2025

THE LEGISLATIVE ASSEMBLY FOR THE

AUSTRALIAN CAPITAL TERRITORY

ELEVENTH ASSEMBLY

Administrator of the National Health Funding Pool Annual Report 2024-25

Presented by
Rachel Stephen-Smith MLA
Minister for Health
December 2025

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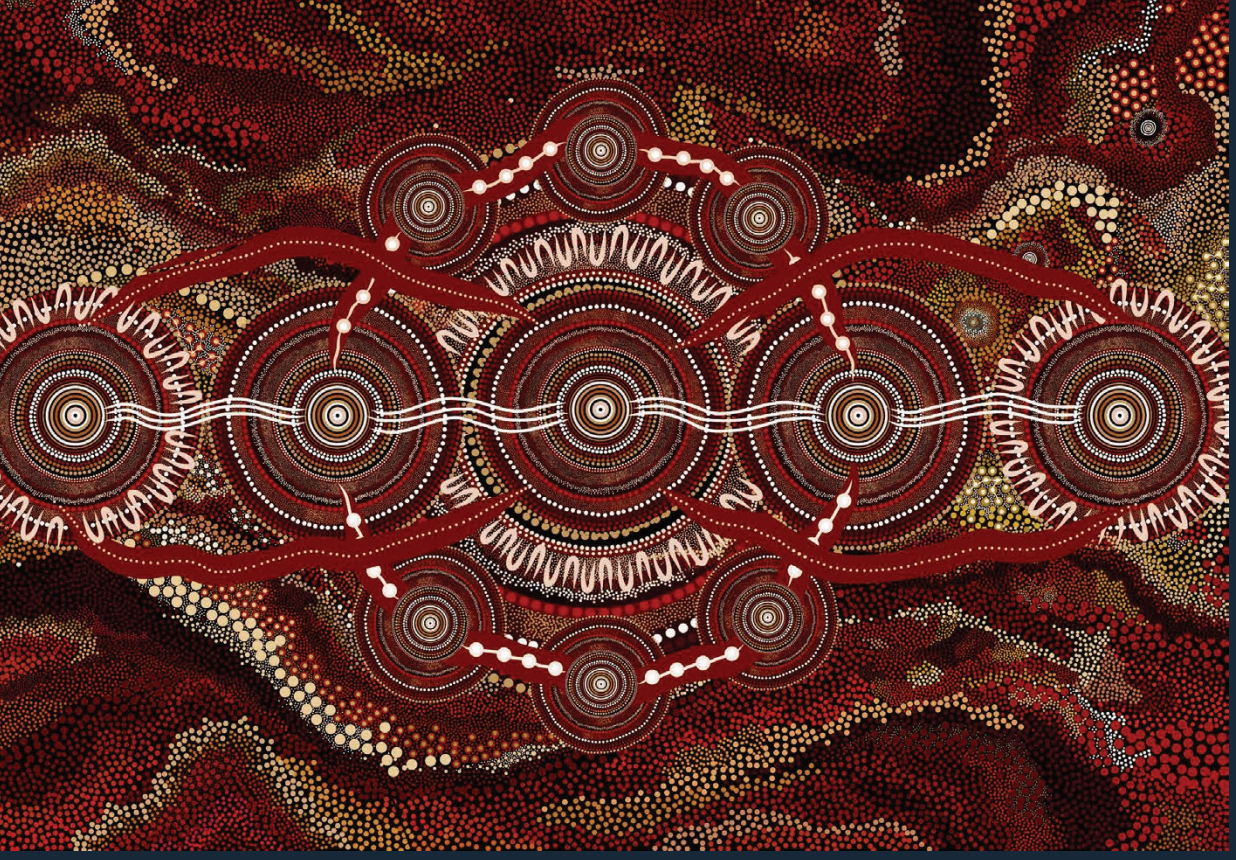
Administrator
National Health
Funding Pool

2024-25
ANNUAL REPORT

Improving the transparency of
public hospital funding in Australia

publichospitalfunding.gov.au



Acknowledgement of Country

The National Health Funding Pool Administrator and the National Health Funding Body acknowledges the Traditional Owners of Country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to Elders both past and present.

Artwork credit

Kristie Peters, 2025.

Artist biography

Kristie Peters is a proud Wiradjuri artist, graphic/fashion designer and the recipient of ACT NAIDOC Artist of the year 2021.

Kristie is the founder of Yarrudhamarra Creations (rebranding as Blaklabel Dreaming) and currently lives in Canberra on Ngunnawal/Ngambri Country with her family and nine beautiful boys.

She prides herself working with community where she is being recognised and well known with high demand for her distinctive styles and powerful artworks including her Indigenous murals.

"To create an art piece for people to see is one thing, but to create and design an art piece for someone that can change someone's life journey is even more special."

Artist statement

This artwork is a visual representation of the true essence of the NHFB, embodying its role in health and reconciliation across Australia.

At its core, the artwork features five large meeting places, each symbolising the key objectives that the NHFB strives to achieve.

These five meeting places work together to illustrate the strategic direction of the organisation, emphasising the interconnectedness of accurate funding calculation, best practice financial administration, effective communication, collaborative relationships, and organisational excellence in achieving the vision for funding transparency.

Surrounding these large meeting places are six smaller ones, representing the core values of the APS and the NHFB.

Administrator
National Health
Funding Pool

ANNUAL REPORT
2024-25

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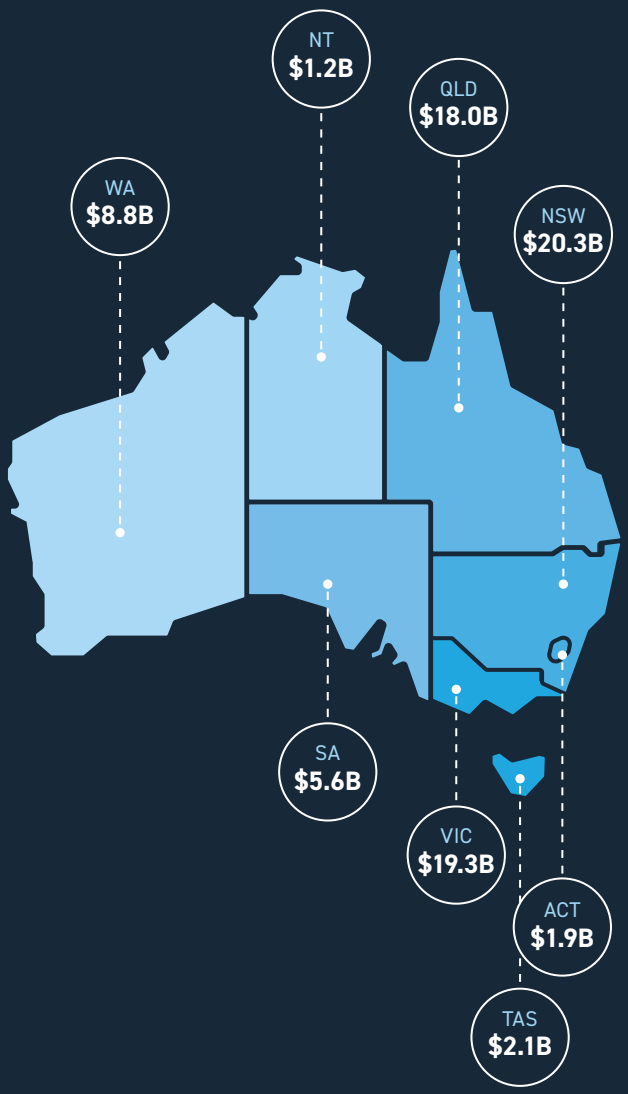
2024-25 HIGHLIGHTS

PUBLIC HOSPITAL FUNDING



We administered over...

$77.1 BILLION

in public hospital funding

$76.6 BILLION

paid to...

136

Local Hospital Networks

Comprising of...

700

public hospitals

That delivered over...

46 MILLION

public hospital services

FUNDING BY SERVICE CATEGORY

	Commonwealth:	States and Territories:
EMERGENCY 	$3.6 BILLION	$5.5 BILLION
ACUTE ADMITTED 	$15.2 BILLION	$25.2 BILLION
MENTAL HEALTH 	$1.2 BILLION	$2.1 BILLION
SUB-ACUTE 	$1.7 BILLION	$2.1 BILLION
NON-ADMITTED 	$4.0 BILLION	$5.4 BILLION

STAKEHOLDER ENGAGEMENT

Collaboration through quarterly multilateral meetings, informed by **32 bilateral discussions**, has led to...

STRENGTHENED STAKEHOLDER RELATIONSHIPS AND IMPROVED FUNDING TRANSPARENCY

Our stakeholders rated us...

4.5/5

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This report is also accessible from the NHFB website:
publichospitalfunding.gov.au/publications

Administrator
National Health
Funding Pool

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publichospitalfunding.gov.au

The Hon. Mark Butler MP
Minister for Health and Ageing
Commonwealth of Australia

The Hon. Ryan Park MP
Minister for Health
New South Wales

The Hon. Mary-Anne Thomas MP
Minister for Health
Victoria

The Hon. Tim Nicholls MP
Minister for Health, Mental Health and Ambulance Services
Queensland

The Hon. Meredith Hammat BA MIR MLA
Minister for Health and Mental Health
Western Australia

The Hon. Chris Picton MP
Minister for Health and Wellbeing
South Australia

The Hon. Bridget Archer MP
Minister for Health, Mental Health and Wellbeing
Tasmania

The Hon. Rachel Stephen-Smith MLA
Minister for Health
Australian Capital Territory

The Hon. Steven Edgington
Minister for Health
Northern Territory

Dear Ministers,

ADMINISTRATOR OF THE NATIONAL HEALTH FUNDING POOL ANNUAL REPORT 2024-25

I am pleased to submit to you, for tabling in your respective Parliaments, my Annual Report for the year ended 30 June 2025.

This report has been prepared in accordance with the requirements of sections 241 to 243 of the Commonwealth *National Health Reform Act 2011* (the NHR Act) and corresponding State and Territory National Health Reform legislation.

The report includes a combined Financial Statement of the National Health Funding Pool accounts, and a Financial Statement for each State and Territory State Pool Account audited by the respective Auditor–General. The report also includes the reporting required under section 241(2) of the NHR Act on National Health Reform funding and payments, on a national level and for each State and Territory.

Yours sincerely,

Toni Cunningham
Administrator
National Health Funding Pool
18 September 2025

The Administrator of the National Health Funding Pool and the National Health Funding Body were established through the *National Health Reform Agreement of August 2011*.

The Administrator is an independent statutory office holder. All Commonwealth, State and Territory Governments have to agree to their appointment to the position. The functions of the Administrator are set out in the *National Health Reform Act 2011* (NHR Act) and common provisions in relevant State and Territory legislation.

The National Health Funding Body (NHFB) operates as a non–corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and is funded as a small agency under the Commonwealth Department of Health, Disability and Ageing Portfolio.

The NHFB is an independent agency with 35 staff that support the Administrator to oversee the administration of Commonwealth, State and Territory public hospital funding and payments under the *National Health Reform Agreement* (NHR Agreement).

This Annual Report provides an overview of the role and work of the Administrator during 2024-25 and provides both the combined and individual State and Territory Pool Accounts for 2024-25.

This report should be read in conjunction with the *National Health Funding Body Annual Report 2024-25* that can be found on the NHFB website: publichospitalfunding.gov.au/publications

CONTENTS

PART 1:

OVERVIEW

This section explains the Administrator and NHFB's role in Australia's health system.

MESSAGE FROM THE ADMINISTRATOR

It is my pleasure to present the Administrator's National Health Funding Pool Annual Report for the financial year ending 30 June 2025, marking the completion of my first full financial year as Administrator. This is the twelfth report on the operation of the National Health Funding Pool (the Pool).

Toni Cunningham
Administrator
National Health Funding Pool

As 2024-25 ended, so too did my first full financial year as Administrator. Over the course of the 2024-25 year, the NHFB has supported me to:

- reconcile over 10 million activities delivered in 2023-24 (as measured by National Weighted Activity Units, or NWAUs) to provide over $30 billion in Commonwealth National Health Reform (NHR) Agreement funding
- calculate $30.2 billion in Commonwealth NHR funding for 2024-25
- calculate $32.0 billion in Commonwealth NHR funding for 2025-26
- make over $79 billion in payments through the Pool to LHNs and State and Territory health departments
- produce a National, State and Territory and Local Hospital Network level report each month detailing payments through the Pool and estimated activity
- produce a quarterly report on jurisdictional compliance with the Addendum and the requirements set out in my Three Year Data Plan.

In 2024-25, the main areas of focus beyond undertaking the core functions of calculate, pay, report were:

- working with States and Territories, as well as the national bodies, to improve the consistency and transparency of public hospital funding
- progressing funding integrity activities to identify services funded by the Commonwealth through both the Addendum and other Commonwealth programs
- publishing my annual report on Maintenance of Effort (that is, whether the level of public hospital funding has been maintained compared to the 2018-19 base year)
- regular bilateral and multilateral engagement with all key stakeholders, including as part of the six-month and annual reconciliation processes
- providing advice on funding arrangements under the Addendum, including the transition of Community Mental Health services to Activity Based Funding (ABF) (from 2025-26)
- updating the Commonwealth Contribution Model (CCM) in preparation for Schedule K to the Addendum (for 2025-26).

National Health Reform Agreement Funding and Annual Reconciliation

In 2024-25, over $79 billion was transacted through the National Health Funding Pool Payments System (Payments System).

Just over $77 billion related to in-scope NHR payments made from Commonwealth, State and Territory funding contributions for over 10 million activities (as measured by NWAUs). Additionally, almost $2 billion in out-of-scope funding was transacted through the Payments System (see page 22).

The 2023-24 Annual Reconciliation was completed in December 2024, with my advice provided to the Commonwealth Treasurer (and all health ministers) on 2 December 2024. The initial Commonwealth NHR funding entitlement was $28.320 billion based on estimated activity. The actual in-scope hospital activity was higher than estimated activity, and as such the 2023-24 Annual Reconciliation increased Commonwealth NHR funding to $28.349 billion (+$0.029 billion).

Cash and entitlement

An important distinction is between what are termed cash payments made by the Commonwealth and what are termed Commonwealth funding entitlements. The cash payment reflects actual Commonwealth payments made in the financial year and are based on activity estimates provided by States and Territories. The Commonwealth funding entitlement is calculated after the end of each financial year and is based on the actual level of activity delivered in that year.

The table on page 57 shows the national comparison between Commonwealth cash and funding entitlement, with State and Territory information provided in each chapter.

Funding integrity

One of my responsibilities under the Addendum is to ensure the integrity of NHR funding.

One of the mechanisms to achieve this is through the matching of State and Territory hospital activity data with Commonwealth program data. The objective is to identify potential instances where the Commonwealth may have contributed funding for a public hospital service both under the NHR Agreement and another Commonwealth program (for example, the Medicare Benefits Schedule (MBS) or the Pharmaceutical Benefits Scheme (PBS)).

Where a matched payment is identified as a false positive, such as an incorrectly coded privately funded hospital service (i.e. a private patient not eligible for NHR funding), the NHFB and I work with the relevant jurisdiction to correct data coding.

Where it is identified that the same service (or part thereof) has potentially been funded from both the NHR Agreement and another Commonwealth Program, these services are referred to the Commonwealth Department of Health, Disability and Ageing for any compliance activities through mechanisms outside of the NHR Agreement.

Annual Report on Maintenance of Effort and funding transparency

Under the Addendum, all Parties agreed, at a minimum, to maintain levels of funding for public hospital services through the Pool for 2020-21 to 2024-25 at not less than the level of funding for 2018-19.

