has been on the rise, a key structural driver of which is the ageing population. Increases in life expectancy also mean that people are living longer with chronic illnesses. Advances in palliative care, its integration into models of care, and its increasing awareness by medical professionals, patients and their families, are further contributing factors. As a result, demand for palliative care has grown in recent years and is projected to continue to rise. PCA's 'Investing to Save: Palliative Care' report highlighted that by 2060, approximately 1 in 5 Australians will be over 65 years of age and that the need for palliative care will grow faster than both population and total deaths (PCA, 2020).

The COVID-19 pandemic has exacerbated the increase in demand for palliative care services as individuals who would normally be admitted in a ward choose to stay at home due to visitation restrictions on family. Additionally, restrictions have also created screening or monitoring delays that have allowed disease to progress and are only diagnosed in more advanced stages.

Responding to this increase and planning for the future has been challenging as there are currently limited publicly available data to understand whether this important service is sustainable under the current funding arrangements. The data gaps identified in PCA's "Information gaps in Australia's palliative care" report are likely to impact service planning and monitoring as the sector evolves in response to changing demand (PCA, 2021). To fill these gaps, the Victorian membership survey was developed and used to collect accurate and relevant data about palliative and end-of-life care. This survey was first run in 2017 and forms the basis of the survey that was used for this report.

Scope

KPMG has been commissioned by Palliative Care Victoria (PCV) to provide an analysis of the sustainability of palliative care services in Victoria by studying the funding increases against the growth in demand over the last five years (FY 2017 – FY 2021).

The analysis is based on responses from the membership survey and previous reports to collect information on demand for palliative care services in Victoria, the cost of their provision, and relevant funding arrangements. The information provided in the survey was used to enable insights into the cost associated with providing accessible palliative care services in Victoria. This formed the basis for estimating the growth trend in demand, funding and costs over the next three years (FY 2023 – FY 2025).

The availability of data for the analysis was limited by the number of survey responses received. Although more extensive external validation checks of the survey data would have been beneficial, this is out of scope for the present report and remains a limitation of the analysis presented here.

Summary of results

The last 5 years (FY 2017 – FY 2021)

Over the past 5 years, total funding (both recurrent operating funding and one-off funding) for palliative care services grew by 10.2% each year on average. Demand for palliative care services, however, has been rising at a faster pace. Coupled to this, there was a surge in demand for palliative care through the pandemic in FY 2021. The long-term average annual growth of the number of services was estimated to increase by 11.9% each year on average¹. As such, the number of services required per \$1000 of funding went from 4.1 in FY 2017 to 5.1 in FY 2021 which is a 24.3% increase over the 5 years.

Meanwhile, the cost of providing palliative care services has also been rising significantly. According to the ABS's consumer price index for health goods, prices increased by 3.2% on average each year between FY 2017 and FY 2021 (ABS, 2021a). While this affects the ability to purchase materials and equipment to provide services, the largest component of costs is the wage bill. According to survey respondents, the wage bill makes up about 70% of the overall cost of providing palliative care services.

Assuming that there was an equivalent spike in the number of labour hours required to meet the demand surge in FY 2021, the average annual growth of the wage bill excluding the spike was estimated to be 17.2%². This trend annual wage bill growth (17.2%) exceeds the trend annual funding growth (10.2%) by 7 percentage points. As of FY 2021, palliative care service providers are already faced with a shortfall of \$15 million which will require additional funds from other sources such as fundraising, or potentially by drawing from a contingency fund, if it exists. However, while these options may suffice in the short-term, consistently facing shortfalls each year will be unsustainable for service providers in the longer run.

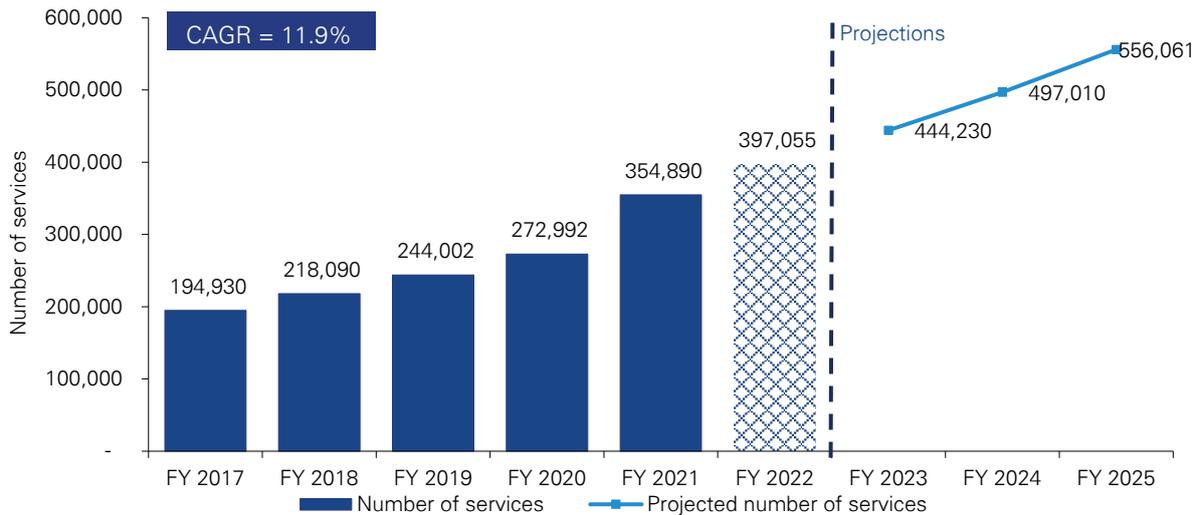
The next 3 years (FY 2023 – FY 2025)

The number of services, funding and wage bill costs were projected for the next three years based on their trend growth rates, excluding the increase through the pandemic in FY 2021³. It is estimated that in FY 2025, 556,061 services will be needed.

¹ This was estimated by excluding the surge in demand through the pandemic in FY 2021, and is based on the average annual growth between FY 2017 and FY 2020.

