

EXPLANATORY STATEMENT

FEDERAL FINANCIAL RELATIONS (NATIONAL HEALTH REFORM PAYMENTS) DETERMINATION 2016-17

Under the *Intergovernmental Agreement on Federal Financial Relations* (the IGA) and the *Federal Financial Relations Act 2009* (the Act), the Commonwealth provides National Health Reform payments to the States and Territories as a financial contribution to support State and Territory service delivery in the area of healthcare.

The Act (s 15A(1)) provides for the Minister to determine for each financial year, the total amount and the manner in which National Health Reform payments are distributed between the States and Territories. The Act also requires the Minister have regard to the IGA and the National Health Reform Agreement when making a determination for National Health Reform payments.

Advance payments in respect of National Health Reform are made throughout the financial year based on estimates of each jurisdiction's anticipated entitlement for that year. Any adjustment between the advances paid to a jurisdiction and the jurisdiction's determined entitlement is made in the first practicable payment after the determination is made.

This determination in respect of National Health Reform payments is a legislative instrument and will be registered on the Federal Register of Legislation.

In accordance with the functions of the Administrator of the National Health Funding Pool under paragraph 238(1)(a) of the *National Health Reform Act 2011*, the Administrator has 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. The Treasurer has accepted the Administrator's advice.

Consultation

The IGA and National Health Reform Agreement were subject to extensive consultation with the States and Territories and were signed by all jurisdictions. Both agreements are publicly available on the website for the Council on Federal Financial Relations. Consultation with the States and Territories on National Health Reform funding also occurs regularly, principally through meetings between Heads of Treasuries.

Commencement

This Determination commences on the day it is made.

Disallowance of the legislative instrument

This Determination is exempt from disallowance in accordance with subsection 15A(2) of the *Federal Financial Relations Act 2009* and paragraph 44(2)(a) of the *Legislation Act 2003*.

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

In accordance with the IGA and the Act, the Commonwealth provides National Health Reform payments to the States and Territories as a financial contribution for the purpose of expenditure in accordance with the National Health Reform Agreement.

This Legislative Instrument determines the total amounts payable in respect of National Health Reform funding for 2016-17, and the manner in which these amounts are divided between the States and Territories.

Human rights implications

This instrument provides for payments to be made to States and Territories to facilitate the provision of public health services, supporting individuals' rights to the highest attainable standard of physical and mental health (art 12(1), the International Covenant on Economic, Social and Cultural Rights; art 24, Convention on the Rights of the Child and art 25, the Convention on the Rights of Persons with Disabilities). The services funded in this instrument also support individuals with disabilities right to habilitation and rehabilitation (art 26, CRPD) and the right of children with disabilities to health care (art 23, CRC and art 7, CRPD).

States and Territories' entitlements to National Health Reform funding increased by \$1,582 million from 2015-16 to 2016-17.

Conclusion

This Legislative Instrument is compatible with human rights as it does not adversely engage any human rights issues.