

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Budget Estimates 2017 - 2018, 29 & 30 May 2017**

**Ref No:** SQ17-000694

**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.

- a) How does the Commonwealth Government understand the quarantining of the grant amount working?
- b) How can the Mersey Hospital both be integrated into the Tasmanian Health Service and have a quarantined budget?
- c) Is there anything in the agreement that would prevent Mersey Hospital staff from being fully integrated into the Tasmanian Health Service?

**Answer:**

The Tasmanian Government announcement about their plans to quarantine the funding provided by the Commonwealth is outside the scope of the agreement between the Commonwealth and Tasmania. Once the Commonwealth has provided its funding to Tasmania, it has no ongoing role in the management or operation of the hospital or of the funding provided. Rather, the Mersey Community Hospital (Mersey) returns to the Tasmanian health system as a responsibility of the Tasmanian Government. Staff at the Mersey are currently, and will remain, employees of the Tasmanian Government. The question of how staffing resources are dealt with rests with the Tasmanian Government.