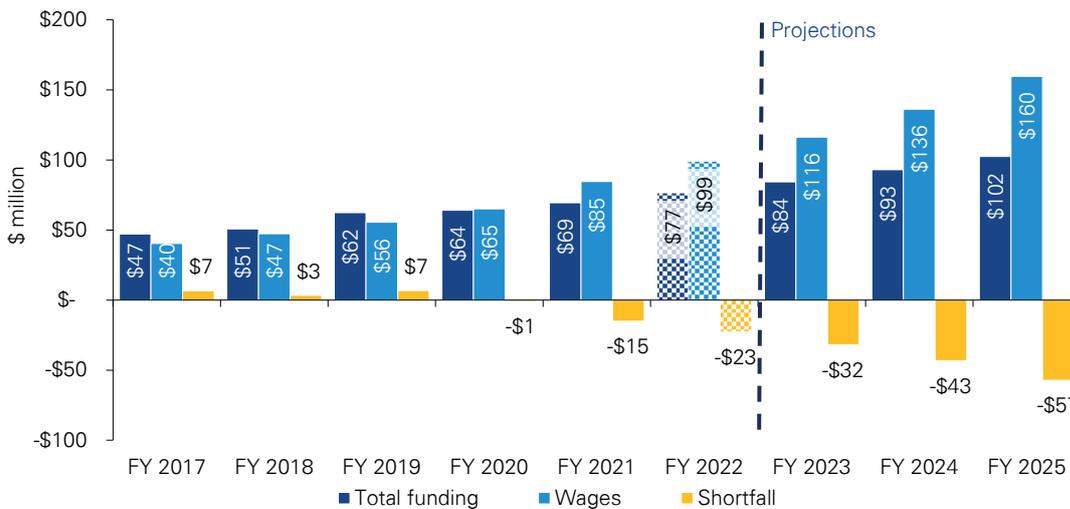
² Similar to the estimation of average growth in number of services, the trend growth rate is based on the average annual growth between FY 2017 and FY 2020.

³ It is assumed that the surge in the number of services and the wage bill in FY 2021 remains elevated but grows at trend growth rates from FY 2022 onwards.



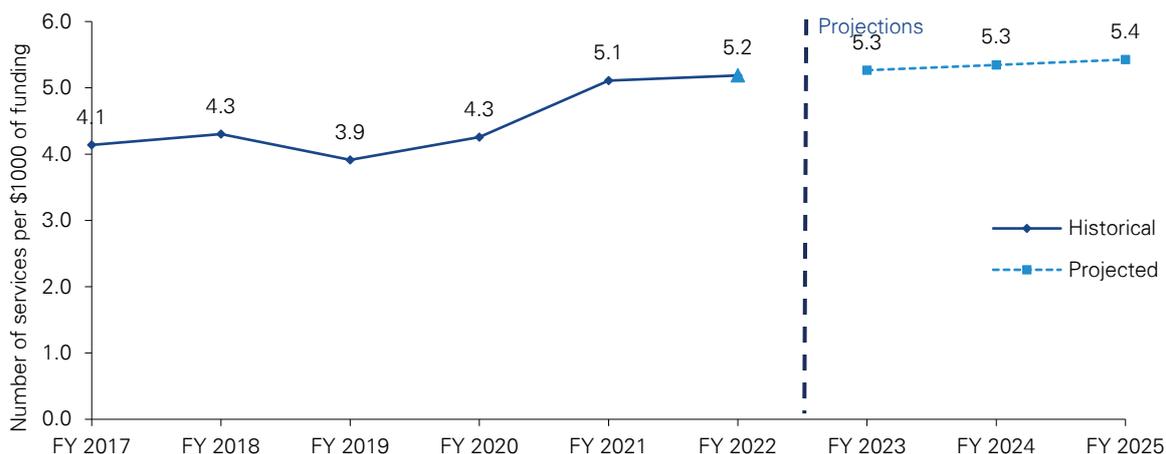
Notes: Figures are reported in nominal terms. FY 2022 is an estimate as the survey was run before the end of the 2022 financial year. CAGR refers to the compound annual growth rate.

Based on trend growth rates, the wage bill cost is projected to reach \$160 million in FY 2025 however, funding will only be \$102 million in the same year. The shortfall in the palliative care sector will, therefore, reach \$57 million in three years' time in nominal terms. Adjusting for the change in purchasing power, the shortfall will be \$53 million by FY 2025, in 2017 dollars.



Note: Figures are reported in nominal terms. The FY 2022 figure is an estimate as the survey was run before the end of the 2022 financial year.

The number of services required per \$1000 of funding over the next three years is based on the projected number of services and funding. It is expected that the number of services per \$1000 of funding will continue to grow to be 5.4 by FY 2025. This shows the increasing burden on each additional funding dollar available each year in a sector that has already been stretched in recent years by a growing gap between demand and funding.



Note: The FY 2022 figure is an estimate as the survey was run before the end of the 2022 financial year.

Similarly, the number of services per FTE will also be under increased pressure. While the annual average growth in demand is 11.9%, the number of staff or FTEs working in palliative care only increases by 2% each year on average according to AIHW data (AIHW, 2016; AIHW, 2020)⁴. Survey respondents have indicated that over the next three years, an additional 314 full-time equivalent staff will be required to help meet the increasing need for palliative care services.

The 5.3 percentage point difference between the average annual growth of demand (11.9%) and the wage bill (17.2%) is due to a few factors. Over the same period wage price costs have increased by 2.4% per year in health and social assistance services in the public sector (ABS, 2021b) on average, but existing staff have had to work longer hours to meet both increased demand and more complex service needs. Thus, the additional cost from overtime also contributes to the wage bill growth.

From the information gathered in the survey and analysed in this report, demand for palliative care services in Victoria far exceeds the funding available each year intended to cover this increase in demand and cost to provide services. Ensuring the sustainability of this essential sector should be considered a matter of priority especially with a population that is ageing.

Limitations

There are limitations to the analysis in this report:

- All data is sourced from surveys of palliative care providers. As such, the analysis is limited by the number of survey responses received. Of the 74 providers that were surveyed, a total of 30 surveys were completed, providing a response rate of 40.5%.
- The analysis estimated the cost of services provided as they are currently delivered. It does not examine how efficiently these palliative care services are, or could be, provided.
- There are uncertainties with projecting into the future. Projections in this report are based on trend growth of historical data provided by survey respondents only. An assumption was made

⁴ To note, the two figures come from different sources and may not be fully comparable for reasons such as definition e.g. agency workers or other palliative care support staff workers may be included in one source but not the other, or timing.

to account for the impact of COVID-19 on demand for palliative care services however, this could be further refined once additional data on this increase is available.

- The analysis also assumes that the existing models of care and quality of care in the palliative care sector is maintained over the projected period.