The assessment of Maintenance of Effort applies to both the Commonwealth, States and Territories. The assessment focuses on in-scope public hospital services under the NHR Agreement. Out-of-scope activity is defined as non-hospital services or those public hospital services with a funding source other than the NHR Agreement.

This work has revealed some inconsistencies across States, including:

- some States transact ABF contributions for out-of-scope activity through the Pool but are not identified as such
- some States make payments based on estimated activity, noting there is no reconciliation of State funding contributions.

Whilst the Commonwealth and States have maintained levels of funding for public hospital services at not less than the level of funding for 2018-19, there is further work to do to achieve funding transparency through:

- ensuring accuracy and completeness of LHN Service Agreements, including clear identification of NHR in-scope and out-of-scope activity
- ensuring State Prices are published in LHN Service Agreements
- ensuring all State ABF contributions for in-scope activity are being transacted through the Pool
- identifying funding for out-of-scope activity transacted through the Pool
- working with the Australian Institute of Health and Welfare (AIHW). the Commonwealth, States and Territories to improve public hospital expenditure reporting (including third party revenue).

National Health Funding Pool Payments System

The Pool receives all Commonwealth (ABF and Block) and State and Territory (ABF only) public hospital funding.

The Pool comprises of a Reserve Bank of Australia (RBA) account for each State and Territory, with each State and Territory also having established a State Managed Fund (SMF) to manage Block funding.

State Pool Accounts are bank accounts opened under the laws of States and Territories for the purpose of the NHR Agreement. Under the Addendum, States and Territories must provide the same payment information as required for Pool accounts.

The Payments System is used both by NHFB staff and relevant State and Territory health department personnel and is only accessible to approved users.

On 1 October 2024, we celebrated the five-year anniversary of the Payments System. The Payments System, administered by the NHFB, has transacted over $357 billion since its launch with no errors or delays and zero instances of fraud.

Stakeholder engagement

In 2024-25 we continued to hold bilateral meetings with individual States and Territories in advance of my quarterly Administrator's Jurisdictional Advisory Committee (JAC) meetings. These bilaterals enable us to work through and resolve any issues at local level, improve our understanding of their operating environment and help build collective understanding of funding calculations and outcomes.

Through these engagements, the NHFB and I also consulted with our stakeholders to review the suite of policies that provide transparency over the approach taken to perform my functions as Administrator of the Pool:

- Administrator's Three Year Data Plan
- Administrator's Data Compliance Policy
- Data Governance Policy
- Calculation of NHR Funding Policy
- Data Matching Business Rules
- Payments System Policy.

The year ahead

In 2025-26, the main areas of focus beyond undertaking the core functions of calculate, pay, report will be to:

- work with the Commonwealth, States and Territories and national bodies to prepare for a new Addendum
- work with States, Territories and the Independent Health and Aged Care Pricing Authority (IHACPA) to enhance the transparency of Block funding
- work with all our stakeholders to improve the quality and timeliness of data submissions
- work with States and Territories to improve the quality, consistency and timeliness of LHN Service Agreements
- work with our stakeholders to further improve reconciliation processes and funding integrity measures.

"Thank you to Shannon, the NHFB CEO, and his excellent team for their support in improving the transparency of public hospital funding in Australia."

Key milestones

2024

SEP	Provided Payment Advice to the Commonwealth Treasurer
OCT	Five year anniversary of the Payments System Published the Administrator's National Health Funding Pool 2023-24 Annual Report Payments System minor upgrade
NOV	Payments System annual software upgrade
DEC	Finalised the 2023-24 Annual Reconciliation Completed 2023-24 funding integrity data matching and miscoded private patient activities Provided Payment Advice to the Commonwealth Treasurer

2025

JAN	Provided Payment Advice to the Commonwealth Treasurer
MAR	Commonwealth 2025-26 Budget Payments System minor upgrade
APR	Published the Administrator's 2023-24 Annual Report on Maintenance of Effort Provided Payment Advice to the Commonwealth Treasurer
JUN	Published the Administrator's Three Year Data Plan and Data Compliance Policy 2025 Stakeholder Survey
JUL	Published the Administrator's Calculation of NHR Funding Policy
OCT	Publish the Administrator's National Health Funding Pool 2024-25 Annual Report
NOV	Payments System annual software upgrade
DEC	Finalise the 2024-25 Annual Reconciliation Publish the Administrator's 2024-25 Annual Report on Maintenance of Effort

2026

FEB	Publish final entitlement and activity for all years of the Addendum
MAY	Commonwealth 2026-27 Budget
JUN	Provide Payment Advice to the Commonwealth Treasurer

STRATEGIC OVERVIEW

OUR VISION

To improve transparency of public hospital funding in Australia.

OUR PURPOSE

To support the obligations and responsibilities of the Administrator through best practice administration of public hospital funding.

OUR OBJECTIVES

Accurate and timely calculation of Commonwealth funding contributions.

Best practice financial administration of the National Health Funding Pool (the Pool).

Effective reporting of public hospital funding.

Productive relationships with stakeholders and partners.

Operate as a high performing organisation.

OUR APS VALUES

- **IMPARTIAL**
- **COMMITTED**
- **ACCOUNTABLE**
- **RESPECTFUL**
- **ETHICAL**
- **STEWARDSHIP**

OUR BEHAVIOURS

One NHFB
We contribute as a united team and encourage new ideas.

Open communication
We listen actively to the views of others and share information.

Enhance trust
We treat others as equals and collaborate openly across boundaries.

Own it
We own our performance by knowing, accepting and performing our roles to the best of our ability.

NHFB AND AUSTRALIA'S HEALTH SYSTEM

Prime Minister, Premiers and Chief Ministers

Commonwealth, State and Territory Health Ministers

Commonwealth Treasurer

WHO WE SUPPORT

ADMINISTRATOR OF THE NATIONAL HEALTH FUNDING POOL

The Administrator is an independent statutory office holder. All Commonwealth, State and Territory Governments have to agree on their appointment to the position.

Toni Cunningham
Administrator

THE NATIONAL HEALTH FUNDING BODY

Led by the CEO, the 35 staff in the NHFB support the Administrator to oversee the administration of Commonwealth, State and Territory public hospital funding and payments under the *National Health Reform Agreement*.

Shannon White
Chief Executive Officer

WHO WE WORK WITH

Commonwealth, State and Territory stakeholders

Portfolio agencies

Industry partners

ABOUT THE ADMINISTRATOR AND NHFB

The Administrator

The Administrator of the National Health Funding Pool (the Pool) is a statutory office holder, independent from Commonwealth and State and Territory Governments, and is appointed to the position under Commonwealth, State and Territory legislation.

The position was established by the NHR Act, and relevant legislation of each State and Territory. The Administrator is supported by the NHFB, which is also independent of all Governments.

The key functions of the Administrator, with the support of the NHFB, are to:

- calculate and advise the Commonwealth Treasurer of the Commonwealth's contribution to public hospital funding in each State and Territory
- reconcile estimated and actual public hospital services, and adjust Commonwealth payments
- undertake funding integrity analysis to identify public hospital services that potentially received funding through other Commonwealth programs
- monitor payments of Commonwealth, State and Territory public hospital funding into the Pool
- make payments from the Pool to each LHN
- report publicly on funding, payments and services
- develop and provide three year data plans to the Commonwealth, States and Territories
- maintain productive and effective relationships with stakeholders and industry partners, including all Australian Governments and national bodies.

The National Health Funding Body

The NHFB's primary purpose is to support the obligations and responsibilities of the Administrator through best practice administration of public hospital funding.

The NHFB, led by CEO Shannon White, operates as a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* and is funded as a small agency under the Commonwealth Department of Health, Disability and Ageing Portfolio.

The NHFB is an independent agency with 35 staff that support the Administrator to oversee the administration of Commonwealth, State and Territory public hospital funding and payments under the NHR Agreement. To assist the Administrator and achieve their vision of improving the transparency of public hospital funding in Australia, the NHFB works collaboratively across the four key functions outlined in Figure 1.

Figure 1: NHFB's key functions

CALCULATE

- Calculate funding and issue payment advice
- Data collection and analysis
- Reconcile actual activity
- Funding integrity

PAY

- Timely payments and bank reconciliations
- End of month processing
- National Health Funding Pool financial statements
- Payments System administration

REPORT

- Funding, payment and activity reporting
- Data plan and compliance reporting
- Trend analysis and reporting
- publichospitalfunding.gov.au

ORGANISATION

- Leadership and culture
- Corporate planning
- Organisational performance
- Risk management, assurance and governance

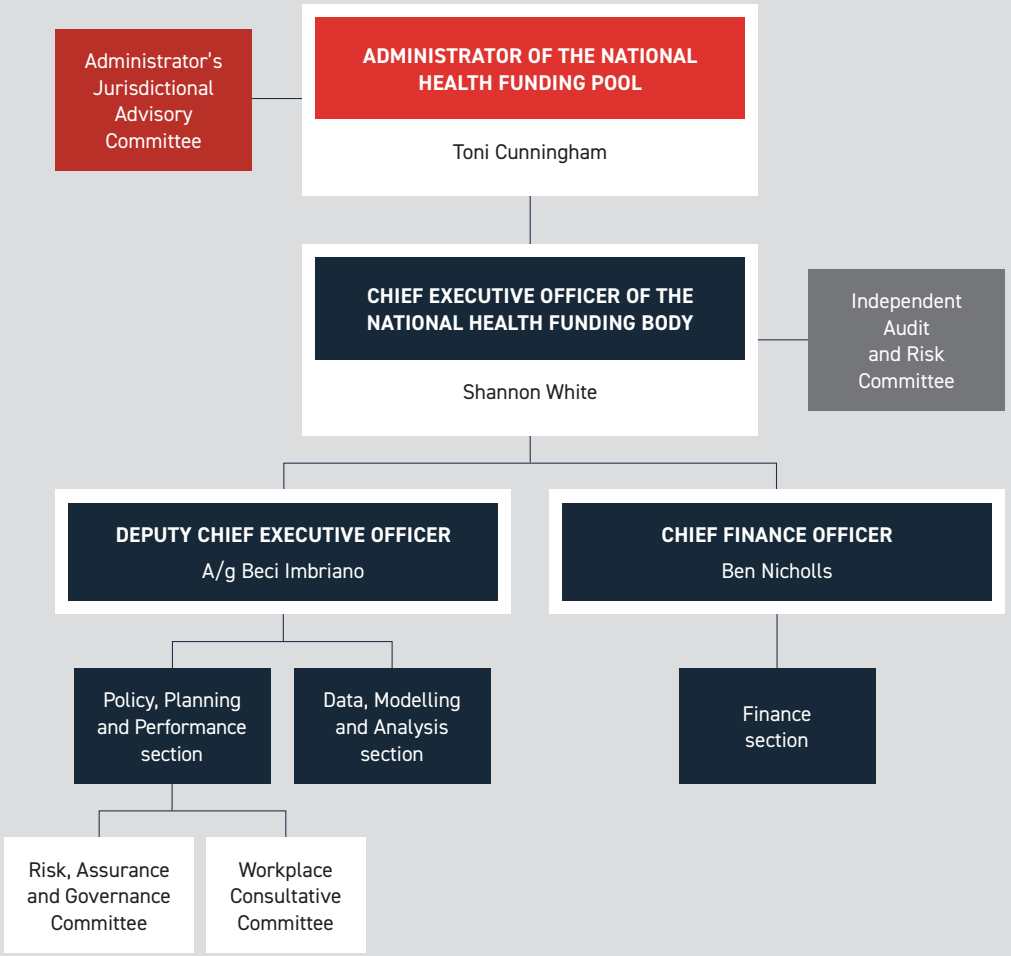
Organisational structure

Our structure has been designed to:

- support the delivery of Government objectives
- ensure our agency can deliver outcomes now and into the future
- align to our core functions, providing clear lines of responsibility.

Figure 2 shows the relationship between the Administrator and NHFB's organisational and governance elements.

Figure 2: Organisational structure as at 30 June 2025



NHFB teams

POLICY, PLANNING AND PERFORMANCE

The Policy, Planning and Performance section is responsible for developing the NHFB's Strategic Direction, Corporate Plan, Organisational Performance Reporting and Annual Reports.

The section is also responsible for setting the strategic HR direction of the agency through the development and implementation of our Workforce Capability Plan, Workforce Diversity Plan and Learning and Development Strategy. Key to this is leading the NHFB's positive workplace culture, through our United Leadership behaviours, where 'how' we do things is just as important as 'what' we do.

The section provides essential business support services to the NHFB, CEO and Administrator across corporate and operational functions, including risk management, assurance, governance, communications, security, management of Memorandums of Understanding (MoU) and Secretariat for the Administrator's JAC and NHFB's Independent Audit and Risk Committee (ARC).

DATA, MODELLING AND ANALYSIS

The Data, Modelling and Analysis (DMA) section develop and operate models that determine the Commonwealth funding contribution to LHNs for delivering public hospital services (over $30 billion in 2024-25).

The section also reconciles estimated and actual service volumes through a range of data submissions (over 46 million records each year) related to public hospital funding. DMA are also responsible for linking hospital activity data with MBS claims data to identify if the Commonwealth has potentially paid for the same hospital service more than once (reviewing over 610 million MBS records per annum).

The team also engages with States and Territories on data quality and timeliness, sharing best-practice approaches across jurisdictions. This includes working with colleagues, jurisdictions and portfolio agencies to maintain the Administrator's policies; Administrator's Three Year Data Plan, Data Compliance Policy, Calculation and Reconciliation Framework and Data Matching Business Rules.

FINANCE

The Finance section provide financial support to the NHFB CEO and the Administrator, including maintaining the integrity of the Payments System. This includes working with colleagues, jurisdictions, industry partners and the RBA on further enhancements to the Payments System, improving user experience and providing training and support.

The section monitors payments of Commonwealth, State and Territory public hospital funding into the Pool and improves funding transparency through their engagement with stakeholders and publication of monthly funding and activity data on publichospitalfunding.gov.au.

The section assists the Administrator in the preparation of the annual financial statements for each State and Territory Pool account which are audited by each State and Territory Auditors-General as well as preparation of the NHFB's financial statements which are audited by the Commonwealth Auditor-General.

The section also manages the NHFB's financial resources through sound budgeting and appropriate financial management practices.

Our leadership

Toni Cunningham
Administrator
National Health Funding Pool

Toni was appointed as the Administrator on 6 November 2023 for a five-year term.

Toni is an expert in public hospital funding models and the systems that support health services to report on their performance in relation to health funding matters. Toni has occupied leadership roles in the public health sector, most recently in executive roles at Queensland Health. Toni's career, having spanned over forty years, has been predominantly in leadership roles that improved systems and processes for the development of transparency in public sector casemix data collection, including costing, funding and reporting.

Shannon White
Chief Executive Officer
National Health Funding Body

Shannon was appointed CEO of the National Health Funding Body in April 2018 and was subsequently reappointed on 1 July 2023 for a further five years.

Shannon has a broad range of experience across national security, economic and social policy environments. Shannon has thirty years' experience in the APS across Health, Immigration and Border Protection, and Defence with his previous roles having a strong focus on financial management and strategic advice on budget related policy and operational matters.

In his previous senior executive role in Health System Financing at the Department of Health, Disability and Ageing, Shannon worked extensively on national health reform issues and represented the Australian Government at a number of national and international committees. This included health system fiscal sustainability as well as the negotiations on public hospital funding under two Addendums to the NHR Agreement.

