



MINISTER FOR HEALTH

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Senator Scott Ryan
Chair
Senate Finance and Public Administration References Committee
Department of the Senate
Parliament House
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Dear Senator

Thank you for the opportunity to submit to your Committee. The Northern Territory, along with all jurisdictions, has been receiving payments under the National Health Reform Agreement that are based, for the 2012/13 and 2013/14 financial years, on the payments previously agreed under the National Healthcare Agreements Specific Purpose Payments. These Australian Government payments do not provide an adequate base for the Northern Territory to meet the needs of hospital patients, and fail to recognise the excess morbidity and mortality experienced by indigenous patients in the Northern Territory.

The Australian Government payment for the National Efficient Price per National Weighted Activity Unit in the Northern Territory for 2012/13 was calculated by the National Hospital Funding Pool Administrator in July of 2012 to be 22.5 percent based on an Northern Territory Specific Purpose Payments of \$153 million. In 2013/14 the Specific Purpose Payments based Australian Government payment to the Northern Territory will decrease to \$132 million, with an estimated impact on the percentage of the National Efficient Price to only 18.6 percent.

The impact of this reduction in funding will be severe, both in terms of the immediate impact on hospital funding, but also the prolonged time it will take the Northern Territory to achieve the 50 percent Australian Government funding contribution rate that will be achieved through the funding of new activity growth under the National Health Reform Agreement.

Yours sincerely

DAVID TOLLNER

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