1. Introduction

Background

Palliative care improves the quality of life of people and their families who are facing challenges associated with life-limiting illness. It is currently provided in many health care settings including inpatient, community and in the home. Palliative care is not limited to any specific condition, can be delivered at any stage of illness, and can accompany curative treatments. It improves the quality of life of patients and their families by preventing and relieving suffering by means of early identification, assessment and treatment of pain (World Health Organisation, 2014). Globally, the demand for this service is projected to increase rapidly as the burden of serious health-related suffering requiring palliative care is projected to double by 2060 (Sleeman et al., 2019).

Coupled to this, the COVID-19 pandemic has also increased the demand for palliative care services and has presented challenges to many countries struggling to meet these needs (Cherniwchan et al., 2021). In Australia, the delivery of palliative care is amongst the best in world. However, many Australians with life-limiting conditions miss out on appropriate palliative care. As highlighted in PCA's 'Investing to Save: Palliative Care' report, the demand for palliative care services has been increasing, driven largely by an ageing population, an increase in life expectancy and a rise in the prevalence of chronic diseases (PCA, 2020).

Currently, there is a lack of transparent and routine reporting of palliative care activity. As a result, there is limited publicly available data to understand whether current levels of funding are sufficient, to identify gaps or overlaps in service provision, and to assist with planning.

Given the growth in demand for palliative care services, identifying levels of provision and expenditure has become increasingly important. To assist in measuring the sustainability of palliative care service provision, PCA's "Information gaps in Australia's palliative care" report highlighted the opportunity to use surveys to identify the level of activity under current funding arrangements and to identify whether palliative care needs are being adequately met (PCA, 2021). The development of the Victorian membership survey is intended to fill this gap by collecting and reporting on data about palliative care and end-of-life care. This survey was first run in 2017 and forms the basis of the survey that was used for this report.

Scope

KPMG has been commissioned by Palliative Care Victoria to provide an analysis of the sustainability of palliative care services in Victoria by studying the funding increases against the growth in demand over the last five years (FY 2017 – FY 2021).

The analysis is based on responses from the membership survey and previous reports to collect information on the cost, funding, and demand for palliative care services in Victoria. The information provided in the survey was then used to enable insights into the cost associated with providing accessible palliative care services in Victoria. This formed the basis for estimating the trend growth in demand, funding and costs over the next three years (FY 2023 – FY 2025).

The availability of data for the analysis was limited by the number of survey responses received. Although more extensive external validation of the survey data would have been beneficial, this is out of scope for the present report and remains a limitation of the analysis presented here.

Overview of survey

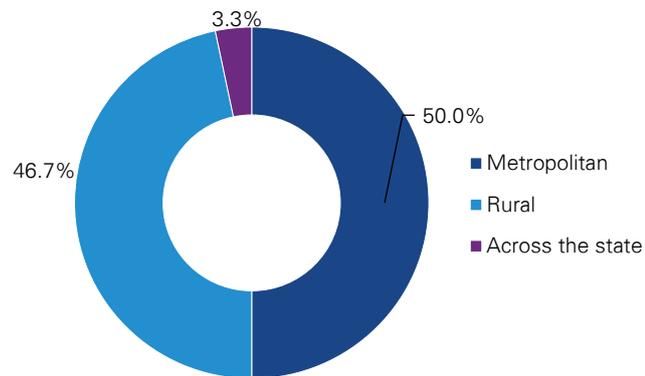
This survey was run to better understand the pressures that palliative care providers face currently and in the near future. The survey was distributed to 74 palliative care service providers in Victoria of which 68 were member organisations of the PCV.

The survey saw a response rate of 40.5%, with 30 surveys completed of the 74 service providers who received this survey.

Location

Of survey respondents, 50.0% provided care in metropolitan regions only and 46.7% in rural regions only while 3.3% provide services across the state.

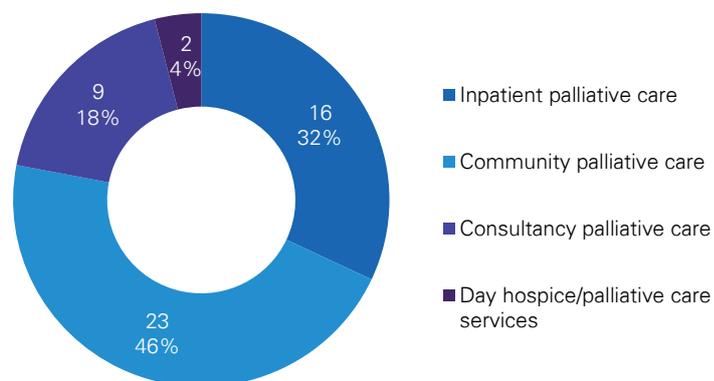
Figure 1: Respondents by location



Source: KPMG analysis

Types of service

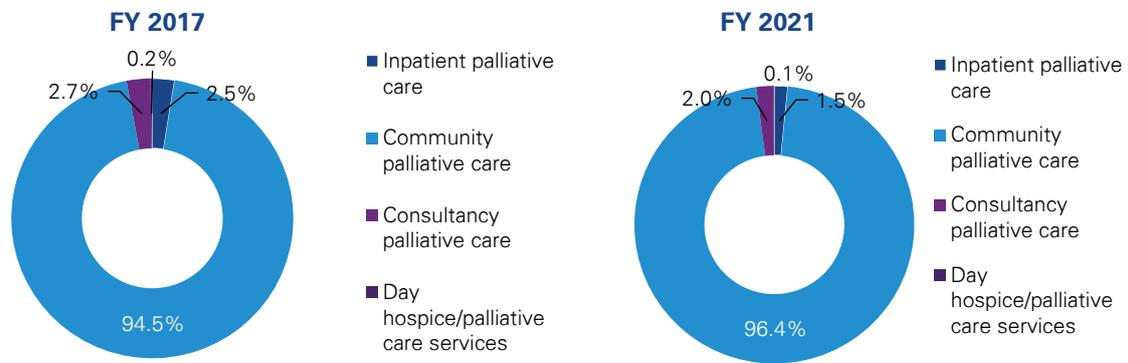
Most survey respondents operated in more than one setting. Of the total survey respondents, 23 of them operate in a community setting, 16 in an inpatient setting, 9 in a consultancy setting and 2 in a day hospice setting. Only 8 out of the 30 survey respondents provide community palliative care services exclusively while the remaining 22 respondents provide services across multiple settings.



