

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 379

Topic: State Health Funding System

Hansard Page: Written

Senator EGGLESTON asked:

1. How have negotiations with the West Australian State Government proceeded in regard to the new Health Funding system?
2. What taxes are likely to increase to pay for the new health funding system?
3. What will be the total cost of the health funding, as announced by the Prime Minister, Health Minister and any other relevant Ministers, over the forward estimates?
4. On what basis did the Prime Minister claim that “health and hospital spending would consume the entire revenue raised by the state’s and territory governments...over the next 22 years.”
5. Outline the exact amount of money, in dollar terms by state, that will be removed as a result of the funding for the new health system.

Answer:

These questions relate to the National Health and Hospitals Network (NHHN) Agreement. On 13 February 2011, the Commonwealth, States and Territories agreed to a new health reform plan, signing a Heads of Agreement on National Health Reform (NHR). The financing arrangements in the NHR Agreement differ from those in the NHHN Agreement. In particular, it is no longer Government policy to dedicate a proportion of the GST to fund healthcare.