

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Treasury

Question: BET 41

Topic: Hospital funding

Reference: Hansard – pg 115, 4 June 2014

Senator: Wong

Question:

41. Senator WONG: I am asking, and then we can have another discussion next time. Are you able to give me a year-on-year profile—in other words, extrapolating the two graphs into numbers?

Mr Ray: Are you asking for the plot graph?

Senator WONG: Sorry? You do not like anyone using the word 'modelling'.

Mr Ray: No, no.

Senator Cormann: Let me just clarify your question—

Senator WONG: It would be much better if you would stop interrupting. It really would help everybody, because people do not want to hear your lecture endlessly.

Senator Cormann: Senator Wong, on behalf of the government—

Senator WONG: I am about to explain, as a matter of courtesy for Mr Ray, what I meant. Maybe if you could just do with the courtesy of letting me finish, please. What I am trying to get out, Mr Ray, is if you look at the two graphs I am trying to get in each year the quantum of the gap between what is described as old spending and new spending in each of the graphs.

Senator Cormann: I just want to make sure that we get your question absolutely right. So what you want to know is what for every year the difference is between the unfunded pie-in-the-sky spending promises that you made in the out years beyond the forward estimates, without explaining where the money was coming from; and the more realistic funding growth trajectory that we have put into the budget as a result of the decisions that we have made, which is reflected by the continuous blue line. Is that the question that you are asking us, Senator Wong?

Senator WONG: There is nothing there I need to respond to. Mr Ray, are you clear what I am asking?

Senator Cormann: We will not be able to assist you if you are not going to be able to clarify.

Senator WONG: There is nothing in that that I need to respond to. Mr Ray, are you clear about the question I have just placed on notice?

Senator Cormann: We are taking a question on notice.

Senator WONG: He is taking it on notice. I am just asking him if it is clear about my question. Is there anything we need to clarify?

Mr Ray: No, I think I am clear on your question.

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Senator WONG: And this decision is essentially the termination of a number of national partnership agreements and other agreements between the Commonwealth and the states and territories? Correct?

Mr Ray: I think there were a number of different decisions taken.

Senator WONG: Sure.

Mr Ray: Someone will correct me if I get this wrong. These charts refer to, on the right-hand side on hospitals, the National Health Reform Agreement only. And on schools—what is it called?—Students First, whatever Gonski got called.

Senator WONG: Was that what Gonski got called?

Mr Ray: Apparently.

Senator WONG: I didn't realise that. But not the national partnership agreements on preventative health, public hospitals et cetera?

Mr Ray: No.

Senator WONG: But those, I think, are separately outlined in Budget Paper No. 2, would that be right?

Mr Ray: I do not know if they are separately outlined.

Senator WONG: If they aren't, do you think we could get—

Mr Ray: Not everything is separately identified in Budget Paper No. 2, but I thought that Finance official broke the costings down for you.

Senator WONG: I think so.

Answer:

41. Commonwealth recurrent funding for schools in the chart on page 7 of the 2014-15 Budget Overview:

\$ billion	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Difference ¹	0	0	0	0	0	..	1	3	4	4	5	5	6	28

Commonwealth funding for public hospitals in the chart on page 7 of the 2014-15 Budget Overview.

\$ billion	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Difference ¹	0	0	0	1	2	4	6	7	10	12	15	57

The hospital expense projections consist of the Commonwealth contribution to public hospital funding under the *National Health Reform Agreement 2011*. No expenditure under National Partnership Agreements is included in these projections.

1. '..' indicates: not zero, but rounded to zero.