Source: KPMG analysis

Of the total number of services that are provided each year by survey respondents, about 95 - 96% of services occurred in community palliative care settings. Services in inpatient and consultancy palliative care settings made up about 2 - 3% of total services, respectively. The remainder (less than 1%) was provided in day hospice/palliative care settings (see Figure 2).

Figure 2: Services provided by setting



Source: KPMG analysis

2. Analysis

The analysis of the sustainability of palliative care services considers the growth in demand for services against the funding available to cover the increasing number of services needed each year, and the costs of providing them. It is noted that the number of services provided is a conservative estimate of need and only captures the level of demand that providers are able to meet.

The overall costs of providing palliative care services include the wage bill and other costs such as capital expenditure for beds and equipment. The wage bill, which is the product of the number of labour hours and cost per labour hour, represents the largest component of costs; survey respondents have indicated that the wage bill makes up 70% of overall costs. As such, the analysis focuses on the wage bill as the primary cost driver.

In order to capture the change in purchasing power over time, ABS's consumer price index (CPI) for health goods is used while a measure of wage price growth relies on ABS's wage price index (WPI) for health and social assistance services in the public sector.

In the analysis, sustainability is measured by the shortfall each year of funding less the wage bill, and the number of services per \$1000 of funding available. These estimates are conservative as it does not account for real growth in other costs of palliative care service provision, including capital costs, nor does it fully consider the strain already experienced by staff providing these services under current levels of demand, funding and costs.

Demand for palliative care services

Even prior to the COVID-19 pandemic, growth in demand for palliative care services was increasing, largely attributable to an ageing Australian population (DoH, 2019a). The Victorian Department of Health (DoH) estimated that the need for palliative care would increase by an average of 4-5% annually in (DoH, 2015; 2016) back in 2011 and 2015. The combination of population growth and an ageing population, and an increasing emphasis on quality of life and the role of supportive care, point to the fact that the average annual growth in demand is likely to be much higher in more recent years.

Table 1 below presents the number of reported services provided in FY 2017 and FY 2021. Survey results show that the demand for palliative care services in Victoria increased significantly over this period. The number of services increased from 194,930 in FY 2017 to 354,890 to FY 2021, representing growth of 82% over this 5-year period. The growth in services is largely driven by the increase in community palliative care services which went from 184,245 to 342,019 over the same period.

Table 1: Number of services by setting

Type of service	FY 2017	FY 2021
Inpatient palliative care	4,963	5,476
Community palliative care	184,245	342,019
Consultancy palliative care	5,326	7,037
Day hospice/palliative care	396	358
Total	194,930	354,890

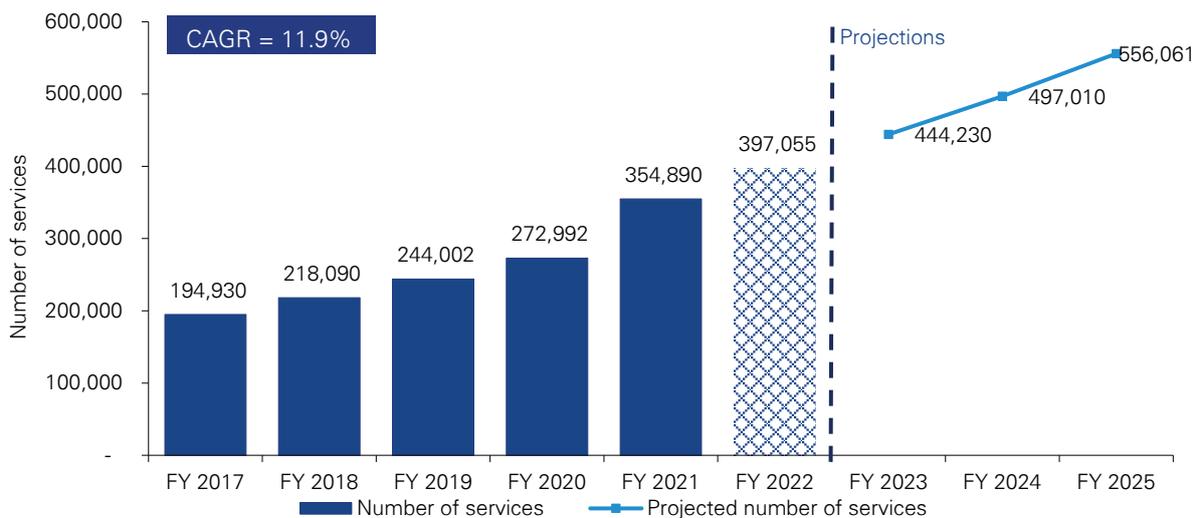
Source: KPMG analysis

While there is limited data on the impact of the COVID-19 pandemic on palliative care providers, survey results indicate that demand for services increased substantially between FY 2020 and FY 2021. Survey

respondents have reported an 18% to 40% increase in demand for services during the pandemic⁵. Using this information, we conservatively estimate that demand for services rose by 30% during this time period. The assumption is conservative in view of reported increases that may not generalise to the sector at large.

The surge in demand in FY 2021 is excluded from the calculation of the trend growth given it is atypical. The number of services provided prior to the pandemic is estimated to have grown by an average of 11.9% annually between FY 2017 and FY 2020. Assuming that the surge in demand in FY 2021 remains elevated but grows at the estimated trend growth rate of 11.9% from FY 2022 onward, the number of services needed is projected over the next three years to reach 556,061 by FY 2025 (see Figure 3).

Figure 3: Number of services (FY 2017 - FY 2025)



Source: KPMG analysis

Notes: Figures are reported in nominal terms. FY 2022 is an estimate as the survey was run before the end of the 2022 financial year. CAGR refers to the compound annual growth rate.

⁵ It has been reported that in high-impact areas, this spike was about 59-61% higher in March 2020 than the same period the previous year (PCV,2020).

Unmet need

The number of services provided is a conservative estimate of the demand for palliative care services in Victoria. Results from the survey indicate that there are individuals with palliative care needs that have not been met as a result of excess demand outstripping what is able to be supported by providers.

Across the survey respondents, there were 533 clients on a waiting list. Approximately 95% of clients were waiting for services in day hospice and community settings. The remaining 5% occurred in consultancy and inpatient services. The average time on the waiting list ranged from 2 days to 20 days depending on the palliative care setting. Survey respondents have also indicated that a total of 19 individuals died while waiting for a bed.

