

Chapter 1

Terms of Reference

1.1 On 7 February 2013, the Senate referred the following matters to the Finance and Public Administration References Committee (the committee) for report by 7 March 2013:

Implementation of the National Health Reform Agreement with regard to recently announced reductions by the Commonwealth of National Health Reform funding for state hospital services, in particular:

- (a) the impact on patient care and services of the funding shortfalls;
- (b) the timing of the changes as they relate to hospital budgets and planning;
- (c) the fairness and appropriateness of the agreed funding model, including parameters set by the Treasury (including population estimates and health inflation); and
- (d) other matters pertaining to the reduction by the Commonwealth of National Health Reform funding and the National Health Reform Agreement.¹

Conduct of the inquiry

1.2 The inquiry was advertised through the Internet. The committee invited submissions from interested organisations and individuals, and government bodies.

1.3 The committee received 59 submissions. A list of individuals and organisations which made public submissions to the inquiry is at Appendix 1. The committee held one public hearing in Melbourne on 21 February 2013. A list of the witnesses who gave evidence at the public hearing is available at Appendix 2.

1.4 Submissions, additional information and the Hansard transcript of evidence may be accessed through the committee's website at www.aph.gov.au/senate_fpa.

Structure of the report

1.5 The committee's report for this inquiry is quite brief, given the limited time it had to consider the issues involved. Changes to the funding of public hospitals as a result of the 2012–13 Mid-Year Economic and Fiscal Outlook (MYEFO) are addressed in chapter 2, along with the reasons for the changes and how the changes were implemented.

1 *Journals of the Senate*, No. 132, 7 February 2013, pp. 3594–3595.

1.6 Chapter 3 provides a summary of the evidence that the committee received on the impacts of the funding cuts and canvasses issues for sub-acute and palliative care services. The committee's conclusions and recommendations are presented in chapter 4.

Acknowledgment

1.7 The committee would like to particularly acknowledge and convey its appreciation to those organisations and individuals who, within a very short timeframe, provided submissions and gave evidence at the public hearing.