

## **EXPLANATORY STATEMENT**

### **Issued by authority of the Assistant Minister for Competition, Charities and Treasury**

*Federal Financial Relations Act 2009*

*Federal Financial Relations (National Health Reform Payments for 2023-24)  
Determination 2024*

Section 15A of the *Federal Financial Relations Act 2009* (the Act) provides that the Minister may determine that an amount specified in the determination is to be paid to a State, the Australian Capital Territory or the Northern Territory as specified in the determination for the purpose of making a grant of financial assistances for the purpose of expenditure in accordance with the National Health Reform Agreement.

The purpose of the *Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024* (the Determination) is to specify amounts to be paid to each State, the Australian Capital Territory and Northern Territory for the 2023-24 financial year.

Under the *Intergovernmental Agreement on Federal Financial Relations* (the IGA) and the Act, the Commonwealth provides national health reform payments to the States, the Australian Capital Territory and the Northern Territory, as a financial contribution to support state service delivery in the area of healthcare, particularly public hospitals. The details of the funding arrangements are set out in the *National Health Reform Agreement*.

Under the *National Partnership for Priority Groups COVID-19 Testing and Vaccination*, the Commonwealth agreed to provide financial assistance to each State, the Australian Capital Territory and Northern Territory to protect priority population groups from COVID-19 by delivering testing and vaccination programs from 1 January 2023 to 31 December 2023. The *National Partnership for Priority Groups COVID-19 Testing and Vaccination* amends the *National Health Reform Agreement* so that the additional funding can be paid into the National Health Funding Pool.

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. In accordance with the *National Health Reform Agreement*, any adjustment between the advances paid to a jurisdiction and the jurisdiction's determined entitlement will be spread equally across payments for a subsequent quarter, or appropriate period where the Administrator deems necessary.

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 in respect of 2023-24 into each State Pool Account of the National Health Funding Pool under the *National Health Reform Agreement*. The Minister has accepted the Administrator's advice in making the Determination.

Details of the amounts to be paid to each State, the Australian Capital Territory and Northern Territory for the 2023-24 financial year are outlined in Table 1 in [Attachment C](#). The amounts include:

- the Commonwealth's share of funding for public hospital services under the *National Health Reform Agreement* which is calculated on an activity basis; and
- payments to protect priority population groups from COVID-19 by delivering testing and vaccination programs.

The IGA and the *National Health Reform Agreement* (as amended by the *National Partnership for Priority Groups COVID-19 Testing and Vaccination*) were subject to extensive consultation with the States and Territories and were signed by all jurisdictions. Both agreements are publicly available on the Federal Financial Relations website. Consultation with the States and Territories on national health reform funding also occurs regularly, through the Administrator's Jurisdictional Advisory Committee meetings.

Details of the Determination are set out in [Attachment A](#).

The Determination is a legislative instrument for the purposes of the *Legislation Act 2003*. In accordance with subsections 44(1) and 54(1) of the *Legislation Act 2003*, the Determination is not subject to disallowance or sunseting under the Act and the *Legislation Act 2003* on the grounds that the instrument is part of an intergovernmental scheme and gives effect to agreements between the Commonwealth and each of the States, the Australian Capital Territory and the Northern Territory. The instrument's operation is effectively mechanical in that it simply details financial assistance to be provided to a State or Territory based on that State or Territory having satisfied the necessary agreed criteria.

A Policy Impact Analysis is not required as the Determination is machinery in nature (OIA24-07548).

The Determination commenced the day after it was registered on the Federal Register of Legislation.

A statement of Compatibility with Human Rights is at [Attachment B](#).

**Details of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024**

This Attachment sets out further details of the *Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024*.

**Section 1 – Name of the instrument**

This section provides that the name of the instrument is the *Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024* (the Determination).

**Section 2 – Commencement**

This section provides that the Determination commences on the day after it is registered on the Federal Register of Legislation.

**Section 3 – Authority**

This section provides that the Determination is made under the *Federal Financial Relations Act 2009*.

**Section 4 – Definitions**

This section provides definitions for the purposes of the Determination.

**Section 5 – National health reform payments for the 2023-24 financial year**

This section sets out the amounts required to be paid by the Commonwealth in respect of the 2023-24 financial year into each State Pool Account of the National Health Funding Pool under the *National Health Reform Agreement* (as amended by the *National Partnership for Priority Groups COVID-19 Testing and Vaccination*).

Details of the amounts to be paid to each State, the Australian Capital Territory and Northern Territory for the 2023-24 financial year are outlined in Table 1 in Attachment C. The amounts include:

- the Commonwealth's share of funding for public hospital services under the National Health Reform Agreement which is calculated on an activity basis;
- payments to protect priority population groups from COVID-19 by delivering testing and vaccination programs.

The Administrator of the National Health Funding Pool (Administrator) has calculated and advised the amounts required to be paid to each State, the Australian Capital Territory and the Northern Territory, in accordance with paragraph 238(1)(a) of the *National Health Reform Act 2011*. The Minister has accepted the Administrator's advice in making the Determination.

**Statement of Compatibility with Human Rights**

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

***Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024***

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**

The purpose of the *Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024* is to specify the amount to be paid to each State, the Australian Capital Territory and the Northern Territory for the 2023-24 financial year.

**Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

**Conclusion**

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

**Table 1: Details of the amounts to be paid to each State, the Australian Capital Territory and Northern Territory for the 2023-24 financial year**

<b>Item</b>	<b>For this State:</b>	<b>Commonwealth National Health Reform funding</b>	<b>Priority Groups Testing and Vaccination</b>	<b>Total</b>
1	New South Wales	\$8,349,968,180.73	\$31,564,705.20	\$8,381,532,885.93
2	Victoria	\$6,853,591,204.64	\$0.00	\$6,853,591,204.64
3	Queensland	\$6,639,341,725.00	\$0.00	\$6,639,341,725.00
4	Western Australia	\$3,053,795,782.36	\$252,150.13	\$3,054,047,932.49
5	South Australia	\$1,920,268,061.64	\$10,397,940.00	\$1,930,666,001.64
6	Tasmania	\$620,546,057.89	\$260,065.70	\$620,806,123.59
7	Australian Capital Territory	\$510,745,540.11	\$15,817.03	\$510,761,357.14
8	Northern Territory	\$400,262,326.65	\$1,240,617.12	\$401,502,943.77
	<b>Total</b>	<b>\$28,348,518,879.02</b>	<b>\$43,731,295.18</b>	<b>\$28,392,250,174.20</b>

**Table 2: Base funding amounts for each State, the Australian Capital Territory and Northern Territory for 2024-25 funding calculation purposes**

<b>Item</b>	<b>For this State:</b>	<b>Funding base for 2024-25</b>
1	New South Wales	\$8,349,968,180.73
2	Victoria	\$6,853,591,204.64
3	Queensland	\$6,639,341,725.00
4	Western Australia	\$3,053,795,782.36
5	South Australia	\$1,920,268,061.64
6	Tasmania	\$620,546,057.89
7	Australian Capital Territory	\$510,745,540.11
8	Northern Territory	\$400,262,326.65
	<b>Total</b>	<b>\$28,348,518,879.02</b>