Type of service	Number of clients on waitlist	Median time on waiting list (days)
Inpatient palliative care	23	2
Community palliative care	109	5
Consultancy palliative care	5	20
Day hospice/palliative care	396	N/A*
Total	533	5

Source: KPMG analysis

* Only one response received from the day/hospice palliative care setting

Funding for palliative care

Palliative care providers receive two types of funding: recurrent operating funding and one-off funding that changes from year to year. Table 2 shows the breakdown of funding available each year comprising both recurrent and one-off funding. Recurrent operating funding makes up the majority of funding each year to providers while one-off funding contributes between 3 - 7% of overall funding available each year.

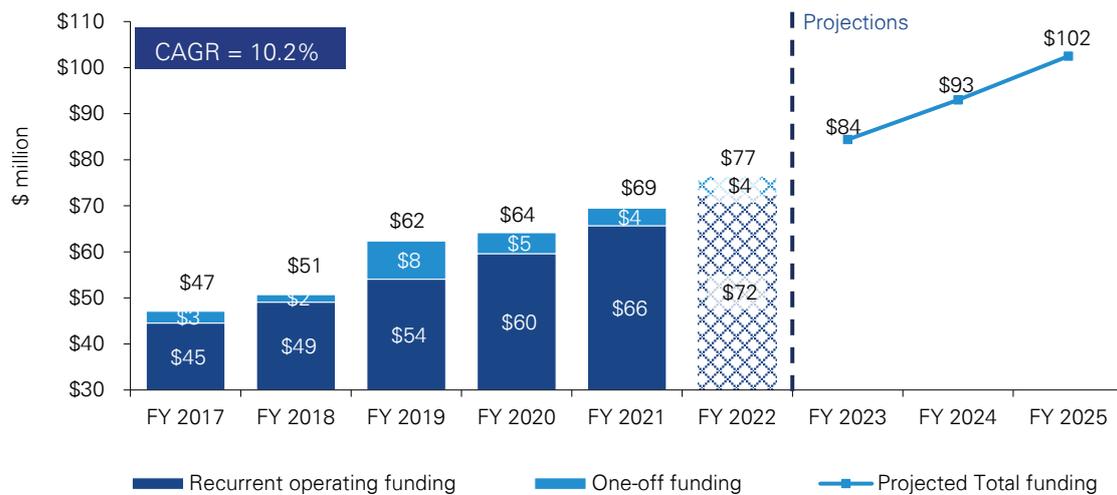
Table 2: Funding received by palliative care providers

Funding	FY 2017	FY 2021
Recurrent	\$44,520,742	\$65,670,475
One-off	\$2,569,075	\$3,796,561
Total	\$47,089,817	\$69,467,036

Source: KPMG analysis

Total funding has increased from approximately \$47 million to \$69 million, representing an average annual growth rate of 10.2%. Based on this trend growth, funding for palliative care is projected to be \$102 million by FY 2025 (see Figure 4).

Figure 4: Recurrent and one-off funding (FY 2017 - FY 2025)

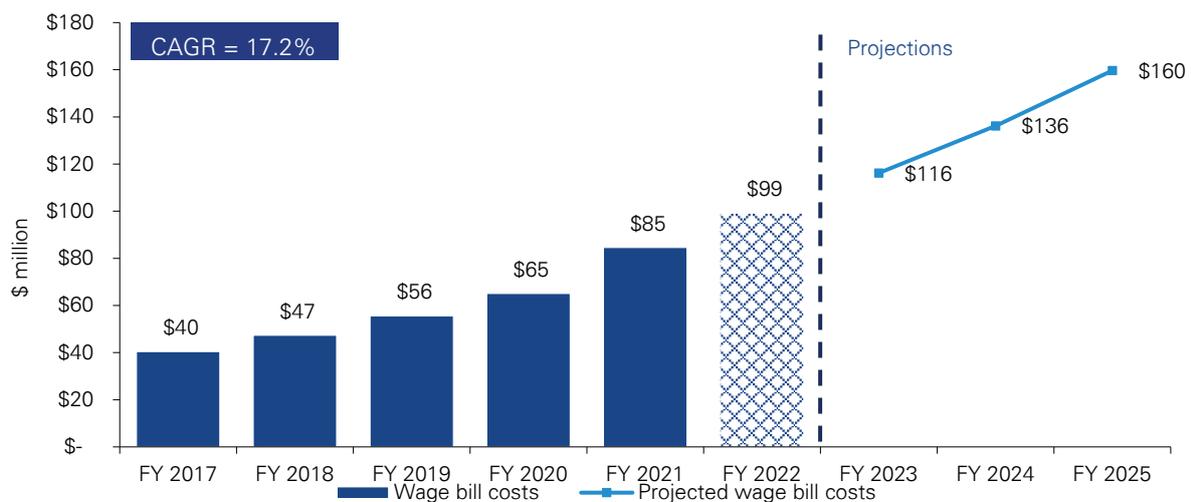


Source: KPMG analysis

Notes: Figures are reported in nominal terms. In FY 2022, one-off funding is based on actual data from respondents. Recurrent operating funding is an estimate as the survey was run before the end of the 2022 financial year. CAGR refers to the compound annual growth rate. The spike in one-off funding received in FY 2019 may reflect the one-off grant announced by the Victorian Government on 30 October 2018 (DoH, 2019b).

Although total funding has increased over the last 5 years, the cost of providing palliative care services in Victoria has also risen significantly. Survey respondents have indicated that the total wage bill, which makes up 70% of overall costs, has increased from \$40 million in FY 2017 to \$85 million in FY 2021. It is assumed that the surge in demand through the pandemic in FY 2021 required an equivalent increase of 30% in labour hours, reflected in the total wage bill, to meet demand. Similar to the calculation of trend growth for services, the surge in labour hours in FY 2021 was excluded in the estimation of the average annual growth rate in the wage bill. It is assumed that the spike occurs only in FY 2021 and then increases at trend growth from FY 2022 onward. The trend growth was estimated to be 17.2% per year on average. Projecting the wage bill forward using this trend growth rate, the wage bill is expected to be \$160 million by FY 2025.

