

ANSWERS TO QUESTIONS ON NOTICE

TREASURY PORTFOLIO

15 December 2010

Question no: 3

Topic: Benefits from NHHN Agreement to Victoria

Hansard Page: E8

Senator asked:

Senator PRATT—I think we have covered what WA misses out on. Did you canvass what Victoria would miss out on if it were to pull out of the deal?

Ms Vroombout—I do not have those numbers with me. We would have to take that on notice.

Senator PRATT—That would be good.

Answer:

If Victoria were to withdraw from the NHHN Agreement, it could potentially lose two elements of Commonwealth funding that it is currently scheduled to receive: its share of the additional funding provided under the Improving Public Hospital Services National Partnership (IPHS NP) and its share of the top up funding guaranteed to the states and territories.

Payments under the IPHS NP commenced in 2009-10 and some of the 2010-11 payments have already been made. Consequently, the total amount of funding Victoria may lose is difficult to quantify and would depend on exactly when it withdraws from the NHHN Agreement (if it does). The Victorian share of payments under the IPHS NP, Multi-Purpose Services NP and additional funding under the Long Stay Older Patients initiatives is shown below.

2009-10	2010-11	2011-12	2012-13	2013-14
\$33m	\$236m	\$185m	\$209m	\$241m

As part of the NHHN Agreement, the Commonwealth guaranteed a 'top up' funding amount to the states and territories of \$15.6 billion. The method of distributing this funding is yet to be finalised: clause C3(v) of the NHHN Agreement states '*the detail of the mechanism and timing to give effect to this commitment will be developed by Treasurers for COAG agreement in 2010-11*'. Further work is currently being undertaken in this regard at the officials level.

While the method of distributing this top up funding is yet to be agreed, if it were to be distributed on population share basis, Victoria would receive approximately \$3.8 billion over the period 2014-15 to 2019-20.