

**Senate Community Affairs Committee**

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

**Budget Estimates 2016 - 2017, 6 May 2016**

**Ref No:** SQ16-000354

**OUTCOME:** 2 - Health Access and Support Services

**Topic:** Hospitals - Activity Based Funding

**Type of Question:** Hansard Page 20, 6 May 2016

**Senator:** Gallagher, Katy

**Question:**

Mr Bowles: Yes, we provided advice on the hospital funding and how we do things, but you will also recall, from your days in a jurisdiction, that there are always arrangements that happen around particular issues that we will look to fund or not fund, and there will be different things that will happen over time around that too, I am sure.

Senator GALLAGHER: Yes, I get that, but I cannot believe that there is an agreement struck on hospital funding at COAG more than a month ago; side letters were signed, presumably, to enable there to be no disadvantage for the small jurisdictions under this agreement; and you are telling me that you have not been told by PM&C what those arrangements are or what exposure that has for—

Mr Bowles: The money allocated to health is in the budget.

Senator GALLAGHER: Just for the purposes of this, you can confirm that PM&C have not provided you with copies of the side letters signed by the Prime Minister around hospital funding for Tasmania and the ACT?

Mr Bowles: I will take that on notice. I am not personally aware right at this particular point.

**Answer:**

As agreed as part of Council of Australian Governments (COAG) negotiations on 1 April 2016, the Commonwealth will provide additional funding to Tasmania and the Australian Capital Territory for public hospitals in the event that growth in National Health Reform funding is lower than growth in CPI and population in a given year. A copy of the signed letters from the Prime Minister to the Premier of Tasmania, and the Chief Minister of the Australian Capital Territory, was provided by the Department of Prime Minister and Cabinet to officials of the Department of Health. However, as noted in the 2016-17 Budget papers, the details of these arrangements are yet to be settled through further negotiations with Tasmania and the Australian Capital Territory.

Negotiations between the Commonwealth and each of the relevant jurisdictions are ongoing.