

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2014 - 2015, 2/3 June 2014

Ref No: SQ14-000387

OUTCOME: 4 - Acute Care

Topic: Funding agreements with states

Type of Question: Written Question on Notice

Senator: Wright, Penny

Question:

- a) What impact will the termination of partnership agreements, in conjunction not to provide Commonwealth funding to public hospitals consistent with the health reform agreement, have on the funds available to South Australian hospitals over the forward estimates?
- b) How will this impact on terms of services and the formula for growth that those agreements featured?

Answer:

- a) The following table shows estimates of the Commonwealth public hospital funding which will be available to South Australia across the forward estimates period, incorporating all Budget decisions. Commonwealth funding for South Australia will increase every year over the forward estimates.

	2013-14 ^a	2014-15 ^b	2015-16 ^b	2016-17 ^b	2017-18 ^c
National Health Reform Funding estimates for SA (\$m)	1,006.4	1,077.7	1,168.1	1,263.9	1,316.0
Annual increase in funding (\$m)	-	71.3	90.4	95.8	52.1

- (a) State allocations of funding for 2013-14 have been adjusted to reflect estimated cross-border activity.
(b) The efficient growth funding component of National Health Reform funding in 2014-15, 2015-16 and 2016-17 is indicative only. The distribution of efficient growth funding will be determined by efficient growth in each State.
(c) State allocations of public hospitals funding for 2017-18 are shown on the basis of state population shares of total funding and are not adjusted for cross-border activity.

- b) The South Australian government is responsible for the management of that state's public hospitals and public hospital services.

For the period 2014-15 to 2016-17, the Commonwealth will contribute 45 per cent toward the efficient growth in public hospital services. From 2017-18, Commonwealth public hospital funding will be indexed on the basis of growth in the Consumer Price Index and population.

The National Partnership Agreement (NPA) on Improving Public Hospital Services and Preventive Health NPA did not include any growth funding arrangements.