



ACT Government

Record level of hospital funding

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ACT Budget 2001-02

The Minister for Health, Housing and Community Services, Michael Moore, said that ACT expenditure on hospital services would be raised by \$27.848 million in the coming year.

The increase was an 11.2% change and set a record level for the ACT - \$275.29 million.

"The Government has a strong focus on health care, and hospital care is a vital component of that system," the Minister said.

"Our ability to make these kinds of increases to the hospital sector flows directly from the safe financial position that this Government has put the Territory in.

"The Territory is finally out of a deficit after six years of difficult financial effort, and our services can now benefit from that result."

The Minister said that in addition to benefiting from the financial strength of the Territory, the hospital sector was benefiting from significantly increased funding won from NSW in the past year.

"After a vigorous negotiating effort by the ACT Health Department in 1999 and 2000, arbitrated under the provisions of the Healthcare Agreement, NSW was required to increase its financial contribution to the ACT.

"The price now paid by NSW is based on what it costs NSW within their own teaching hospitals. The ACT is now receiving about 43% more for cross border services."

In addition, the Government has reviewed the past practice of using comparative data generated by the Commonwealth Grants Commission as a tool for setting efficiency benchmarks in the hospital system.

"We will certainly continue to re-engineer our hospitals to work more efficiently, but national comparisons which do not take into account the ACT's particular circumstances will no longer be used as financial targets," Mr Moore said.

The decision to revise the efficiency policy inserts increased funding totalling \$21 million from 2002-03 to 2004-05.

"This community does not object to spending heavily on hospitals, if they can be satisfied that the money is being used well," Mr Moore said.

The Territory has two major public hospitals – the Canberra Hospital at Garran and Calvary Public Hospital at Bruce. The Canberra Hospital delivers over 70% of the Territory's hospital services.

The Canberra Hospital's 10.5% funding growth

The Minister said that the Budget for The Canberra Hospital showed a dramatic increase over the past year.

In May 2000, the 2000-01 Budget forecast total annual public funding was \$194.422 million.

By October last year, the final 'purchase agreement' between the Hospital and the Health Department had raised this figure to \$201.4 million. A number of further changes since had raised the forecast outcome to \$207.973 million.

The Budget released today lifts the figure to \$214.851 million in 2001-02.

"By any standard, boosting the Hospital's funding by 10.5% in a single year shows a remarkable commitment to hospital care," Mr Moore said.

Statement ends

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