

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 3-5 June 2008

**Question: bet 36**

**Topic: Medicare Levy Surcharge – States and Territories #2**

**Hansard Page: E61**

**Senator Cormann asked:**

**Senator CORMANN**—The question is this: will the Commonwealth compensate the states and territories for a cost shift from the Commonwealth and current privately insured patients, who you are telling us are leaving private health insurance to the tune of 484,000 people? Will there be some compensation—some reasonable and meaningful compensation—for the impacts on the states and territories as a result of that loss of \$2.7 billion worth of revenue?

**Senator Conroy**—That is a policy question rather than—

**Senator CORMANN**—Is it a policy question? Will you answer a policy question then, Minister?

**Senator Conroy**—We will take that on notice.

**Answer:**

Health and hospital services are a priority area for the Government. A range of commitments to improve services is being implemented under the Government's \$3.2 billion *National Health and Hospitals Reform Plan*, including \$600 million to cut elective surgery waiting lists in public hospitals and \$275 million to establish GP Super Clinics. The Government is also establishing a Health and Hospitals Fund, with an initial allocation of \$10 billion, to ensure long-term funding for hospitals, medical technology and research facilities and projects. In addition, the Government is providing an immediate injection of \$1 billion to relieve pressure on public hospitals, comprising \$500 million in new funding and \$512.5 million as indexation of 2007-08 health care grants.

Discussions with the states around broader levels of health funding are continuing, working towards the finalisation of funding arrangements as part of the new intergovernmental agreement of financial relations in December 2008.