

Australian Greens

Additional Comments

1.1 The Australian Greens agree with the Committee's main findings as detailed in this report. While we may not agree with some of the specific commentary, evidence presented to this inquiry raises real questions regarding the Commonwealth Government's actions with respect to fulfilling its obligations under the National Health Reform Agreement. This is particularly true with respect to the use of population growth data. The Committee received evidence from many witnesses on this point including Professor Stephen Duckett who noted:

It is therefore not estimating population growth at all. It is not comparing like with like and its estimates of so-called growth are erroneous.¹

1.2 The use of data points from two differently-based series to determine the growth number was not justified to our satisfaction. The suggestion was made by non-government witnesses that this amounted to an abuse of good statistical practice done in pursuit of other budgetary aims. The timing of the cuts, combined with their retrospective nature, further undermines the Government's claim to have acted in good faith and in partnership with the states.

1.3 The Australian Greens deplore the resulting cuts to services that have impacted patients and broken faith with the community. It is clear that, especially in the case of Victoria, these cuts are a direct result of the reduction in funding by the Commonwealth. However, it is important to note that the Commonwealth does not bear sole responsibility for problems with state hospitals. Under-investment by State governments, particularly in Victoria and Queensland, has left public hospital systems reeling and ill-equipped to absorb any fluctuation in funding without severe and immediate impacts, including further rationing of services. The MYEFO cuts to NHRA funding were significant, but have also provided an opportunity for state governments to sheet home all the blame for underperforming hospitals to the Commonwealth. In fact, many of these problems are longstanding and chronic.

1.4 The 11th-hour decision by the Government to restore funding to Victoria, using an ad hoc system of direct payments to local hospital boards, undermines the National Health Reform Agreement. It does little to address the underlying issues, due to its timing and lack of detail, and would appear to be a hasty and piecemeal response to a larger problem. The Australian Greens welcome the return of funding to Victoria but do not agree that this is an appropriate mechanism to restore that funding. Instead of searching for a way to cooperate with the states on the issue of hospital funding, it merely continues the "blame game" between the two levels of government.

¹ Professor Stephen Duckett, *Supplementary Submission 2*, p. 1.

Recommendation 1

1.5 That the Commonwealth restore to the National Health Funding Pool the funding cut made retrospectively at the MYEFO for the 2011-2012 financial year.

Recommendation 2

1.6 That the Commonwealth recalculate the 2012-13 National Health Reform Agreement funding to the states using a revised 2010-11 population growth estimate based on the 2011 census figures, and apply this funding through the National Health Funding Pool.

**Senator Richard Di Natale
Senator for Victoria**