Beci Imbriano
A/g Deputy Chief Executive Officer

Beci joined the NHFB in November 2018 initially as Director Policy, Planning and Performance and is currently acting Deputy Chief Executive Officer.

As the acting Deputy Chief Executive Officer, Beci oversees the functions of the agency's Policy, Planning and Performance Team, and Data, Modelling and Analysis Team.

She is proud of NHFB's culture, where 'how' we do things is just as important as 'what' we do and is passionate about building organisational capability, in particular through entry level programs.

Prior to joining the NHFB, Beci spent 10 years in the APS across the Health and Immigration and Border Protection Portfolios in stakeholder focused policy and operational roles, including reporting on system sustainability through modelling outcomes of policy settings and budget scenarios.

Ben Nicholls
Chief Finance Officer

Ben joined the NHFB in February 2024 as the NHFB's Chief Finance Officer.

As the Chief Finance Officer, Ben oversees the National Health Funding Pool Payments System, National Health Funding Pool daily operations and our departmental budget.

He is passionate about collaborating with stakeholders to achieve positive outcomes and is proud of the continuous improvement culture the NHFB has developed to drive efficiency and effectiveness of core capabilities.

Prior to joining the NHFB, Ben worked at the Australian National Audit Office for more than 10 years conducting the independent examination of the financial records, transactions and internal controls of Commonwealth entities. Ben is a Chartered Accountant and has a Bachelor of Business (Hons.) from Charles Sturt University.

"We are proud of our high performing team where 'how' we do things is just as important as 'what' we do."

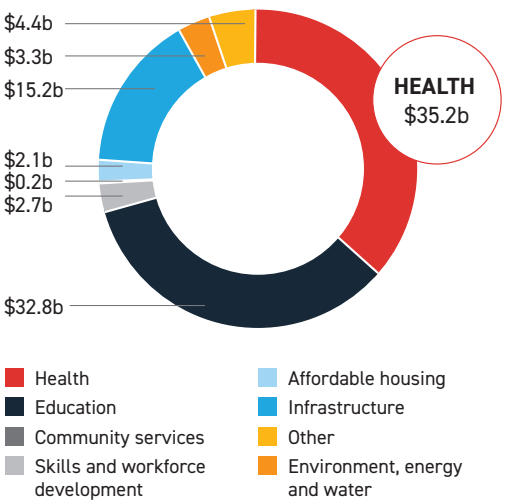
OPERATING ENVIRONMENT

Our role in Australia's health system was the result of significant public hospital funding reforms agreed by the Commonwealth and all States and Territories in August 2011, forming the National Health Reform Agreement.

The NHR Agreement outlines the shared responsibility of the Commonwealth, State and Territory Governments to work in partnership to improve health outcomes for all Australians and ensure the sustainability of the health system.

On 5 February 2025, the Commonwealth, and States and Territories agreed a one-year extension of the Addendum to the NHR Agreement to provide financial certainty for public hospitals while the Commonwealth and States continue to work together on longer term health and disability reforms. The one-year extension provides States with $1.7 billion for a one-off funding boost for hospital and related health services through bilateral agreements and a one-off uplift to the Northern Territory.

Figure 3: Payments for specific purposes 2025-26, by sector (Treasury Budget Paper 3)



The Addendum maintains a commitment to ensuring equitable access to public hospitals for all Australians and reaffirms the role of the Administrator and the NHFB.

In 2025–26, the Federal Government will provide States and Territories with $95.9 billion in payments for specific purposes (see Figure 3), with over a third of that money calculated by the NHFB and paid through our Payments System.

Health System

To achieve our purpose and preserve our role in the health system into the future, we must provide best practice financial administration that is accurate, timely and independent. In 2025-26 we will deliver on our commitment to:

- prepare accurate payment advice, including preparation for the implementation of a new Addendum (from 1 July 2026)
- enhance our funding integrity capabilities
- improve the quality and timeliness of data
- make payments without any delays or errors
- maintain the integrity of the Payments System
- improve access to information through public reporting.

These activities will contribute to an efficient, sustainable and accessible public hospital system for all Australians.

KEY MOMENTS IN PUBLIC HOSPITAL FUNDING HISTORY

1816 → Australia's first public hospital, the Rum Hospital opened in Sydney. In 1894 it was renamed the Sydney Hospital.

1945 → The *Hospital Benefits Act 1945* provided for all people to have access to a public hospital free of charge.

1981 → Funding for public hospitals from the Commonwealth is based on per capita block grants.

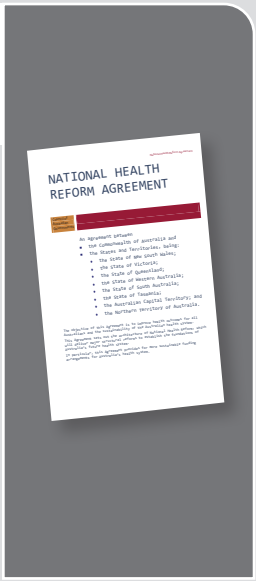
1984 → Introduction of Australia's universal health care scheme Medicare.

2008 → The National Health and Hospitals Reform Commission was established to provide advice on progressing health reform.

2011 → The *National Health Reform Agreement* was signed, establishing the Administrator and NHFB. A new approach to health funding based on Activity Based Funding (ABF) was put into effect and Local Hospital Networks (LHNs) were established.

2017 → The *Addendum to the National Health Reform Agreement 2017-18 to 2019–20*, introduced safety and quality elements to funding.

2020 → The *National Partnership on COVID-19 Response* was agreed to and signed in March 2020, providing additional financial assistance to States and Territories. The *Addendum to the National Health Reform Agreement 2020-25* was signed by all Australian Governments in May 2020.



2022 → A Mid-term Review of the Addendum to the National Health Reform Agreement was commissioned to provide advice on a future health reform agreement.

2023 → National Cabinet agrees the funding parameters for a future health reform agreement.

2025 → Schedule K to the *Addendum to the National Health Reform Agreement* was agreed in February 2025, providing a one-year extension and an additional one-time fixed funding amount of $1.7b in 2025-26.

Images from top to bottom: 1. Interior of the women's surgical ward, Sydney Hospital, 1890s. (State Library of NSW 06472)
2. Medicare card. 3. Front cover of the NHR Agreement. 4. First ministers National Cabinet December 2023. (ABC News: Matt Roberts)

Overview of health care agreements

National Healthcare Specific Purpose Payment Pre–2012

Prior to the NHR Agreement, States and Territories were paid a contribution for public hospital services from the Commonwealth via 'block grants' under the National Healthcare Specific Purpose Payment arrangements. These grants were calculated based on historical costs, negotiation and Government decisions, with little transparency of the actual services delivered for the funding provided.

National Health Reform Agreement 2012–13 to 2016–17

In August 2011, the Council of Australian Governments (COAG) agreed to major changes in how public hospitals were to be funded by Commonwealth, State and Territory Governments, including the move from block grants to an 'activity–based' funding system. These changes, detailed in the NHR Agreement, included establishing the Administrator and the NHFB to improve transparency of public hospital funding arrangements.

Addendum to the National Health Reform Agreement 2017–18 to 2019–20

In July 2017, amendments were introduced to the NHR Agreement through a time–limited Addendum. This reaffirmed universal health care for all Australians as a shared priority and committed parties to public hospital funding from 1 July 2017 to 30 June 2020. It also focused on reducing unnecessary hospitalisations and improving patient safety and service quality.

Addendum to the National Health Reform Agreement 2020–21 to 2024–25

In May 2020, through the signing of the new Addendum, Commonwealth, State and Territory Governments agreed to four strategic priorities to further guide health system reform:

- improving efficiency and ensuring financial sustainability
- delivering safe, high-quality care in the right place at the right time, including long-term reforms in:
  - nationally cohesive health technology assessment
  - paying for value and outcomes
  - joint planning and funding at a local level.
- prioritising prevention and helping people manage their health across their lifetime, including long-term reforms in:
  - empowering people through health literacy
  - prevention and wellbeing.
- driving best practice and performance using data and research, including long-term reforms in enhanced health data.

The Addendum saw $131 billion in Commonwealth funding to public hospitals over the five years of the agreement.

In conjunction with the new Addendum, the Federal Government provided a funding guarantee (2019-20, 2020-21 and 2021-22) to all States and Territories to ensure no jurisdiction was left worse off as a result of the COVID-19 pandemic.

National Partnership on COVID-19 Response (NPCR)

The NPCR was initially agreed to and signed by COAG on Friday, 13 March 2020 and ceased on 31 December 2022. The NPCR provided financial assistance to States and Territories for the additional costs incurred in responding to COVID-19 and included key functions to be performed by the Administrator supported by the NHFB and other portfolio agencies.

Over the life of the NPCR (2019-20 to 2022-23), the Commonwealth contributed a total of $14.3 billion in COVID-19 funding to States and Territories.

Further details on COVID-19 funding is available from the 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 National Health Funding Pool Annual Reports.

Schedule K - Addendum to the National Health Reform Agreement 2025-26

On 5 February 2025, the Commonwealth, States and Territories agreed *Schedule K - Addendum to the NHR Agreement: Revised Public Hospital Funding and Health Reform Arrangements* (Schedule K). Schedule K provided a one-year extension to the Addendum to the NHR Agreement, from 1 July 2025 to 30 June 2026, and revised arrangements for 2025-26:

- an additional one-time fixed funding amount of $1.7 billion in 2025-26, for States and Territories, to be considered as a top up contribution
- a one-off uplift to the Commonwealth contribution rate for the Northern Territory
- Commonwealth, State and Territory agreement to strengthen their shared commitment to the National Agreement on Closing the Gap during the period 1 July 2025 to 30 June 2026.

States must use the one-time fixed funding to fund hospital and related health services. The one-time fixed funding will be paid from Commonwealth Treasury through to:

- State and Territory Treasury Departments
- State and Territory Health Departments.

Future Addendum to the National Health Reform Agreement

Following a review of the NHR Agreement in December 2023, and the Federal Election in early 2025, it is anticipated that negotiations will commence in the second half of 2025 in preparation for 1 July 2026.

ADMINISTRATOR POLICIES

The Administrator's policies make transparent the approach taken to performing the Administrator's functions.

This includes the provision of data, data quality and management, calculation of initial payments, reconciliation of final entitlements, funding integrity and guidance on the operation of the Pool.

Three Year Data Plan

The Administrator's Three Year Data Plan describes the minimum level of data required from the Commonwealth, States and Territories, to calculate the Commonwealth's NHR funding for public hospital services, conduct reconciliation activities and report publicly on NHR funding and payments.

Data Compliance Policy

The Data Compliance Policy comprises the Administrator's policy on jurisdictional compliance with data provision as required in the Administrator's Three Year Data Plan. The NHFB, on behalf of the Administrator, publishes a quarterly Data Compliance Report on jurisdictional compliance with the Three Year Data Plan and Data Compliance Policy.

Data Governance Policy

The Data Governance Policy covers both the Administrator and the NHFB. It details the information collected, the purpose for the collection, its use, storage, disclosure and disposal, by the Administrator and the NHFB.

Calculation of Commonwealth National Health Reform Funding

The Calculation of Commonwealth National Health Reform Funding Policy (the calculation policy) sets out the approach and processes used by the Administrator to calculate Commonwealth NHR funding paid to States and Territories. The calculation policy includes funding for ABF, Block and Public Health funding categories as well as the approach to reconciliation activities.

Data Matching Business Rules

The business rules outline the business and data matching rules in relation to clause A6 of the NHR Agreement where assessment is undertaken to ensure the Commonwealth does not fund activities twice, through ABF and through MBS and/or PBS funding or another Commonwealth program.

National Health Funding Pool Payments System Policy

The policy covers the governance and management of the Payments System, and the obligations and responsibilities of users.

CALCULATING THE COMMONWEALTH CONTRIBUTION IN 2024-25

The NHFB assist the Administrator in calculating and advising the Commonwealth Treasurer of the Commonwealth's contribution to public hospital funding.

The CCM calculations form the basis of the Administrator's payment advice to the Commonwealth Treasurer. This advice is also provided to State and Territory health ministers and State and Territory health departments.

There are two broad types of funding: ABF and Block (Figure 4). Under the NHR Agreement, the scope of public hospital services that are funded on an ABF or Block basis and are eligible for a Commonwealth funding contribution includes:

- all emergency department services provided by a recognised emergency department
- all admitted and non-admitted services
- other outpatient, mental health, sub-acute services and other services that could reasonably be considered a public hospital service.

Commonwealth funding for ABF, Block and Public Health is calculated using the CCM which is accurate, correct and independently reviewed each year. Public hospitals also receive funding from other sources, including the Commonwealth, States and Territories, and third parties for the provision of other specific functions and services outside the scope of the NHR Agreement (e.g. pharmaceuticals, primary care, home and community care, dental services, residential aged care and disability services).

Each funding type has specific criteria set for what services are appropriate, with the preference to use ABF wherever possible.

Figure 4: Types of public hospital funding

ACTIVITY BASED FUNDING

- Emergency department services
- Acute admitted services
- Admitted mental health services
- Sub–acute and non–acute services
- Non–admitted services

BLOCK FUNDING

- Teaching, training and research
- Small rural hospitals
- Non-admitted mental health
- Non-admitted home ventilation
- Other non-admitted services
- Highly Specialised Therapies

Note: From 2025-26, Community Mental Health will tranisiton to Activity Based Funding arrangements.

Activity Based Funding

ABF is a funding method used to fund public hospitals across Australia. ABF is calculated based on the number of weighted services provided to patients and the price for delivering those services.

The method uses national classifications for service types, price weights, the National Efficient Price (NEP) that is independently determined by the IHACPA, and the level of activity as represented by the NWAUs (i.e., the NEP is the price per NWAU).

An NWAU represents a measure of health service activity expressed as a common unit of resources. This provides a way of comparing and valuing each public hospital service (whether it is an emergency department presentation, admission or outpatient episode), by weighting it for clinical complexity.

States and Territories are required to outline their basis of payments to each LHN, including an explanation of the factors considered. This information is made publicly available (for all years) via our website and is published in the National Health Funding Pool Annual Report each year.

Block funding

Block funding supports teaching, training and research in public hospitals, and public health programs. It is also used for certain public hospital services where Block funding is more appropriate, particularly for smaller rural and regional hospitals.

Public Health funding

Public Health funding is paid by the Commonwealth as a contribution to funding population health activities within each State and Territory, directed at improving the overall health of the population and seeking to prevent the development of poor health. These activities include national public health, youth health services and essential vaccines (service delivery).

Out-of-scope

Public hospitals also receive funding from other sources, including the Commonwealth, States and Territories, and third parties for the provision of other specific functions and services outside the scope of the NHR Agreement (e.g., pharmaceuticals, primary care, dental services, other hospital services, home and community care, residential aged care and disability services).

