

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Budget Estimates 2017 - 2018, 29 May 2017

Ref No: SQ17-000692

OUTCOME: 2 - Health Access and Support Services

Topic: Mersey Hospital

Type of Question: Written Question on Notice

Senator: Urquhart, Anne

Question:

On the Mersey Hospital deal between the Commonwealth and Tasmanian Governments (announced on 5 April 2017) is for the Commonwealth to return ownership of the hospital to the Tasmanian Government and provide a one-off payment, exempt from GST calculations, of \$730.4 million by June 30 2017. In coverage of the announcement, the Tasmanian Minister for Health said the money would be quarantined for operations of the Mersey Hospital and would last between 10 and 12 years.

The Tasmanian Government's 2017-18 State Budget increases expenditure for the Mersey Hospital at 3.5% per year across the forward estimates. At what rate does the Commonwealth expect healthcare and hospitals costs to increase over the next four years? And at what rate over the next ten years?

Answer:

The Commonwealth 2017-18 Budget Forward Estimates covers the period 2017-18 to 2020-21.

The Commonwealth contribution to broader health care is forecast to increase by an average of 3.8 per cent per annum over the 2017-18 Budget Forward Estimates period.

The Commonwealth contribution to public hospital services specifically is forecast to increase by an average of 5.0 per cent per annum nationally or 3.9 per cent per annum in Tasmania over the 2017-18 Budget Forward Estimates period.

The 2017-18 Budget published medium-term projections of a range of fiscal aggregates, however medium-term projections of the individual components of payments and receipts are not separately identified. For further information on the projection methodology for government expenditure on health and hospitals see Appendix C (page 106) of the 2015 Intergenerational Report (https://www.treasury.gov.au/~media/Treasury/Publications%20and%20Media/Publications/2015/2015%20Intergenerational%20Report/Downloads/PDF/2015_IGR.ashx).