Figure 5: Total wage bill (FY 2017 - FY 2025)

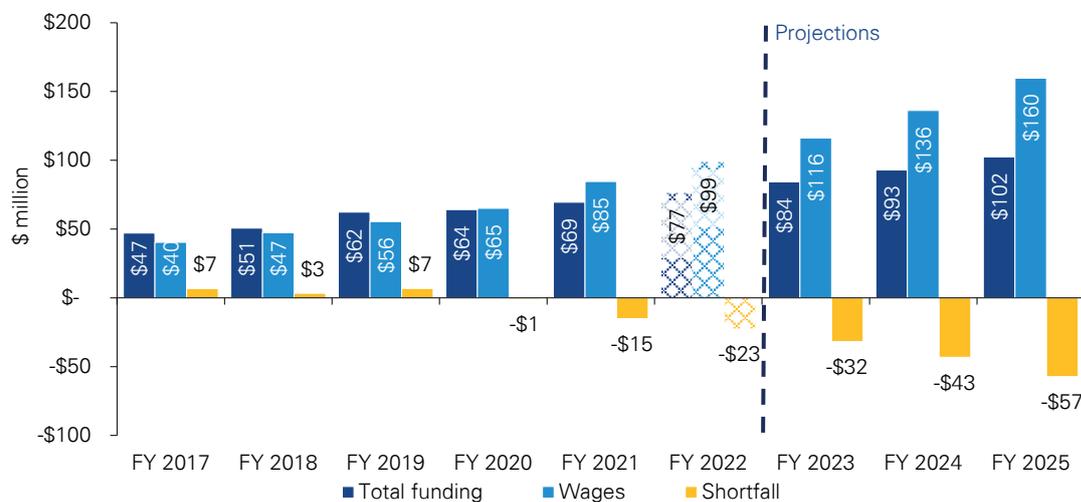


Source: KPMG analysis

There are a number of possible explanations for the annual average growth of the wage bill surpassing the increase in demand for services each year. For instance, due to the pandemic, there have been necessary changes to the delivery of palliative care services (AIHW, 2020b). These changes have added complexity and further strain to the overall provision of care for patients with and without COVID-19 (Cairns & Coghlan R, 2020). Survey respondents have also indicated a rise in patient complexity, which in some instances, has led to an increase in the duration of visits. The 5.3 percentage point difference between growth in demand (11.9%) and the wage bill (17.2%) is due to a combination of general wage inflation of 2.4% each year (ABS, 2021b), existing staff working more hours (the equivalent of increasing the size of the workforce), and additional wage costs associated with staff working overtime.

Overall, the funding increases each year have not kept up with the rising cost of palliative care service provision. While funding has increased by an average of 10.2%, costs have risen by 17.2%, resulting in a shortfall of \$15 million in FY 2021⁶. Based on these trend growth rates, it is projected that the shortfall by FY 2025 will be \$57 million in nominal terms. Adjusting for the change in purchasing power, the shortfall will be \$53 million by FY 2025, in 2017 dollars.

Figure 6: Shortfall in funding



Source: KPMG analysis

Note: Figures are reported in nominal terms. The FY 2022 figure is an estimate as the survey was run before the end of the 2022 financial year.

Demand versus funding

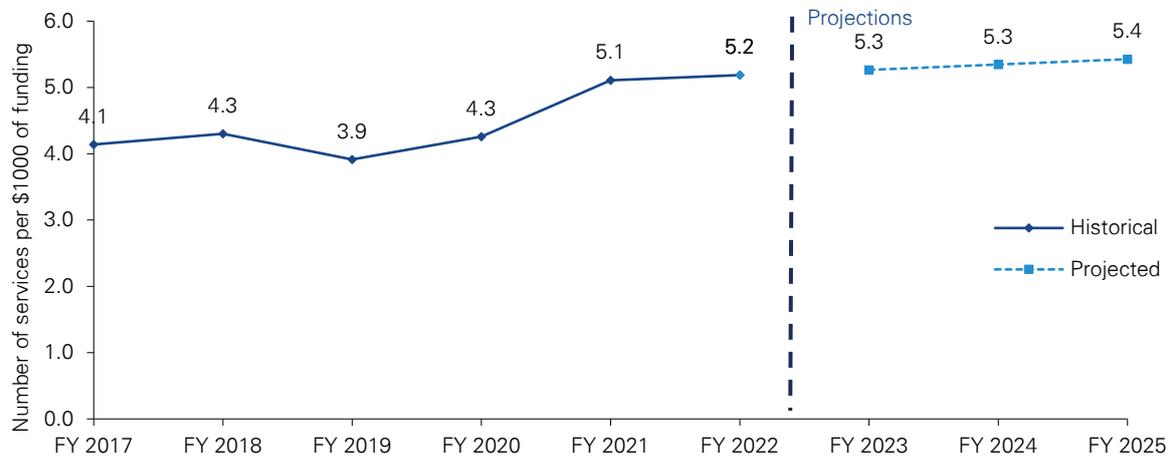
Burden of providing palliative care services

Over the last 5 years, the number of services per \$1000 of funding goes from 4.1 in FY 2017 to 5.1 in FY 2021, representing an almost 25% rise over this period. Based on trend growth projections of demand and funding, the burden per dollar of funding is anticipated to increase further to be 5.4 services per \$1000 of funding by FY 2025.

⁶ Service providers will have to fill the shortfall by other means such through fundraising, or potentially by drawing from a contingency fund, if one exists. While these options may suffice in the short-term, consistently facing shortfalls each year will be unsustainable for service providers in the longer run. For some service providers without these options, the number of services able to be supported has to be scaled back.

Similar to other parts of the healthcare sector, palliative care services do not typically experience growth in measurable productivity. An increasing emphasis on patient well-being and safety coupled with rising complexity as the population ages, the level of care requirements of palliative care service provision will trend up over time. Therefore, it is not reasonable to expect significant growth in the number of services per \$1000 of funding.

Figure 7: Number of services per \$1000 in funding received



Source: KPMG analysis

Both the increasing number of services per \$1000 of funding and survey responses underscore the increasing burden of greater demand for palliative care services on individuals providing these services who may already be feeling stretched under current levels of resourcing. While the average annual growth in demand is 11.9%, the average annual growth in the number of staff, or FTEs, working in palliative care is only 2% each year according to AIHW data (AIHW, 2016; AIHW, 2020)⁷. To meet demand over the next 3 years, survey respondents reported that an additional 314 FTEs would be required.

Expectations of survey respondents

When asked to describe the trend in Government funding received by their service, 63% of survey respondents indicated that Government funding has not kept pace with increases in wages and other costs.