Payment advice

The Administrator provides payment advice to the Commonwealth Treasurer for the following purposes:

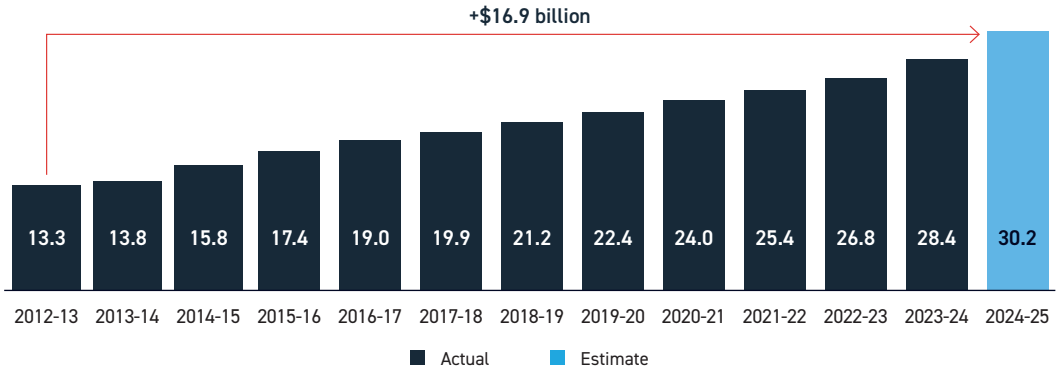
- as input to the Commonwealth Budget, based on initial estimates of activity from States and Territories
- establishing Commonwealth contributions for the future financial year, based on confirmed estimates of activity from States and Territories
- updating Commonwealth contributions for the current financial year, based on revised activity estimates from States and Territories
- as input to the Mid-Year Economic and Fiscal Outlook (MYEFO)
- updating Commonwealth contributions following the Six-month Reconciliation and Annual Reconciliation.

The first payment advice for 2024-25 was provided to the Treasurer on 25 June 2024, with further updates to 2024-25 Payment Advice provided to the Commonwealth Treasurer on:

- 23 September 2024, which updated payments from 1 October 2024 to 30 June 2025
- 10 December 2024, which updated payments from 1 January 2025 to 30 June 2025
- 21 January 2025, which updated payments from 1 February 2025 to 30 June 2025
- 16 April 2025, which updated payments from 1 May 2024 to 30 June 2024.

Once the Payment Advice is provided to the Treasurer, the advice is also distributed to all health ministers and State and Territory health department CFOs. The final 2024-25 Payment Advice resulted in $30.189 billion in Commonwealth NHR funding.

Figure 5: Commonwealth funding contributions from 2012-13 to 2024-25



Note: These amounts include NHR, Hospital Service Payments and Minimum Funding Guarantee amounts. State Public Health Payments and Financial Viability Payments are not included.

PUBLIC HOSPITAL FUNDING AND PAYMENTS

Commonwealth funding is calculated using the Commonwealth Contribution Model, a transparent, robust and independently reviewed methodology.

Payments

The Pool was established to receive all Commonwealth (ABF and Block) and State and Territory (ABF only) public hospital funding.

The Pool comprises of a RBA account for each State and Territory, with each State and Territory also having established a State Managed Fund (SMF) to manage Block funding. The Pool and SMF provide a line-of-sight mechanism to trace each jurisdiction's contribution to LHNs and third parties. The balance is paid to States and Territories (including public health and cross-border).

NHR funding occurs when the Commonwealth or States and Territories pay into a State Pool account or SMF. NHR payments occur when the funding is paid out of the State Pool account by the Administrator or is paid out of the SMF by the State or Territory.

Figure 6 provides an overview of the data and funding flows between the Payments System, Commonwealth, States and Territories, RBA and LHNs. The figure shows the provision of payment advice to the Treasurer, cash deposits from the Commonwealth, States and Territories, payment directions from States and Territories, and the payments made to LHNs. It also shows the information flow for publishing reports. Figure 7 then shows the source, types and amount of funding and payments that flowed through the Pool and SMFs in 2024-25.

Figure 6: 2024-25 public hospital funding and payment flows

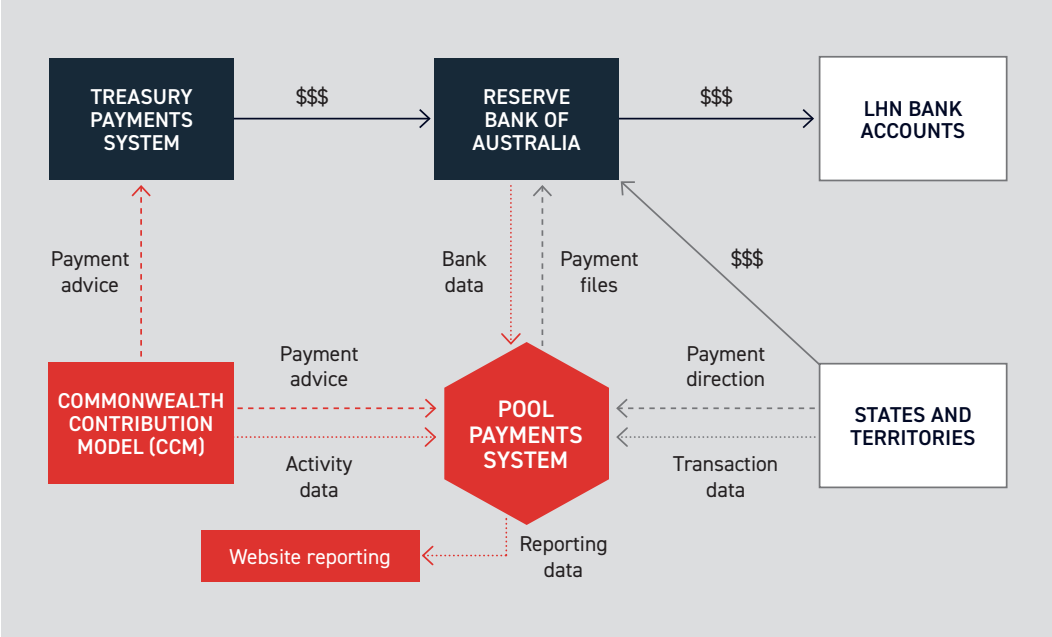
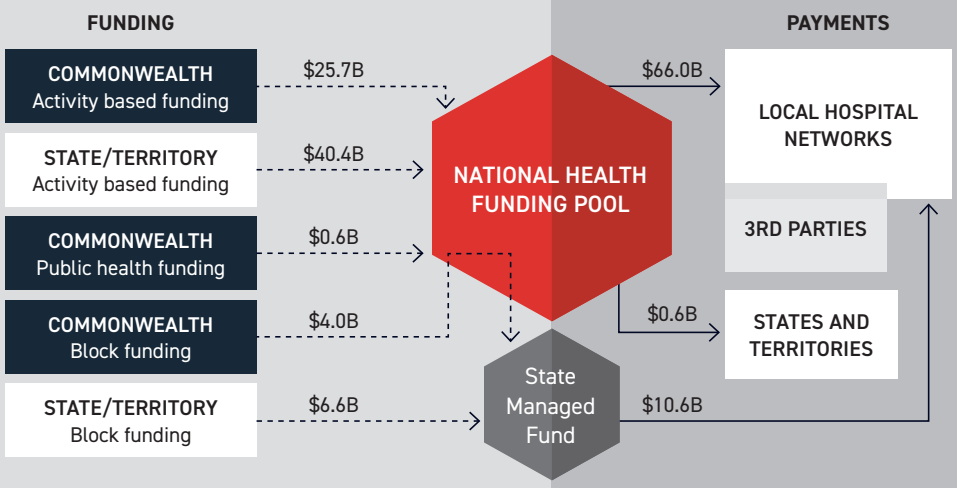


Figure 7: Payment System data and funding flows



Annual Reconciliation overview

Twice yearly, estimated activity provided by States and Territories is reconciled against the actual public hospital activities delivered. This occurs following the provision of six-month and annual data by States and Territories (due 31 March and 30 September respectively).

Adjustments to Commonwealth payments are only made after the reconciliation has been finalised. This means that the Commonwealth's final funding contribution (the funding entitlement) is based on the actual services delivered.

Preliminary 2023-24 Annual Reconciliation results were provided to the Commonwealth, States and Territories during a series of bilateral discussions in late October and early November 2024 ahead of the Administrator's JAC meeting on 21 November 2024.

Following a period of engagement and collaboration with stakeholders, the Administrator's advice on the 2023-24 Annual Reconciliation was provided to the Commonwealth Treasurer (and all health ministers) on 2 December 2024.

This is the seventh year in a row that the Annual Reconciliation has been completed by March (as required under the Addendum).

In 2024-25, the Administrator provided advice to the Commonwealth Treasurer on funding adjustments related to the:

- Commonwealth NHR funding 2023-24 Annual Reconciliation
- final funding entitlements for the National Partnership for Priority Group Testing and Vaccinations (PGTV).

Data Submissions

The timeliness performance of data submissions from the States and Territories to support the Annual Reconciliation each year has continued to be consistent over time.

In 2023-24, six out of eight States and Territories provided their six-month data by 31 March 2024, and seven out of eight States and Territories provided their annual data on time by 30 September 2024. Comparatively, in 2022-23, all eight and Territories provided six-month data and annual data by the respective due dates.

With the performance of data submission remaining consistent over time, from 2025-26, the Administrator has introduced a reduced timeframe from the 30th/31st of the respective month, to the 15th of the month. Figure 8 (see Figure 17 in Body AR) provides an overview of the dates Q1 data submissions were received in 2022-23, 2023-24 and 2024-25 compared to the end of month due date. The figure also shows this performance against the 15th of the month commencing in 2025-26. The Administrator and the NHFB will be working closely with States and Territories to offer support with meeting the reduced timeframes for quarterly data submissions.

Figure 9 shows the high level view of annual data submissions, with the reduced timeframe of the 15th of the month effectively bringing annual data forward from 65 weeks to 63 weeks with an automatic two-week resubmission period.

Figure 8: Q1 data submissions over time

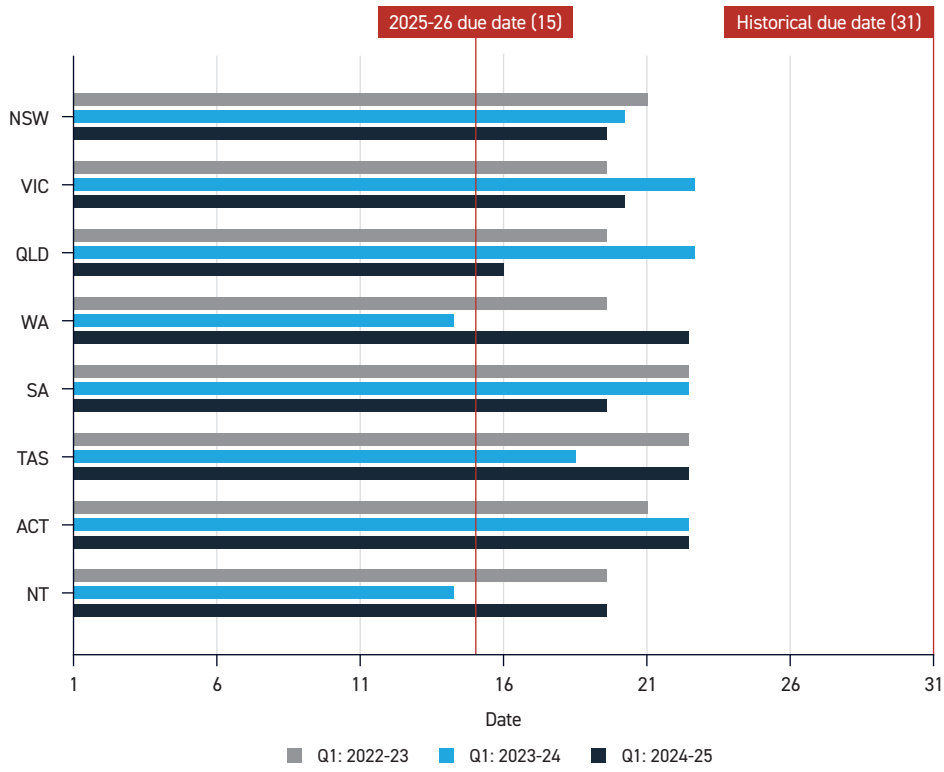
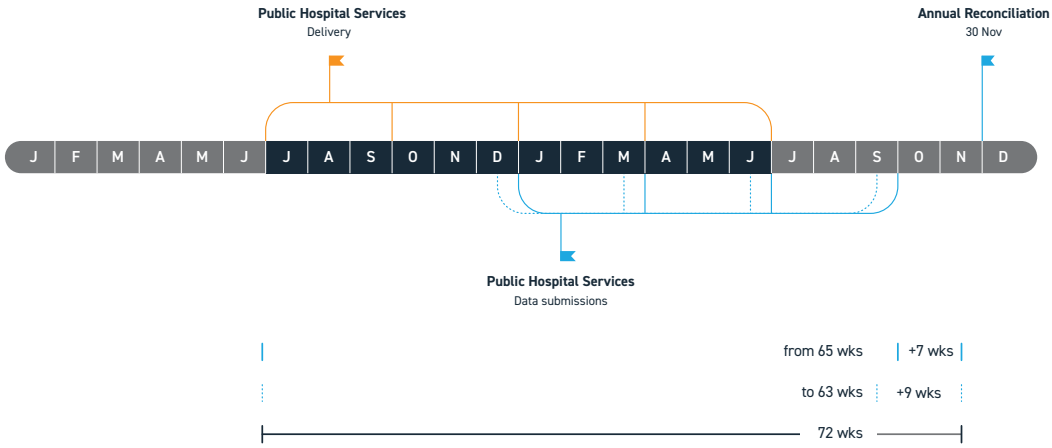


Figure 9: Three Year Data Plan - annual cycle



2023-24 Annual Reconciliation funding adjustments

The 2023-24 Annual Reconciliation for NHR funding ($28.349 billion) was finalised within nine weeks of receiving activity data – matching last year's benchmark for the earliest an annual reconciliation has been completed. The 2023-24 Annual Reconciliation advice also included a final funding entitlement of $44 million under the National Partnership for PGTV. The objective of the PGTV was to provide Commonwealth financial assistance to States and Territories to minimise the level of severe COVID-19 and to protect priority population groups from COVID-19 by delivering testing and vaccination programs. The PGTV delivered over 1.3 million COVID-19 tests and over 35,000 vaccines to priority groups during the period 1 January 2023 to 1 December 2023.

The Treasurer's Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024 was made on 4 December 2024, with the January Payment Advice for 2024-25 provided to all health ministers on 10 December 2024.

The 2023-24 Annual Reconciliation resulted in a positive adjustment of +$0.029 billion.

Funding over time

Commonwealth NHR funding begins with States and Territories submitting estimates of expected hospital activity, measured in NWAU. These estimates are used by the Administrator to calculate the Commonwealth ABF. Based on these calculations, the Commonwealth makes advance payments throughout the year.

As hospitals deliver services, in line with the Administrator's Three Year Data Plan, actual activity data is collected and submitted by States and Territories quarterly.

Twice yearly, following six-month and annual data submissions (due 31 March and 30 September respectively), we reconcile the estimated activity provided by States and Territories to the actual public hospital activities delivered.

Adjustments to Commonwealth payments are only made after the reconciliation has been finalised. This means that the Commonwealth's final funding contribution (the funding entitlement), is based on the actual services delivered.

Table 1 shows the final Commonwealth funding entitlements since 2019-20 by payment type. In addition to NHR funding, the table includes Commonwealth funding provided during the COVID-19 global pandemic under the National Partnership on COVID-19 Response and the Commonwealth's Minimum Funding Guarantee (ensuring no State was left worse off as a result of the COVID-19 pandemic).

