

FEDERAL FINANCIAL RELATIONS (NATIONAL HEALTH REFORM PAYMENTS) DETERMINATION 2015-16

I, SCOTT JOHN MORRISON, Treasurer, make this Determination under subsection 15A(1) of the *Federal Financial Relations Act 2009*.

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SCOTT JOHN MORRISON

Dated: 5 April 2018

PART 1 — PRELIMINARY

Name of Determination

1. This determination is the *Federal Financial Relations (National Health Reform Payments) Determination 2015-16*.

Commencement

2. This determination commences on the day on which it is made.

Definitions

3. The following definitions are used throughout this determination:

Administrator means the Administrator of the National Health Funding Pool.

FFR Act means the *Federal Financial Relations Act 2009*.

IHPA means the Independent Hospital Pricing Authority.

State includes the Australian Capital Territory and the Northern Territory.

PART 2 — NATIONAL HEALTH REFORM PAYMENTS

4. Under the National Health Reform Agreement, national health reform funding arrangements commenced from 1 July 2012. From 2014-15, Commonwealth funding for most public hospital services is calculated on an activity basis where funding varies in response to efficient growth in public hospital services.

5. For 2015-16, Clause A3 of the National Health Reform Agreement provides that the Commonwealth will fund 45 per cent of the efficient growth in activity based services. Efficient growth consists of the national efficient price for any changes in the

volume of services provided and the growth in the national efficient price of providing the existing volume of services.

6. Where services or functions are more appropriately funded through block grants and for teaching, training and research, Clause A4 of the National Health Reform Agreement provides that the Commonwealth will fund 45 per cent of growth in the efficient cost of providing the services or performing the functions.
7. In accordance with the functions of the Administrator under paragraph 238(1)(a) of the *National Health Reform Act 2011*, the Administrator calculated and advised the amounts required to be paid by the Commonwealth into each State Pool Account of the National Health Funding Pool under the National Health Reform Agreement.
8. In accordance with subsection 226(1) of the *National Health Reform Act 2011* the Commonwealth Minister for Health issued a direction to the IHPA in relation to a number of changes to the classification, counting and scope of non-admitted activity in 2014-15 and 2015-16.
9. In response to the Commonwealth Minister for Health's direction the IHPA published a statement that included matters relevant to the amounts required to be paid to States in accordance with the National Health Reform Agreement.
10. Having regard to the Administrator's advice and the IHPA statement on matters relevant to the amounts required to be paid to the States under the National Health Reform Agreement, in accordance with subsection 15A(1) of the FFR Act, the amounts specified in Table 1 are to be paid for the 2015-16 financial year to the States specified in that table.

Table 1: National health reform payments, 2015-16

State	National health reform payments
New South Wales	\$5,349,009,853.05
Victoria	\$4,244,207,872.46
Queensland	\$3,707,009,810.39
Western Australia	\$1,951,756,566.17
South Australia	\$1,239,264,249.03
Tasmania	\$366,292,568.83
Australian Capital Territory	\$340,685,421.23
Northern Territory	\$204,317,501.10
Total	\$17,402,543,842.27

11. In accordance with subsection 15A(3) of the FFR Act, the amounts specified in Table 1 are to be paid to the States on condition that the financial assistance is spent in accordance with the National Health Reform Agreement.