When asked about their capacity to meet demand, only 26% of survey respondents indicated their service could meet current levels of demand, highlighting the immediate challenges faced by the sector. Inability to meet demand differed by setting with 91% of survey respondents in the community setting indicating they could not or were unsure about their service’s capacity to meet current demand. In the future, 14% of survey respondents indicated that their service’s capacity would be able to meet future demand.

⁷ To note, the two figures come from different sources and may not be fully comparable for reasons such as definition e.g. agency workers or other palliative care support staff workers may be included in one source but not the other, or timing

Community palliative care

The analysis in this report describes the experience of palliative care service providers across all settings. However, the burden of service provision experienced can vary by setting. In particular, community palliative care service providers are often independent not-for-profit operators where wage costs make up a larger portion of overall costs relative to the sector as a whole.

Of the 23 survey respondents that provide services in a community setting, 8 survey respondents operate exclusively in this setting. These service providers have indicated that the wage bill makes up about 80% of their overall costs whereas this proportion was 70% for all survey respondents.

The average annual growth in funding for these providers between FY 2017 and FY 2021 is approximately 10.3% however, the wage bill over the same period grew by 13.3% each year. Given these circumstances, service providers are often forced to scale back the number of services supported due to funding constraints under wage bill and other cost rises each year.

As such, the average annual growth in the number of services for these providers is much lower relative to providers in all settings. Assuming that these providers were not able to support the surge in demand reported in FY 2021 in the sector, the average annual growth in number of services provided is 9.6%. It is anticipated that if things continue on this trajectory, the level of unmet need for palliative care services, in terms of a reduction in the number of services or satisfaction with the level of service provided, will continue to grow in the future.

3. Closing summary

The survey has helped to fill a data gap by providing information on the demand, funding and costs for palliative care services in Victoria. This information will aid with planning and to better understand the sustainability of providing palliative care services in Victoria.

From the survey, demand for palliative care each year went from 194,930 services in FY 2017 to 354,890 services in FY 2021. This is, however, only a lower bound estimate as survey respondents have also indicated that there are individuals on waiting lists who were unable to receive palliative care services. There was also a reported surge in demand during the pandemic in FY 2021. This surge was accounted for in the estimation of the trend average annual growth rate used for projections.

The estimated average annual growth in demand for services was 11.9%⁸. Funding however, increased by only 10.2% per year over the same period, creating a net difference of 1.7 percentage points. Thus, the number of services per \$1000 of funding increased from 4.1 in FY 2017 to 5.1 in FY 2021, indicating an increasing burden for each dollar of funding to meet palliative care needs.

This underscores in particular, the burden of increasing demand for palliative care services on individuals providing these services. While the annual average growth in demand is 11.9%, the annual average growth in the number of staff or FTEs working in palliative care only increases by 2% each year according to AIHW data (AIHW, 2016; AIHW, 2020)⁹. Survey respondents have indicated that over the next three years, an additional 314 FTEs will be required to help meet the increasing demand for palliative care services.

The 5.3 percentage point difference between the average annual growth of demand (11.9%) and the wage bill (17.2%¹⁰) is due to a few factors. Over the same period wage price costs have increased by 2.4% per year in health and social assistance services in the public sector (ABS, 2021b) on average, but existing staff have had to work longer hours to meet both increased demand and more complex service needs. Thus, the additional cost from overtime also contributes to the wage bill growth.

The level of funding was also compared against the largest component of cost to provide palliative care services, the wage bill. In FY 2021, total funding available was \$69 million. In contrast, the wage bill cost was \$85 million, creating a shortfall of \$15 million. Projecting this forward by three years, the shortfall is anticipated to be \$57 million by FY 2025. This is, however, a conservative estimate as the shortfall does not include other costs such as capital expenditure e.g. equipment.

From the information gathered in the survey and analysed in this report, demand for palliative care services in Victoria far exceeds the funding available each year intended to cover this increase in demand and cost to provide services. Ensuring the sustainability of this essential sector should be considered a matter of priority especially with a population that is ageing.

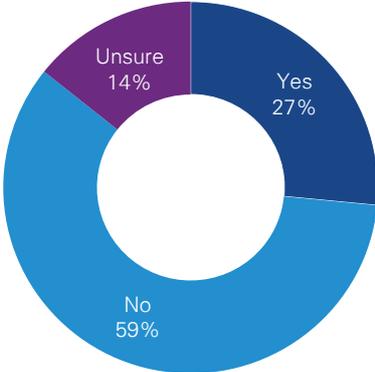
⁸ Excluding the surge in FY 2021 as described in the previous section

⁹ To note, the two figures come from different sources and may not be fully comparable for reasons such as definition e.g. agency workers or other palliative care support staff workers may be included in one source but not the other, or timing.

¹⁰ Excluding the surge in FY 2021 as described in the previous section

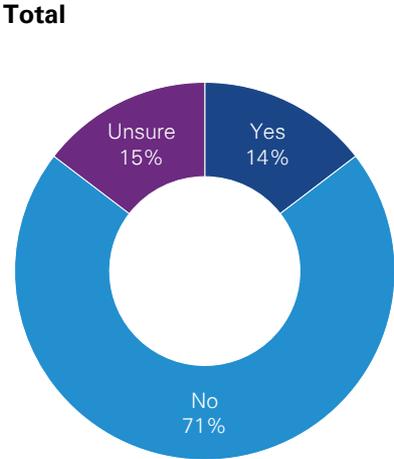
Appendix A: Additional charts and figures

Figure 8: Proportion of palliative care providers who believe they can meet current demand



Source: KPMG analysis

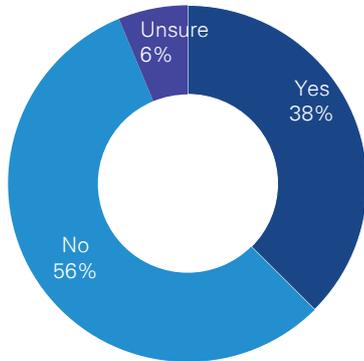
Figure 9: Proportion of palliative care providers who believe they can meet future demand



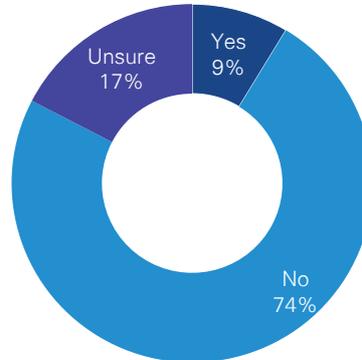
Source: KPMG analysis

Figure 10: Proportion of palliative care providers who believe they can meet current demand by setting