Table 1: Commonwealth's contribution to public hospital funding

NATIONAL $ million	2019-20 ENTITLEMENT	2020-21 ENTITLEMENT	2021-22 ENTITLEMENT	2022-23 ENTITLEMENT	2023-24 ENTITLEMENT	2024-25 ESTIMATE
Emergency Department	2,545.0	3,163.3	3,315.0	2,919.4	3,048.4	3,654.2
Acute Admitted	11,049.2	11,757.4	12,042.2	13,778.2	14,725.6	15,267.0
Admitted Mental Health	936.8	1,016.3	1,086.9	1,126.2	1,189.9	1,333.3
Sub-acute	1,043.5	1,193.7	1,428.6	1,543.4	1,690.3	1,623.3
Non-admitted	3,531.6	3,153.5	3,204.2	3,407.7	3,600.2	3,918.4
TOTAL ABF FUNDING	**19,106.1**	**20,284.2**	**21,076.8**	**22,775.0**	**24,254.3**	**25,796.1**
Teaching Training and Research	605.4	623.2	737.5	732.3	781.8	836.8
Small Rural Hospitals	1,059.4	1,111.5	1,153.4	1,160.2	1,212.0	1,008.9
Non-admitted Mental Health	985.9	1,042.7	1,120.6	1,188.3	1,255.5	-
Non-admitted CAMHS	50.6	60.0	99.1	121.7	140.7	-
Other Mental Health[1]	-	-	-	-	-	1,814.4
Non-admitted Home Ventilation	29.8	31.2	36.6	32.8	32.6	34.3
Other Non-admitted Services	22.5	22.6	22.7	22.9	23.1	11.7
Other Public Hospital Programs	77.2	126.7	106.1	52.4	52.7	36.6
Highly Specialised Therapies	13.9	25.9	38.9	40.1	73.4	95.0
TOTAL BLOCK FUNDING	**2,844.6**	**3,043.8**	**3,315.0**	**3,350.7**	**3,571.8**	**3,837.8**
PUBLIC HEALTH FUNDING	**421.2**	**439.3**	**470.0**	**491.9**	**522.4**	**554.8**
TOTAL ENTITLEMENT[2]	**22,372.0**	**23,767.3**	**24,861.8**	**26,617.7**	**28,348.5**	**30,188.7**

1 In 2024-25, Other Mental Health includes Non-admitted Mental Health, Non-admitted CAMHS as well as stand-alone facilities from Small Rural Hospitals. This approach was introduced as a precursor to the transition of Community Mental Health services from Block funding in 2024-25 to Activity based funding in 2025-26.

2 Total Entitlement includes Hospitals Services Payments (HSP) under the NPCR.

Delivering best practice financial administration of more than $77 billion in public hospital funding

In 2024-25, we administered over $77 billion in NHR payments from Commonwealth, State and Territory funding contributions (compared to $36 billion in 2012-13).

During 2019-20 and 2020-21, we focused on large-scale innovation, including significant digital transformation across our core functions: calculate, pay report. This involved transitioning the CCM to a more reliable SAS-based platform, launching a new Payments System on a TechnologyOne platform and transitioning our website to the whole-of-government GovCMS platform.

Fast forward to 30 June 2025, and since its launch on 1 October 2019, more than $357 billion has been transacted through the Payments System with no errors or delays in the processing of payments and zero instances of fraud. As an agency, we paused on 30 August 2024 to celebrate the five-year anniversary of the Payments System along with the milestone of $300 billion in payments.

The Payments System is used both by NHFB staff and relevant State and Territory health department personnel and is only accessible to approved users.

As the system owner, we are required to maintain key governance documentation as outlined by the Australian Federal Government Protective Security Policy Framework (PSPF) and the Information Security Manual (ISM). Just as important as meeting compliance obligations under the ISM and PSPF, the suite of documents provide the roadmap and 'how-to' for operation of the system for the NHFB and States and Territories.

The Payments System documents include:

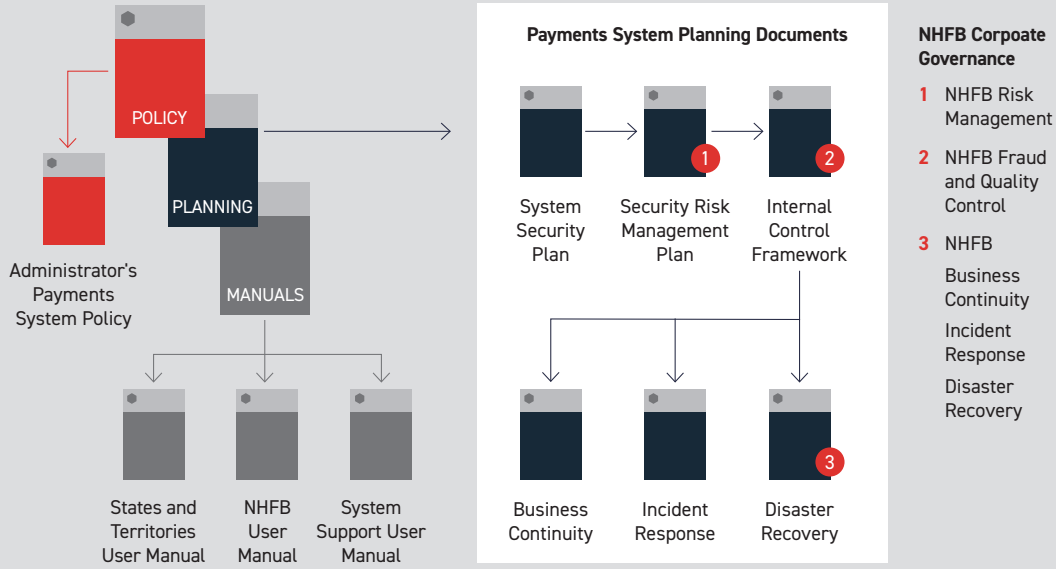
- Administrator's Payments System Policy
- System Security Plan
- System Management Plan
- System Security Risk Management Plan
- Internal Controls Framework
- Incident Response, Business Continuity and Disaster Recovery Plan
- Jurisdiction User Manual
- NHFB User Manual
- System Support User Guide.

Figure 10 provides an overview of how the Payments System documentation relates to our agency-wide governance and risk management.

To provide assurance to the Administrator and our stakeholders of the integrity of our Payments System, we engage an industry expert to assess the compliance of our documentation. In 2024-25, this included:

- assessment of the Payments System against the PSPF
- assessment of the Payments System against the ISM
- assessment of the Payments System against the Essential Eight.

Figure 10: Payments System Documentation



PUBLISHING REPORTS

To improve the transparency and integrity of public hospital funding, we report publicly on the payments made to Local Hospital Networks and their activity.

Funding and payments

We produce and publish monthly reports that detail funding and payments into and out of the Pool and SMF. The reports are provided at a national, State and Territory and LHN level, and details both the Commonwealth and State and Territory contributions. These reports are prepared on a cash basis and align to the reporting of funding and payments in the National Health Funding Pool Annual Report. Full year 2024-25 funding and payment information was published to the website on 17 July 2025, within three weeks after the end of the financial year.

Maintenance of Effort

Parties to the Addendum agreed, at a minimum, to maintain levels of funding for public hospital services through the Pool for 2020-21 to 2024-25 at not less than the level of funding for 2018-19. The assessment of Maintenance of Effort focuses on in-scope public hospital services under the NHR Agreement.

Out-of-scope activity is defined as non-hospital services or those public hospital services with a funding source other than the NHR Agreement.

This work has identified some inconsistencies in the level of in-scope and out-of-scope funding transacted through the Pool as well as pricing and activity information published in LHN Service Agreements. With the Administrator, we will continue to work with all Parties to the Addendum towards achieving consistency and transparency in the reporting of public hospital funding (A103).

Compliance

The Administrator's rolling Three Year Data Plan sets out the minimum level of data that States, Territories and the Commonwealth must provide to the Administrator, and the timeframes it must be provided in. Each quarter, a compliance report is published that details whether States, Territories and the Commonwealth have met their obligations under the Data Plan. Compliance with the Administrator's Data Plan has improved over time, including the timeliness of data submissions. However, there are some areas that require more work, including improving the transparency of out-of-scope activity and the quality and consistency of content in Service Agreements. Table 2 on page 35 shows shows a summary of the Administrator's June 2025 quarterly compliance report, including jurisdictional compliance with Service Agreement requirements.

Data submissions

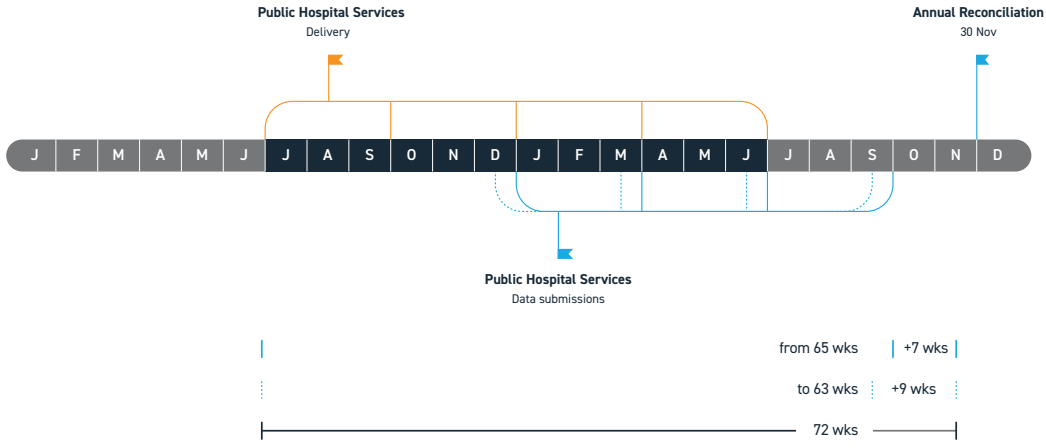
The timeliness performance of data submissions from the States and Territories to support the Annual Reconciliation each year has continued to be consistent over time.

In 2023-24, six out of eight States and Territories provided their six-month data by 31 March 2024, and seven out of eight States and Territories provided their annual data on time by 30 September 2024. Comparatively, in 2022-23, all eight and Territories provided six-month data and annual data by the respective due dates.

With the performance of data submission remaining consistent over time, from 2025-26, the Administrator has introduced a reduced timeframe from the 30th/31st of the respective month, to the 15th of the month. The Administrator and the NHFB will be working closely with States and Territories to offer support with meeting the reduced timeframes for quarterly data submissions.

Figure 11 shows the high level view of annual data submissions, with the reduced time-frame of the 15th of the month effectively bring annual data forward from 65 weeks to 63 weeks with an automatic two-week resubmission period.

Figure 11: Three Year Data Plan - annual cycle



Service agreements

Service Agreements between the States and LHNs support transparency of public hospital funding and services and are provided to the Administrator (once agreed).

Service Agreements are to include, at a minimum:

a. the number and broad mix of services to be provided by the LHN, to inform the community of the expected outputs from the LHN and allow the Administrator to calculate the Commonwealth's funding contribution

b. the quality and service standards that apply to services delivered by the LHN, including the Performance and Accountability Framework and the level of funding to be provided to the LHN under the Service Agreement, through ABF and Block funding

c. the teaching, training and research functions to be undertaken at the LHN level.

In addition, the funding paid on an activity basis to LHNs will be based on the price set by that State as reported in Service Agreements, the State Price (A92). The Administrator and NHFB have been working with States and Territories to highlight inconsistencies in Service Agreements and identify where improvements can be made, including on accuracy of State Prices and identification of in-scope and out-of-scope activity.

Figure 12 shows the timing of 2024-25 Service Agreements provided by States and Territories to the Administrator.

Figure 12: 2024-25 Service Agreements provided to the Administrator

Table 2: Service Agreement compliance with the Administrator's Three Year Data Plan

DATA REQUIREMENT	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2024-25 LHN Service Agreements provided to the Administrator (ABF and Block LHNs)	18/19[1]	68/70[1]	18/18	6/6	11/11	1/1	1/1	1/1
LHN Service Agreements include the mix of in-scope services at the service category level to be provided by the LHN	✓	✓	✓	✓	✓	✓	✓	✓
LHN Service Agreements include the mix of out-of-scope services at the service category level to be provided by the LHN	✗	✗	✓	✗	✗	✗	✓	✓
LHN Service Agreements (ABF LHNs only) and estimated LHN NWAU aligned	17/18	37/40[2]	16/16	0/6[2]	11/11	1/1	1/1	1/1
LHN Service Agreements include the price set by the State (i.e. State Price) for each service category	✓	✓	✓	✓	✓	✓	✓	✓
LHN Service Agreements include the level of Block Funding to be provided to the LHN	✓	✓	✓	✓	✓	✓	✓	✓
LHN Service Agreement ABF ($) aligns to the Commonwealth Payment Advice (in-year activity)	11/18[3]	0/40[3]	4/16[3]	0/6[3]	11/11	0/1[3]	1/1	0/1[3]
LHN Service Agreement Block Funding aligns to the National Efficient Cost (NEC)[5]	✗	✗	Partial	Partial	Partial	Partial	Partial	Partial

1 Service Agreements remain outstanding for:
- NSW: NSW Contracted Services
- Vic: Contracted Services, Mercy Hospitals Victoria Limited.

2 ABF LHN Service Agreements NWAUs not aligned with May 2025 Payment Advice:
- VIC: Melbourne Health
- WA: No Service Agreements align.

3 Where Commonwealth ABF is within a reasonable variance ($1.0m) of the May 2025 Payment Advice base payments, ABF LHN Service Agreements are marked as aligning. ABF LHN Service Agreements not aligned with May 2025 Payment Advice are:
- NSW: Hunter New England, Northern Sydney, South Eastern Sydney, South Western Sydney, Sydney, Western Sydney
- VIC: Service Agreements do not provide a Commonwealth ABF figure
- Qld: Cairns and Hinterland, Central Queensland, Children's Health Queensland, Gold Coast, Mackay, Mater Misericordiae, Metro North, Metro South, Queensland Virtual, Townsville, West Morton, Wide Bay
- WA: No Service Agreements align
- Tas: Tasmania Health Service
- NT: NT Regional Health Services.

OUR STAKEHOLDERS AND PARTNERS

Productive relationships and regular communication with our stakeholders and partners support us to improve the transparency of funding for public hospital services.

In 2024-25 we continued to proactively engage with our stakeholders and partners, as productive discussions not only provide valuable guidance to assist all parties to understand the basis of funding calculations and outcomes but also builds trust in our functions. Figure 13 provides an overview of who we engage with and why.

Our engagement

Our success and ability to improve the transparency of public hospital funding continues to be shaped by the strength of our relationships with our stakeholders and partners. We have built strong relationships with Chief Finance Officers, Chief Operating Officers and General Managers across eight state and territory health departments, the Commonwealth, other national bodies and other health portfolio agencies.

In 2024-25, the NHFB and Administrator co-chaired a series of bilateral meetings with the Commonwealth, each State and Territory, and other national bodies in September 2024, November 2024, March 2025 and June 2025.

We scheduled bilateral meetings ahead of each Administrator's JAC meeting to engage with our stakeholders on key work packages ahead of sharing final draft documents for feedback. Key agenda items for bilaterals and the Administrator's JAC included:

- Commonwealth NHR Funding, including estimates and reconciliation outcomes
- funding integrity, including data matching results and analysis
- Administrator's policies
  - Administrator's Three Year Data Plan
  - Administrator's Data Compliance Policy
  - Data Governance Policy
  - Calculation of NHR Funding Policy
  - Data Matching Business Rules
  - Payments System Policy.
- funding transparency
  - Service Agreements
  - data submissions and Statement of Assurance
  - monthly and annual NHR reporting
  - Maintenance of Effort.

