

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2011-2012, 30/31 May 2011

Question: E11-423

OUTCOME 0: Whole of Portfolio

Topic: HEALTH REFORM AGREEMENT

Written Question on Notice

Senator Boyce asked:

Should the new Health Reform Agreement not be signed by 1 July 2011, and the existing arrangement continue –

- a) is there a mechanism in place to allow for growth funding to the states and territories?
- b) if so, would this apply to all states and territories?
- c) is it possible that some states or territories will not get growth funding?
- d) if states and territories do not receive growth funding, does that constitute a drop in funding in real terms?
- e) are there any conditions where states and territories would be precluded from receiving the growth funding? what are those conditions?
- f) what is the total value of the growth funding from 1 July 2011 to 30 June 2012 for all states and territories?
- g) what is the total value of the growth funding from 1 July 2012 to 30 June 2013 for all states and territories?

Answer: (a-g)

Under the Heads of Agreement reached at the COAG meeting on 13 February 2011, existing arrangements for calculating the quantum of Commonwealth funding to the states and territories for public hospitals continue until the end of the 2013-14 financial year.

Under these arrangements, set out in Schedule D to the Intergovernmental Agreement on Federal Financial Relations, Commonwealth funding in the form of the National Healthcare Specific Purpose Payment is adjusted every year in accordance with a growth factor set out in clause 20 of that Schedule. This growth factor is estimated to be 6.8 per cent in 2011-12 and 2012-13.

The following table, based on advice from the Department of the Treasury, shows estimated payments under the National Healthcare Specific Purpose Payment for the years 2011-12 and 2012-13, and growth on the previous year.

Year	Estimated NH SPP (\$m)	Growth on previous year (\$m)
2011-12	12,805.5	817.2
2012-13	13,676.2	870.7