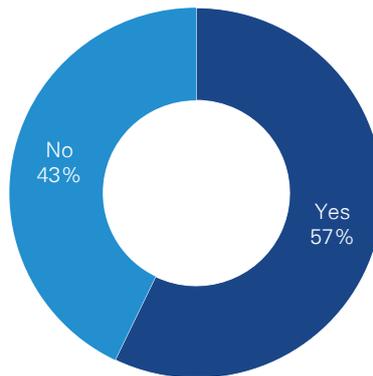
Inpatient palliative care



Community palliative care



Consultancy palliative care

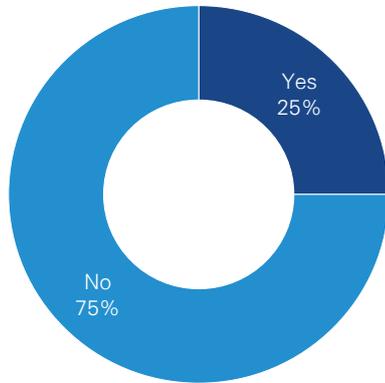


Source: KPMG analysis

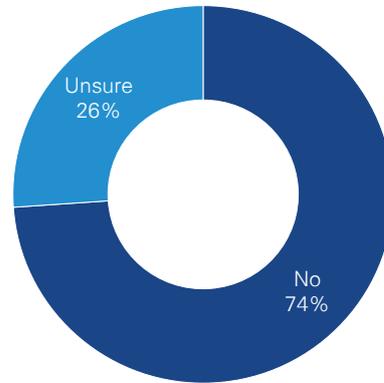
Note: Only one response was received from the Day/Hospice setting

Figure 11: Proportion of palliative care providers who believe they can meet future demand by setting

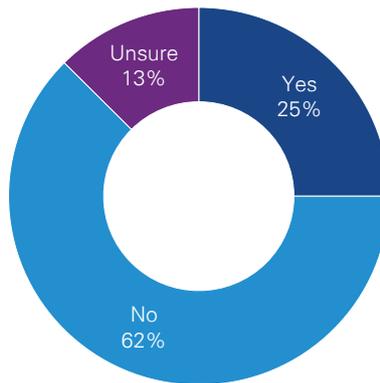
Inpatient palliative care



Community palliative care

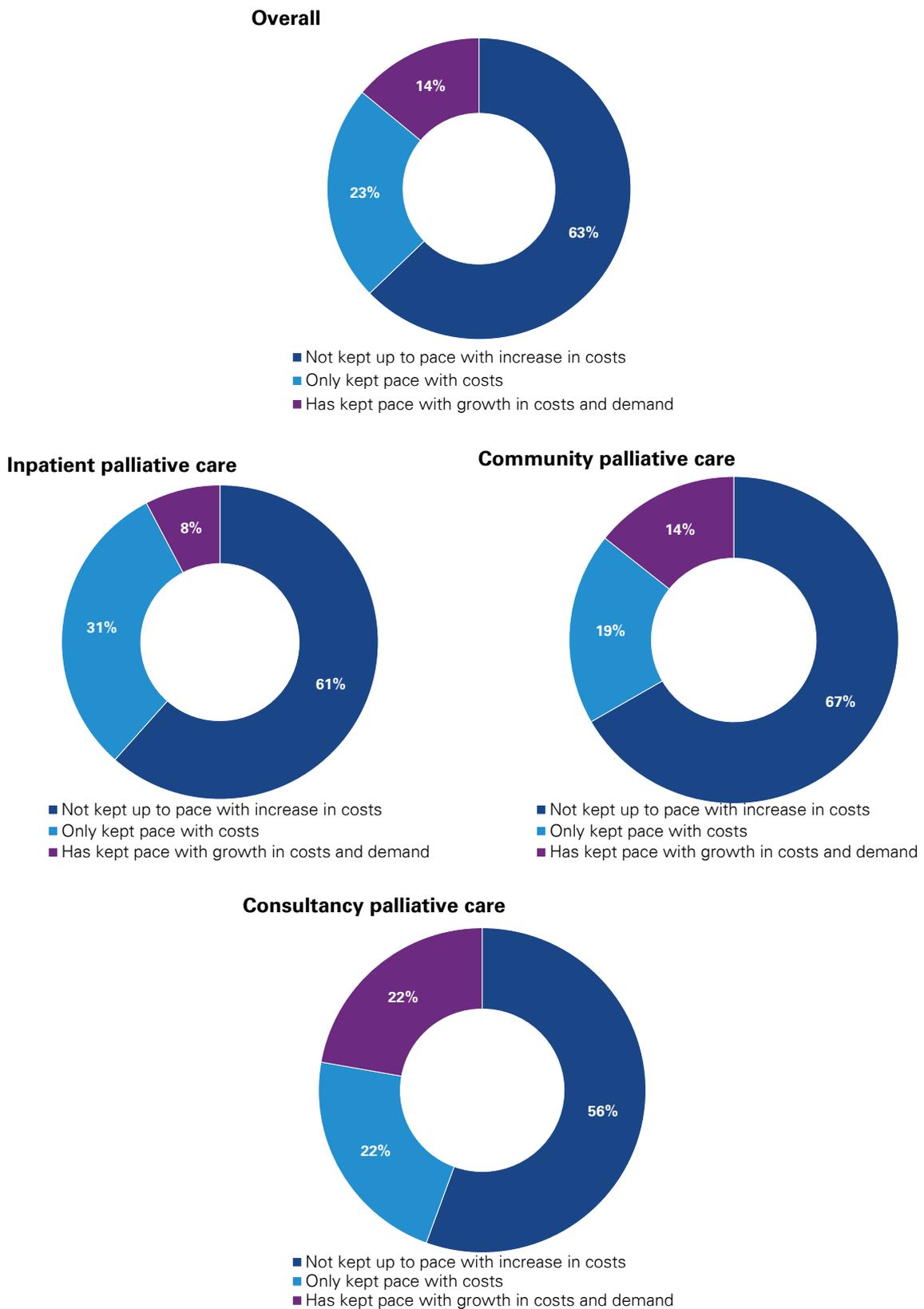


Consultancy palliative care



Source: KPMG analysis

Figure 12: Trends in Government funding



Source: KPMG analysis

Appendix B: References

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Contact us

Dr Brendan Rynne

Partner

+61 3 9288 5780

bjrynn@kpmg.com.au