Figure 13: NHFB stakeholders and partners

STAKEHOLDER	WHY WE ENGAGE
	**OUR PEOPLE** **Our focus on our people and our culture is at the heart of everything we do.** Centred on our United Leadership behaviours, where 'how' we do things is just as important as 'what' we do, we have created a diverse, inclusive and supportive workplace. Through a variety of regular forums (whole-of-agency, executive level, APS level and project specific), we share key updates, invite discussion and celebrate our success together. By supporting and uplifting our workforce, we have built a stronger, more capable agency.
	**PORTFOLIO AGENCIES** **Our relationships with our Portfolio Agency partners are built on trust, collaboration, and a shared responsibility for implementing public hospital funding arrangements on behalf of the Australian public.** We engage regularly to ensure we, along with the Administrator, have access to expert, independent advice that supports us to improve the transparency of public hospital funding. By working together with agencies like IHACPA and AIHW, sharing our data, analysis and insights, we are able to focus on improving integrity and transparency.
	**STATES AND TERRITORIES** **We are committed to our early and impartial engagement with all stakeholders, especially States and Territories.** Through early, open and respectful engagement, we seek to understand diverse perspectives, identify best-practice approaches across States and address shared challenges. Our quarterly bilateral discussions and formal JAC meetings support open conversations and transparency over decisions. Additionally, our Payments System Community of Practice supports knowledge sharing, drives innovation and enhances our support to users.
	**COMMONWEALTH** **We value our strong, collaborative relationships across the Commonwealth.** Our monthly Commonwealth roundtable provides a trusted space for us to share critical information, raise new ideas or highlight areas for further improvement This group, made up of representatives from the Departments of Prime Minister and Cabinet, Treasury, Health, Disability and Ageing, and Finance, helps us to promote evidence based decision making and contribute to strengthening the overall health system.

CASE STUDY

STAKEHOLDER SURVEY

In 2024-25, we continued to invest significant time in stakeholder engagement, ensuring that we were responsive to our stakeholders and that our approach was fit-for-purpose to meet the diverse needs of our different audiences.

We have continuously sought feedback from our stakeholders by asking what we are doing well, what can we do more of (or less of) and what can we do better. The survey is anonymous, and includes participants from State and Territory health departments, the Commonwealth and other national bodies.

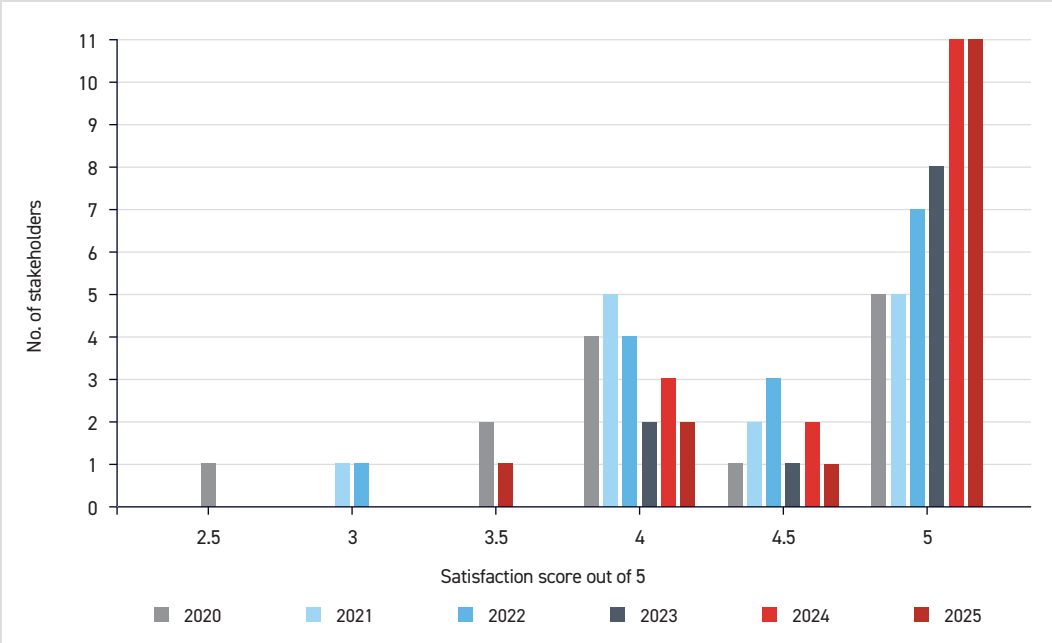
In 2025, our stakeholders scored us 4.5 out of 5, compared with 4.2 in 2020. Figure 14 shows our stakeholder satisfaction scores from 2020 through to 2025.

In addition to providing a data overview of stakeholder perspectives, the survey benchmarks the results of the 2025 survey against previous years' results across five themes:

- organisational culture
- customer and value adding service
- collaboration
- transparency
- high performing team.

In 2025-26, we will continue to proactively engage with our stakeholders and partners, as productive discussions not only provide valuable guidance to assist all parties to understand the basis of activity calculations and funding outcomes, but also builds trust in our functions.

Figure 14: Survey results 2020 – 2025



States and Territories

Early and impartial engagement with all stakeholders, especially States, Territories and the Commonwealth, allows time to discuss and resolve issues in a collaborative manner. The Administrator's JAC is a key channel for this engagement and is comprised of senior representatives of all States and Territories and relevant Commonwealth departments and portfolio agencies. The objectives of the Administrator's JAC are to:

- consider and provide advice to the Administrator on strategic issues related to the Administrator's functions under the NHR Agreement and NHR Act
- enable collaboration between the Administrator, NHFB, Commonwealth, State and Territory health departments and IHACPA on the relevant operational arrangements and priorities under the NHR Agreement and NHR Act.

The JAC met four times in 2024-25:

- 19 September 2024
- 21 November 2024
- 27 March 2025
- 19 June 2025.

Commonwealth

In 2024-25, we continued to be supported by, and work with our Commonwealth stakeholders through a range of formal and informal arrangements, including:

- Enterprise Data Warehouse (EDW) technical support from the Department of Health, Disability and Ageing
- the provision of public hospital activity data from Services Australia
- website hosting with GovCMS from the Department of Finance
- monthly roundtable discussions on NHR Agreement funding and activities with the Department of the Prime Minister and Cabinet, the Treasury, the Department of Finance, and the Department of Health, Disability and Ageing.

"We provide trusted and impartial advice and collaborate with our stakeholders to improve the transparency of public hospital funding."

Portfolio agencies

We work closely with our portfolio agency partners to support the Administrator to provide trusted and impartial advice to all stakeholders and deliver best practice administration of public hospital funding. These agencies include the IHACPA, the AIHW and the ACSQHC.

Independent Health and Aged Care Pricing Authority

IHACPA's vision is for Australians to have fair access to transparent, sustainable, and high-quality health and aged care. The IHACPA are an independent agency that promotes efficiency and increases transparency in the delivery and funding of public health and aged care services across Australia. The main functions of the IHACPA are to determine the NEP for ABF and National Efficient Cost (NEC) for Block funding for public hospital services each year.

In 2024-25, we worked closely with the IHACPA to align many of our core activities including:

- implementation of the Addendum, preparing for the transition of Community Mental Health from Block to ABF (from 2025-26) and reconciliation of Highly Specialised Therapies
- Six-month and Annual NWAU Reconciliation
- Three Year Data Plans, including alignment of new data requirements under a 'single provision, multiple use' approach

We also participated in IHACPA's:

- Jurisdictional Advisory Committee
- Technical Advisory Committee

For more information, visit: ihacpa.gov.au

Australian Institute of Health and Welfare

AIHW's purpose is to produce high quality data sets and analysis to support improvements in health and welfare. The AIHW is an independent statutory Australian Government agency with more than 30 years of experience working with health and welfare data. We collaborate with the AIHW on public hospital funding related matters.

In 2024-25, we worked closely with the AIHW to improve public reporting of funding, payments and services. This included improving our understanding of broader health and hospital funding through conducting information sessions on health expenditure, different funding mechanisms such as bundled payments and pathways for maternity care with both AIHW and IHACPA.

In 2024-25, we participated in AIHW's:

- Health Expenditure Advisory Committee
- Strategic Committee for National Health Information
- National Health Data and Information Standards Committee

For more information, visit: aihw.gov.au

Australian Commission on Safety and Quality in Health care

ACSQHC's purpose is to contribute to better health outcomes and experiences for all patients and consumers, and improved value and sustainability in the health system by leading and coordinating national improvements in the safety and quality of health care. The Commission was established in 2006 to lead and coordinate national improvements in the safety and quality of health care. The ACSQHC leads and coordinates key improvements in safety and quality in health care. The Commission works in four key priority areas:

- safe delivery of health care
- partnering with consumers
- partnering with healthcare professionals
- quality, value and outcomes.

With IHACPA, we work with ACSQHC on the integration of safety and quality measures into public hospital funding.

For more information, visit: safetyandquality.gov.au

Overview of the relationship between the IHACPA and the NHFB

In August 2011, COAG agreed to major changes in how public hospitals were to be funded by Commonwealth, State and Territory Governments, including the move from Block grants to a system that is predominantly funded on an 'activity-based' approach, supplemented by Block funding in certain circumstances.

These changes included establishing the:

- Administrator and the NHFB to improve transparency of public hospital funding arrangements
- IHACPA to set the NEP for ABF activity and the NEC for Block funded services.

The NEP and NEC are a major determinant of the level of Commonwealth funding for public hospital services and provide a price signal or benchmark for the efficient cost of providing public hospital services.

"Our relationships are built on transparency, accountability and respect."

INDEPENDENT HEALTH AND AGED CARE PRICING AUTHORITY (IHACPA)

Data collection

The IHACPA collects quarterly public hospital activity data submissions from States and Territories about various kinds of patient services provided by Australian hospitals. They use this data as inputs into the classification, costing and pricing process. The NHFB use this same data for reconciliation of actual services delivered.

Classification

Classifications provide a nationally consistent method of classifying all types of patients, their treatment and associated costs. IHACPA undertakes reviews and updates of existing classifications and is also responsible for introducing new classifications.

Costing

Hospital costing focuses on the cost and mix of resources used to deliver patient care. Costing plays a vital role in Activity Based Funding, providing valuable information for pricing purposes.

Pricing

The IHACPA determines the National Efficient Price. This pricing model determines how much is paid for an average patient. It also recognises factors that increase the cost of care, for example, the additional cost of providing health services in remote areas, or to children. The NHFB use this when calculating the Commonwealth's contribution to public hospital funding.

NATIONAL HEALTH FUNDING BODY (NHFB)

Calculate

Commonwealth funding is calculated using the Commonwealth Contribution Model. The IHACPA's National Efficient Price and public hospital activity estimates from States and Territories are key inputs into this model.

Pay

The Payments System is used to facilitate Commonwealth and State and Territory public hospital funding payments to Local Hospital Networks.

Report

Reports on funding, payments and services are published to publichospitalfunding.gov.au on a monthly basis to provide transparency of public hospital funding.

"Together, we are responsible for implementing Australia's public hospital funding arrangements."

PART 2:

FINANCIAL STATEMENTS

National Health Reform Disclosures and Special Purpose Financial Statements.

NATIONAL

FUNDING AND PAYMENTS

$77.1B

TOTAL FUNDING WITH **$76.6B** PAID TO

136

LOCAL HOSPITAL NETWORKS (LHN)

$66.0B

IN ACTIVITY BASED FUNDING
THAT DELIVERED OVER

46 MILLION

PUBLIC HOSPITAL SERVICES

10,666,720

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

These amounts do not include transactions related to the NPCR and transactions related to the Priority groups for COVID-19 Vaccination Program. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

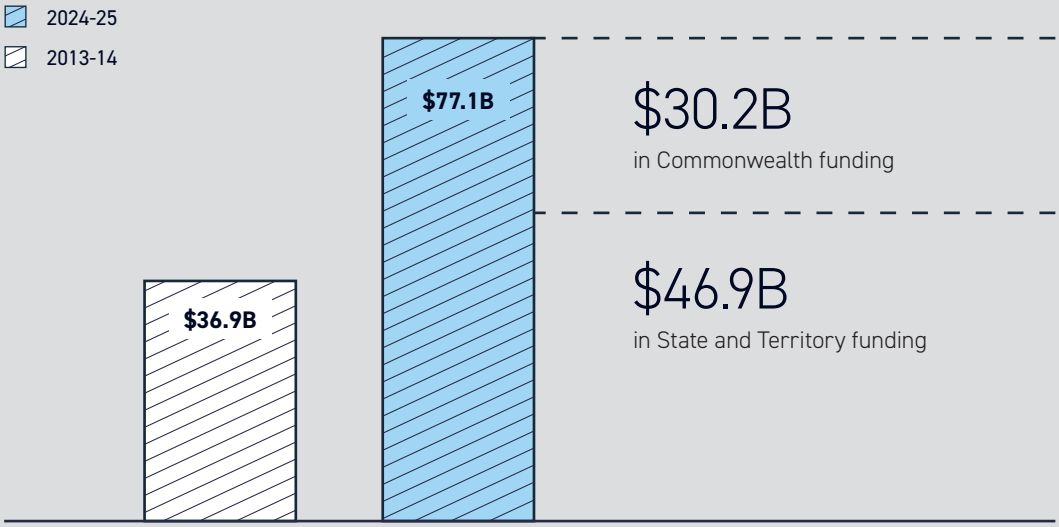
Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011*.

Guide to tables:

2024-25 2023-24

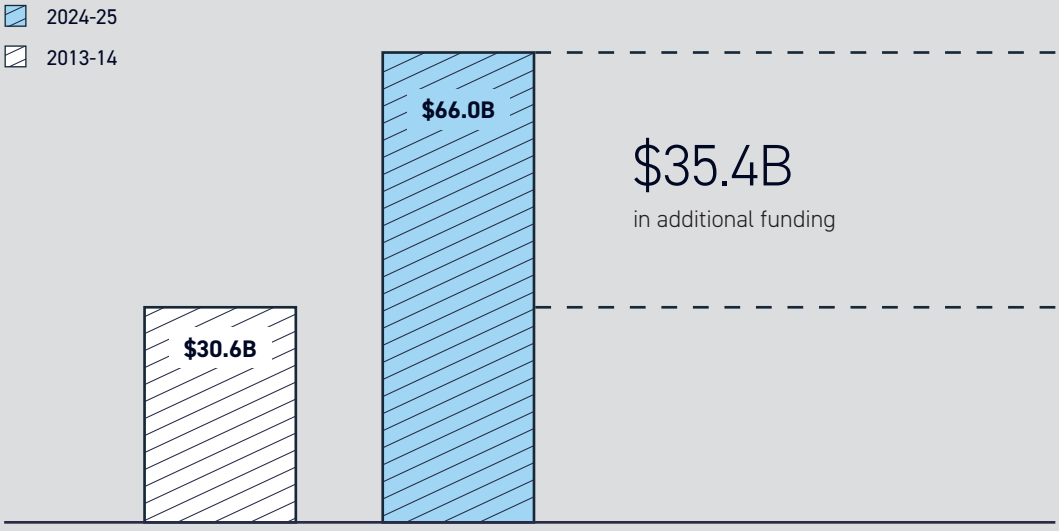
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



GPO Box 1252
Canberra ACT 2601
1300 930 522
publichospitalfunding.gov.au

CERTIFICATION LETTER TO THE ADMINISTRATOR

Toni Cunningham
Administrator of the National Health Funding Pool
GPO Box 1252
Canberra ACT 2601

Dear Ms Cunningham,

NATIONAL HEALTH FUNDING POOL ANNUAL REPORT 2024–25

This letter outlines the assurance arrangements in place for the preparation of the 2024-25 Financial Statements for the State Pool Accounts, and the Funding and Payment disclosures as per the Commonwealth *National Health Reform Act 2011* (the Act) and expresses opinion on their inclusion in the National Health Funding Pool Annual Report 2024-25.

