

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Additional Estimates 2010-11, 23 February 2011

Question: E11-102

OUTCOME 0: Whole of Portfolio

Topic: HEALTH REFORM

Written Question on Notice

Senator Fierravanti-Wells asked:

Labor's new health proposal only relates to 'growth', not existing hospital costs: The Commonwealth will fund up to 45% of the growth in hospital costs in 2014-15 and up to 50% in 2017-18. This is estimated to cost \$16.4 billion. All of the promised increase in Commonwealth funding is beyond the forward estimates. Accordingly, please advise:

- a) Where is the money coming from?
- b) How was the figure of \$16.4 billion arrived at?
- c) What assumptions have been used?
- d) Can you provide a copy of all of your costing documents, including supporting documents?
- e) How accurate are costings for items beyond the forward estimates?
- f) What assurance can be given as to the accuracy of the health costings?
- g) What guarantees do the taxpayers of Australia have that the costings will not change?
- h) In relation to the estimated cost of \$16.4 billion, how will it be funded?

Answer:

a – h)

The Commonwealth's funding commitments will be sourced from consolidated revenue. \$16.4 billion has been calculated as the amount that is additional to ongoing National Healthcare Specific Purpose Payment funding (base funding) which will be required between 2014-15 and 2019-20 in order to meet the Commonwealth's contribution to efficient growth funding for hospitals (growth funding). Further detail should be sought from the Treasury.