



Jillian Skinner MP

Minister for Health Minister for Medical Research

MEDIA RELEASE

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COMMONWEALTH PUTS \$1.8 BILLION HEALTH FUNDING TO NSW AT RISK

Health Minister Jillian Skinner has urged the Commonwealth to guarantee more than \$1.8 billion in health funding to NSW which is in jeopardy over the next four years.

The federal government last night backed down on its decision to cut \$107 million from Victoria's system - but did not extend the reprieve to other states and territories.

"This is a most bizarre arrangement. There is no doubt that Victoria was hurting but so will NSW be if this money is not restored. Ultimately, the people of NSW will lose out," Mrs Skinner said.

"Doing this strange deal with Victoria alone does not absolve the Commonwealth of its responsibility to honour funding commitments across the nation."

Mrs Skinner said the Commonwealth has undermined NSW in the following ways:

- by re-casting Australian Bureau of Statistics population growth forecasts, which determine Special Purpose Payments (SPPs) to states and territories. This has required NSW to pay back \$50 million to the Commonwealth for the 2011/12 financial year.
- the ongoing permanent reduction in the SPPs will leave NSW with a funding shortfall of \$138.8m in 2012/13 and a cumulative total of \$641m over four years. These changes by the Commonwealth are primarily due to adjustments to population and price indexation.
- by failing to give certainty about several National Partnership Agreements (NPAs) which are due to expire in the next couple of years, NSW will suffer a \$358 million funding shortfall in the 2014/15 financial year.
- the cumulative impact over four years means NSW is duded \$1.871 billion.

"NSW has maintained good will throughout negotiations to restore lost funding and guarantee future funding," Mrs Skinner said.

"And so today I call on the federal government to ensure equity across the nation."