Financial Statements

The National Health Funding Body (NHFB) has prepared a financial statement for the year ended 30 June 2025 for each of the State Pool Accounts as required by section 241(3) of the Act. The financial statements have been prepared as Special Purpose Financial statements on a cash accounting basis in accordance with Australian Accounting Standards and other mandatory professional and statutory reporting requirements. This is consistent with the financial statements prepared in previous financial years.

The financial statements for each of the States and Territories have been audited by their respective Auditor-General. To assist with this process, the NHFB has provided all financial records and related data, explanations, and assistance necessary to conduct the audit in accordance with the Act and relevant State and Territory legislation.

The NHFB maintains strong governance processes over the preparation of the financial statements including monthly reconciliations of transactions recorded through the Pool Accounts with transactions recorded through the National Health Funding Pool (NHFP) Payments System.

The NHFB has internal controls and policies in place to prevent and detect errors, misstatements, or instances of fraud. These include:

- The NHFP Payments System Internal Control Framework that ensures the integrity of systems and processes
- an Information Security Registered Assessor Program (IRAP) security documentation review (conducted by a third party) to ensure compliance against the Information Security Manual (ISM) and no material issues were identified
- a Reasonable Assurance Review of the NHFP Payments System (conducted by a third party) and no material issues were identified.

In addition, the NHFB's processes and approach relating to risk management and oversight of the preparation of the financial statements are monitored through its external Audit and Risk Committee.

No errors, misstatements or instances of fraud have been identified in relation to the operation of the State Pool Accounts through the NHFP Payments System or the Reserve Bank of Australia processes. In addition, we are not aware of any breaches, or possible breaches, of relevant legislation, contracts, agreements or licensing conditions, that could affect the financial statements.

Funding and Payments

The NHFB has also prepared funding and payment information for the 2024-25 financial year as required by section 241(2) of the Act. This information includes detail on funding and payments into and out of the State Pool Accounts and State Managed Funds by the Commonwealth, States and Territories, as well as amounts paid to Local Hospital Networks, including the number of public hospital services funded.

The NHFB works with each State and Territory to prepare and publish reports containing this data on a monthly basis. This process includes strong governance arrangements, including a monthly verification by the State and Territory, to ensure the accuracy of the data. These reports form the basis of the information used to prepare the funding and payments section of the Annual Report.

To enhance the presentation of the funding and payments section, we have excluded the over deposits of ABF in excess of funding obligations by States and Territories which are subsequently withdrawn, interest and cross-border transactions.

NHFB Opinion

It is the NHFB's opinion that the Special Purpose Financial Statements and the funding and payments information, prepared for the year ended 30 June 2025, give a true and fair view of the matters required by the Act and the National Health Reform Agreement.

Yours sincerely,

Shannon White

Chief Executive Officer
National Health Funding Body
27 August 2025

Ben Nicholls

Chief Finance Officer
National Health Funding Body
27 August 2025

Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified.

NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by States and Territories and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

The information contained in this chapter is on a national basis; detailed information for each State or Territory appears in the chapters following.

Basis of National Health Reform funding - Commonwealth 2020-21 to 2024-25

The basis of Commonwealth NHR funding for 2020-21 to 2024-25 as specified in the Addendum is as follows:

Activity Based Funding (A33-A35)

The Commonwealth will fund 45 per cent of the efficient growth of ABF Service delivery, subject to the operation of the National Funding Cap. The Commonwealth's funding for all ABF Service Categories will be calculated individually for each State and Territory by summing:

- previous year amount — the Commonwealth's contribution rate for the relevant State or Territory in the previous year, multiplied by the volume of weighted ABF Services provided in the previous year, multiplied by the National Efficient Price in the previous year
- price adjustment — the volume of weighted services provided in the previous year, multiplied by the change in the National Efficient Price relative to the previous year, multiplied by 45 per cent
- volume adjustment — the net change in volume of weighted services provided in the relevant State or Territory (relative to the volume of weighted ABF Services provided in the previous year), multiplied by the National Efficient Price, multiplied by 45 per cent.

Commonwealth funding will be distributed across all ABF Service Categories in each State and Territory at a single Commonwealth Contribution Rate.

Block funding (A49)

The Commonwealth will continue to provide funding to States and Territories for public hospital services or functions that are more appropriately funded through Block funding and will fund 45 per cent of the growth in the efficient cost of providing these services or performing these functions. Payments will consist of the previous year's payment plus 45 per cent of the growth in the efficient cost of providing the services, adjusted for the addition or removal of Block services as provided in clauses A52 to A55 (calculated in accordance with clause A7). Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

Public Health (A14)

Payments for Public Health activities will continue to grow by the former National Healthcare Specific Purpose Payment (SPP) growth factor. That is, payments for public health activities will be equal to the previous year's payment indexed by the former National Healthcare SPP growth factor.

Funding Cap (A56)

Overall growth in Commonwealth funding will be capped at 6.5 per cent a year (the National Funding Cap).

States and Territories may be entitled to additional funding over the Soft Cap if there is funding available under the National Funding Cap (a Redistribution Amount) upon completion of the annual reconciliation.

The Redistribution Amount will be determined as the total of any funding remaining under the National Funding Cap, resulting from a State or Territory with growth less than 6.5 per cent.

Safety and Quality adjustment (A163, A165, A175)

Services that are considered to put patient safety and quality at risk will be subject to a Safety and Quality adjustment, calculated as part of a State or Territory's actual National Weighted Activity Unit (NWAU) during the reconciliation process. Adjustments will be included for Sentinel events, Hospital Acquired Complications (HACs), and avoidable hospital readmissions.

Data Conditional Payment (A155)

A temporary deferral of an agreed percentage of Commonwealth NHR funding will apply in the event a State or Territory has not provided the required data for annual reconciliation to the Administrator by 30 September of the relevant financial year. If the required data is not provided by 31 October of the relevant financial year, a deferral of further funds will occur.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

STATE OR TERRITORY	AMOUNT PAID BY COMMONWEALTH ($'000)							
	2024-25				2023-24			
	Activity Based Funding	Block funding	Public Health funding	TOTAL	Activity Based Funding	Block funding	Public Health funding	TOTAL
New South Wales	7,576,324	1,147,382	172,919	8,896,625	7,031,374	1,086,624	163,127	8,281,125
Victoria	6,080,730	1,083,717	142,366	7,306,813	5,619,025	887,209	133,825	6,640,059
Queensland	6,126,642	830,794	114,162	7,071,598	5,963,335	699,099	106,644	6,769,079
Western Australia	2,718,987	485,390	60,972	3,265,349	2,588,373	423,501	56,303	3,068,178
South Australia	1,760,860	246,125	38,094	2,045,079	1,767,507	225,242	35,896	2,028,645
Tasmania	524,843	124,645	11,606	661,094	529,799	99,863	10,928	640,590
Australian Capital Territory	496,279	38,068	9,597	543,944	458,270	36,344	9,035	503,649
Northern Territory	396,532	25,103	5,149	426,783	358,658	23,253	4,787	386,698
TOTAL	**25,681,197**	**3,981,223**	**554,865**	**30,217,285**	**24,316,341**	**3,481,136**	**520,546**	**28,318,023**

Additional financial assistance has been provided by the Commonwealth under the NPCR including hospital services funding which was paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments made in the following financial year.

The previous table does not include amounts paid into the State Pool Accounts by the Commonwealth under the NPCR, including Commonwealth recoveries of Hospital Services Payments of $98,761,832 in 2023-24 and Commonwealth recoveries of State Public Health and Private Hospital Financial Viability Payments of $364,520,523 in 2023-24.

Details of this funding is provided in the Special Purpose Financial Statement of each State or Territory.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State or Territory — Section 241(2)(A)

STATE OR TERRITORY	AMOUNT PAID BY STATE/TERRITORY ($'000)					
	2024-25			2023-24		
	State Pool Account - ABF	State Managed Fund - Block	TOTAL	State Pool Account - ABF	State Managed Fund - Block	TOTAL
New South Wales	9,704,994	1,737,054	11,442,048	8,427,270	1,419,870	9,847,140
Victoria	10,685,276	1,261,613	11,946,888	7,956,855	1,259,748	9,216,603
Queensland	9,248,331	1,694,923	10,943,254	8,339,078	1,753,560	10,092,638
Western Australia	4,601,015	913,594	5,514,609	3,978,012	813,869	4,791,882
South Australia	3,087,375	490,407	3,577,782	2,655,714	383,017	3,038,732
Tasmania	1,089,056	300,197	1,389,253	973,490	160,434	1,133,924
Australian Capital Territory	1,218,106	118,334	1,336,440	950,713	98,041	1,048,754
Northern Territory	720,163	61,063	781,226	745,405	61,133	806,539
TOTAL	**40,354,316**	**6,577,184**	**46,931,500**	**34,026,538**	**5,949,673**	**39,976,212**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department, or cross-border contributions for transfer to other States or Territories.

Transactions relating to COVID-19 are also excluded where separately reported by the State or Territory. Details of this funding is provided in the Special Purpose Financial Statement of each State or Territory.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account; this will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The amounts paid from each State Pool Account to Local Hospital Networks, a State Managed Fund or other organisations or funds — Section 241(2)(C)

STATE OR TERRITORY	AMOUNT PAID FROM STATE POOL ACCOUNT (INCLUDING CW & S/T) ($'000)							
	2024-25				2023-24			
	Local Hospital Networks	State Managed Fund	Other Organisations or Funds	TOTAL	Local Hospital Networks	State Managed Fund	Other Organisations or Funds	TOTAL
New South Wales	17,281,319	1,147,382	172,919	18,601,619	15,458,644	1,086,624	163,127	16,708,395
Victoria	16,766,005	1,083,717	142,366	17,992,088	13,575,879	887,209	133,825	14,596,913
Queensland	15,374,973	830,794	114,162	16,319,929	14,302,413	699,099	106,644	15,108,157
Western Australia	7,320,002	485,390	60,972	7,866,364	6,566,386	423,501	56,303	7,046,190
South Australia	4,848,235	246,125	38,094	5,132,454	4,428,331	225,242	35,896	4,689,469
Tasmania	1,613,899	124,645	11,606	1,750,150	1,503,289	99,863	10,928	1,614,080
Australian Capital Territory	1,714,385	38,068	9,597	1,762,050	1,408,983	36,344	9,035	1,454,363
Northern Territory	1,116,695	25,103	5,149	1,146,947	1,104,064	23,253	4,787	1,132,104
TOTAL	**66,035,513**	**3,981,223**	**554,865**	**70,571,601**	**58,347,989**	**3,481,136**	**520,546**	**62,349,671**

The previous table does not include out-of-scope funding (ABF), any interest paid from the Pool Account, over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department, or cross-border funding transferred to other States or Territories or paid back to the respective State or Territory Health Departments.

Transactions relating to COVID-19 are also excluded. Details of this funding is provided in the Special Purpose Financial Statement of each State or Territory.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account; this will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The amounts paid from each State Managed Fund to Local Hospital Networks or other organisations or funds — Section 241(2)(D)

STATE OR TERRITORY	AMOUNT PAID FROM STATE MANAGED FUND (INCLUDING CW & S/T) ($'000)					
	2024-25			2023-24		
	Local Hospital Networks	Other Organisations or Funds	TOTAL	Local Hospital Networks	Other Organisations or Funds	TOTAL
New South Wales	2,884,435	-	2,884,435	2,506,494	-	2,506,494
Victoria	2,301,075	44,255	2,345,330	2,106,772	40,185	2,146,957
Queensland	2,525,717	-	2,525,717	2,452,659	-	2,452,659
Western Australia	1,398,985	-	1,398,985	1,237,371	-	1,237,371
South Australia	736,532	-	736,532	608,259	-	608,259
Tasmania	424,842	-	424,842	260,297	-	260,297
Australian Capital Territory	156,402	-	156,402	134,385	-	134,385
Northern Territory	86,165	-	86,165	84,386	-	84,386
TOTAL	**10,514,152**	**44,255**	**10,558,408**	**9,390,623**	**40,185**	**9,430,809**

The previous table does not include out-of-scope funding (Block) or transactions relating to COVID-19 where separately reported by the State or Territory. Details of this funding is provided in the Special Purpose Financial Statement of each State or Territory.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account; this will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

STATE OR TERRITORY	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
New South Wales	3,126,520	2,925,548	2,935,343
Victoria	2,524,139	2,421,300	2,421,036
Queensland	2,540,738	2,311,924	2,298,712
Western Australia	1,104,976	1,041,084	1,008,130
South Australia	749,920	717,799	698,007
Tasmania	218,801	207,517	198,781
Australian Capital Territory	210,294	200,633	187,173
Northern Territory	191,332	185,807	185,175
TOTAL	**10,666,720**	**10,011,612**	**9,932,357**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

The number of Other Public Hospital Services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

In 2024-25 funding was provided to: 365 small regional, remote and very remote hospitals, 14 standalone hospitals providing specialist mental health services; and nine standalone major city hospitals providing specialist services. Funding was also provided for other public hospital programs.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The actual number of patients treated and associated costs of high cost, highly specialised therapies are assessed by the Administrator at the end of each financial year.

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Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

$'000	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
Cash Paid 2020-21	22,931,025	-	-	-	-	22,438,532[4]
Cash Paid 2021-22	(260,146)	24,315,259	-	-	-	24,055,113
Cash Paid 2022-23	-	(797,317)	26,608,630	-	-	25,811,313
Cash Paid 2023-24	-	-	(1,894)	28,319,917	-	28,318,023
Cash Paid 2024-25	-	-	-	28,602	30,188,683	30,217,285
FINAL ENTITLEMENT	**22,670,879**	**23,517,942**	**26,606,735**	**28,348,519**	**30,188,683**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $1,325,128,059 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $1,876,996,162 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $210,889,114 in HSP under the NPCR.

4 The total cash paid for 2020-21 includes recoveries of $492,492,519 related to entitlements for the 2019-20 financial year.

The previous table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by States and Territories. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

Administrator
National Health
Funding Pool

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Statement by the Administrator of the National Health Funding Pool Combined State Pool Account

I report that, as indicated in Note 1(a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a Statement of Receipts and Payments and accompanying notes provides a true and fair presentation in accordance with the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
18 September 2025

National Health Funding Pool Combined State Pool Account Special Purpose Financial Statement for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011.*

CONTENTS

Combined State Pool Account

Notes to and forming part of the Special Purpose Financial Statement for the year ended 30 June 2025

Combined State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NSW $'000	VIC $'000	QLD $'000	WA $'000	SA $'000
RECEIPTS INTO THE STATE POOL ACCOUNT					
From Commonwealth					
Activity Based Funding	7,576,324	6,080,730	6,126,642	2,718,987	1,760,860
Block funding	1,147,382	1,083,717	830,794	485,390	246,125
Public Health funding	172,919	142,366	114,162	60,972	38,094
COVID-19 funding	-	-	-	-	-
COVID-19 funding - final adjustment	-	-	-	-	-
From State/Territory					
Activity Based Funding (in-scope)	9,708,704	11,097,336	9,248,331	4,601,015	3,087,375
Withdrawal of ABF in excess of funding obligations	(3,710)	(412,061)	-	-	-
Activity Based Funding (out-of-scope)	-	-	780,213	-	-
Cross-border contribution	425,697	92,991	86,132	24,480	53,682
COVID-19 funding	-	-	-	-	-
COVID-19 funding - final adjustment	-	-	-	-	-
From other States or Territories					
Cross-border receipts	128,431	153,618	233,049	21,327	78,945
From Reserve Bank of Australia					
Interest receipts	6,703	4,747	2,296	-	2,000
TOTAL RECEIPTS	**19,162,450**	**18,243,445**	**17,421,620**	**7,912,171**	**5,267,081**
PAYMENTS OUT OF THE STATE POOL ACCOUNT					
To Local Hospital Networks					
Activity Based Funding (in-scope)	17,281,319	16,766,005	15,374,973	7,320,002	4,848,235
Activity Based Funding (out-of-scope)	-	-	780,213	-	-
COVID-19 funding	-	-	-	-	-
To State Managed Funds					
Block funding	1,147,382	1,083,717	830,794	485,390	246,125
To State/Territory Health Department					
Public Health funding	172,919	142,366	114,162	60,972	38,094
COVID-19 funding	-	-	-	-	-
COVID-19 funding - final adjustment	-	-	-	-	-
Interest payments	6,703	4,747	2,296	-	2,000
Cross-border transfer	128,431	153,618	233,049	21,327	78,945
To other States or Territories					
Cross-border payments	425,697	92,991	86,132	24,480	53,682
TOTAL PAYMENTS	**19,162,450**	**18,243,445**	**17,421,620**	**7,912,171**	**5,267,081**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-	-	-	-
OPENING CASH BALANCE	-	-	-	-	-
CLOSING CASH BALANCE	-	-	-	-	-

	TAS $'000	ACT $'000	NT $'000	TOTAL $'000
RECEIPTS INTO THE STATE POOL ACCOUNT				
From Commonwealth				
Activity Based Funding	524,843	496,279	396,532	25,681,197
Block funding	124,645	38,068	25,103	3,981,223
Public Health funding	11,606	9,597	5,149	554,865
COVID-19 funding	-	-	-	-
COVID-19 funding - final adjustment	-	-	-	-
From State/Territory				
Activity Based Funding (in-scope)	1,089,056	1,218,106	720,163	40,770,086
Withdrawal of ABF in excess of funding obligations	-	-	-	(415,771)
Activity Based Funding (out-of-scope)	-	68,194	-	848,407
Cross-border contribution	25,159	44,817	50,593	803,551
COVID-19 funding	-	-	-	-
COVID-19 funding - final adjustment	-	-	-	-
From other States or Territories				
Cross-border receipts	1,312	157,903	28,966	803,551
From Reserve Bank of Australia				
Interest receipts	17	-	-	15,764
TOTAL RECEIPTS	**1,776,638**	**2,032,964**	**1,226,505**	**73,042,873**
PAYMENTS OUT OF THE STATE POOL ACCOUNT				
To Local Hospital Networks				
Activity Based Funding (in-scope)	1,613,899	1,714,385	1,116,695	66,035,513
Activity Based Funding (out-of-scope)	-	68,194	-	848,407
COVID-19 funding	-	-	-	-
To State Managed Funds				
Block funding	124,645	38,068	25,103	3,981,223
To State/Territory Health Department				
Public Health funding	11,606	9,597	5,149	554,865
COVID-19 funding	-	-	-	-
COVID-19 funding - final adjustment	-	-	-	-
Interest payments	17	-	-	15,764
Cross-border transfer	1,312	157,903	28,966	803,551
To other States or Territories				
Cross-border payments	25,159	44,817	50,593	803,551
TOTAL PAYMENTS	**1,776,638**	**2,032,964**	**1,226,505**	**73,042,873**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-	-	-
OPENING CASH BALANCE	-	-	-	-
CLOSING CASH BALANCE	-	-	-	-

Combined State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2024

	NSW $'000	VIC $'000	QLD $'000	WA $'000	SA $'000
RECEIPTS INTO THE STATE POOL ACCOUNT					
From Commonwealth					
Activity Based Funding	7,031,374	5,619,025	5,963,335	2,588,373	1,767,507
Block funding	1,086,624	887,209	699,099	423,501	225,242
Public Health funding	163,127	133,825	106,644	56,303	35,896
COVID-19 funding	31,565	-	-	252	10,398
COVID-19 funding - final adjustment	93,316	(476,875)	30,311	(43,171)	(46,838)
From State/Territory					
Activity Based Funding (in-scope)	8,427,270	8,495,469	8,339,078	3,978,012	2,655,714
Withdrawal of ABF in excess of funding obligations	-	(538,614)	-	-	-
Activity Based Funding (out-of-scope)	-	-	683,113	-	-
Cross-border contribution	313,856	18,180	55,258	11,188	16,757
COVID-19 funding	-	-	-	-	-
COVID-19 funding - final adjustment	-	476,875	-	43,171	46,838
From other States or Territories					
Cross-border receipts	112,058	63,010	90,202	6,086	34,243
From Reserve Bank of Australia					
Interest receipts	6,406	4,648	1,868	-	3,642
TOTAL RECEIPTS	**17,265,596**	**14,682,751**	**15,968,907**	**7,063,717**	**4,749,400**
PAYMENTS OUT OF THE STATE POOL ACCOUNT					
To Local Hospital Networks					
Activity Based Funding (in-scope)	15,458,644	13,575,879	14,302,413	6,566,386	4,428,331
Activity Based Funding (out-of-scope)	-	-	683,113	-	-
COVID-19 funding	-	-	-	-	-
To State Managed Funds					
Block funding	1,086,624	887,209	699,099	423,501	225,242
To State/Territory Health Department					
Public Health funding	163,127	133,825	106,644	56,303	35,896
COVID-19 funding	31,565	-	-	252	10,398
COVID-19 funding - final adjustment	93,316	-	30,311	-	-
Interest payments	6,406	4,648	1,868	-	3,642
Cross-border transfer	112,058	63,010	90,202	6,086	34,243
To other States or Territories					
Cross-border payments	313,856	18,180	55,258	11,188	16,757
TOTAL PAYMENTS	**17,265,596**	**14,682,751**	**15,968,907**	**7,063,717**	**4,754,510**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-	-	-	(5,109)
OPENING CASH BALANCE	-	-	-	-	5,109
CLOSING CASH BALANCE	-	-	-	-	-

	TAS $'000	ACT $'000	NT $'000	TOTAL $'000
RECEIPTS INTO THE STATE POOL ACCOUNT				
From Commonwealth				
Activity Based Funding	529,799	458,270	358,658	24,316,341
Block funding	99,863	36,344	23,253	3,481,136
Public Health funding	10,928	9,035	4,787	520,546
COVID-19 funding	260	16	1,241	43,731
COVID-19 funding - final adjustment	(15,675)	(6,883)	2,533	(463,282)
From State/Territory				
Activity Based Funding (in-scope)	973,490	950,713	745,405	34,565,152
Withdrawal of ABF in excess of funding obligations	-	-	-	(538,614)
Activity Based Funding (out-of-scope)	-	75,991	-	759,104
Cross-border contribution	3,513	30,628	28,118	477,498
COVID-19 funding	-	-	-	-
COVID-19 funding - final adjustment	15,675	6,883	-	589,442
From other States or Territories				
Cross-border receipts	2,576	150,175	19,149	477,498
From Reserve Bank of Australia				
Interest receipts	1	-	-	16,565
TOTAL RECEIPTS	**1,620,430**	**1,711,172**	**1,183,144**	**64,245,117**
PAYMENTS OUT OF THE STATE POOL ACCOUNT				
To Local Hospital Networks				
Activity Based Funding (in-scope)	1,503,289	1,408,983	1,104,064	58,347,989
Activity Based Funding (out-of-scope)	-	75,991	-	759,104
COVID-19 funding	-	-	-	-
To State Managed Funds				
Block funding	99,863	36,344	23,253	3,481,136
To State/Territory Health Department				
Public Health funding	10,928	9,035	4,787	520,546
COVID-19 funding	260	16	1,241	43,731
COVID-19 funding - final adjustment	-	-	2,533	126,160
Interest payments	1	-	-	16,565
Cross-border transfer	2,576	150,175	19,149	477,498
To other States or Territories				
Cross-border payments	3,513	30,628	28,118	477,498
TOTAL PAYMENTS	**1,620,430**	**1,711,172**	**1,183,144**	**64,250,226**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-	-	(5,109)
OPENING CASH BALANCE	-	-	-	5,109
CLOSING CASH BALANCE	-	-	-	-

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement has been prepared in accordance with section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011.

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 18 September 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

(D) Activity Based Funding

ABF is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the IHACPA. ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using the State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category are calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided. This calculation will generally result in reconciliation adjustments being made to the Commonwealth ABF contribution to each LHN to align estimated funding with actual funding.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the National Health Funding Pool Payments Syste to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement.

There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2024-25 and 2023-24 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory.

The Commonwealth share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST).

However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement was to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak. The NPCR was subsequently amended and agreed to in April 2020 to include the Private Hospital Financial Viability Payment. In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023. The Victorian Government did not enter into the agreement with the Commonwealth, and the Queensland Department of Health did not submit any claims under the agreement.

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups include First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

As of 31 December 2023, the PGTV had concluded. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

Note 2: Amount paid by the Commonwealth into each State Pool Account

The Administrator calculates the Commonwealth's contribution to public hospital funding including ABF, Block funding and Public Health funding. The activity based component is initially calculated using an estimate of the activity that is expected to be delivered. Each six months, the Administrator undertakes a reconciliation process whereby the actual services delivered in the period are reconciled to the estimate and an adjustment is made when there is a difference.

Note 2A (2024-25) and Note 2B (2023-24) summarise the calculated Commonwealth contribution by National Health Reform type and service category. These include amounts paid by the Commonwealth into each State Pool Account for funding related to services provided in the current year as well as adjustments due to reconciliation of actual services delivered in the prior year. The six-monthly reconciliation adjustments may be deferred until the annual reconciliation if the relevant parties agree.

Note: Totals may not equal the sum of components due to rounding. Figures are added then rounded as per accepted accounting practice.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 2A: Amounts paid by the Commonwealth into each State Pool Account in 2024-25

	NSW $'000	VIC $'000	QLD $'000	WA $'000	SA $'000
ACTIVITY BASED FUNDING BY SERVICE TYPE					
Emergency department	1,079,760	860,725	934,746	379,451	211,265
Acute admitted	4,322,639	3,909,333	3,535,261	1,576,887	1,031,220
Admitted mental health	406,855	266,921	320,294	180,222	98,255
Sub-acute	440,658	416,799	391,576	128,257	148,331
Non-admitted	1,346,001	689,308	966,638	451,303	276,641
Payments in respect of 2023-24 Services	(19,590)	(62,356)	(21,873)	2,867	(4,853)
TOTAL ACTIVITY BASED FUNDING	**7,576,324**	**6,080,730**	**6,126,642**	**2,718,987**	**1,760,860**
BLOCK FUNDING BY SERVICE TYPE					
Small rural hospitals	339,656	117,354	277,205	138,760	102,590
Teaching, training and research	303,917	176,380	129,846	137,262	44,042
Other mental health	437,941	645,670	374,487	188,113	74,712
Non-admitted home ventilation	10,912	5,450	6,453	7,015	1,242
Other non-admitted services	-	11	3,951	-	7,762
Highly Specialised Therapies	29,478	48,057	13,105	4,400	-
Other public hospital programs	1,867	20,532	3,342	-	10,867
Payments in respect of 2023-24 Services	23,610	70,263	22,404	9,842	4,910
TOTAL BLOCK FUNDING	**1,147,382**	**1,083,717**	**830,794**	**485,390**	**246,125**
PUBLIC HEALTH FUNDING					
Public Health funding	173,031	142,534	113,994	60,625	38,150
Payments in respect of 2023-24 Services	(112)	(168)	168	347	(57)
TOTAL PUBLIC HEALTH FUNDING	**172,919**	**142,366**	**114,162**	**60,972**	**38,094**
AMOUNT PAID IN 2024-25	**8,896,625**	**7,306,813**	**7,071,598**	**3,265,349**	**2,045,079**

Further detail on the total amount paid by the Commonwealth into each State Pool Account may be found in the financial statements and 'Funding and Payments' chapters.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

	TAS $'000	ACT $'000	NT $'000	TOTAL $'000
ACTIVITY BASED FUNDING BY SERVICE TYPE				
Emergency department	65,796	55,611	66,816	3,654,171
Acute admitted	352,523	293,883	245,238	15,266,985
Admitted mental health	18,639	28,557	13,509	1,333,253
Sub-acute	30,035	44,006	23,661	1,623,323
Non-admitted	65,001	74,175	49,328	3,918,396
Payments in respect of 2023-24 Services	(7,152)	46	(2,020)	(114,931)
TOTAL ACTIVITY BASED FUNDING	**524,843**	**496,279**	**396,532**	**25,681,197**
BLOCK FUNDING BY SERVICE TYPE				
Small rural hospitals	31,724	1,577	-	1,008,867
Teaching, training and research	19,600	11,316	14,446	836,810
Other mental health	60,979	24,464	8,072	1,814,438
Non-admitted home ventilation	2,446	711	44	34,273
Other non-admitted services	-	-	-	11,723
Highly Specialised Therapies	-	-	-	95,039
Other public hospital programs	-	-	-	36,608
Payments in respect of 2023-24 Services	9,896	-	2,540	143,465
TOTAL BLOCK FUNDING	**124,645**	**38,068**	**25,103**	**3,981,223**
PUBLIC HEALTH FUNDING				
Public Health funding	11,655	9,643	5,165	554,798
Payments in respect of 2023-24 Services	(49)	(46)	(16)	67
TOTAL PUBLIC HEALTH FUNDING	**11,606**	**9,597**	**5,149**	**554,865**
AMOUNT PAID IN 2024-25	**661,094**	**543,944**	**426,783**	**30,217,285**

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 2B: Amounts paid by the Commonwealth into each State Pool Account in 2023-24

	NSW $'000	VIC $'000	QLD $'000	WA $'000	SA $'000
ACTIVITY BASED FUNDING BY SERVICE TYPE					
Emergency department	926,940	626,621	816,803	349,400	196,037
Acute admitted	4,081,436	3,894,658	3,464,695	1,560,392	986,294
Admitted mental health	397,129	262,310	289,891	186,089	125,882
Sub-acute	420,189	445,561	366,473	111,245	137,942
Non-admitted	1,291,981	620,611	902,768	351,777	212,465
2022-23 Commonwealth funding guarantee	-	-	-	-	-
Payments in respect of 2022-23 Services	(86,302)	(230,736)	122,704	29,470	108,888
TOTAL ACTIVITY BASED FUNDING	**7,031,374**	**5,619,025**	**5,963,335**	**2,588,373**	**1,767,507**
BLOCK FUNDING BY SERVICE TYPE					
Small rural hospitals	511,507	111,507	304,977	129,511	97,875
Teaching, training and research	282,116	163,138	96,883	128,329	41,850
Non-admitted mental health	244,116	495,788	236,772	140,213	53,521
Non-admitted CAMHS	-	63,577	24,480	16,363	2,707
Non-admitted home ventilation	10,285	9,691	8,236	6,611	1,231
Other non-admitted services	-	10	3,698	-	19,439
Highly Specialised Therapies	16,901	18,408	12,692	4,400	-
Other public hospital programs	-	-	3,318	-	8,798
Payments in respect of 2022-23 Services	21,698	25,088	8,043	(1,925)	(178)
TOTAL BLOCK FUNDING	**1,086,624**	**887,209**	**699,099**	**423,501**	**225,242**
PUBLIC HEALTH FUNDING					
Public Health funding	163,458	133,972	106,955	56,409	36,229
Payments in respect of 2022-23 Services	(331)	(147)	(311)	(106)	(332)
TOTAL PUBLIC HEALTH FUNDING	**163,127**	**133,825**	**106,644**	**56,303**	**35,896**
COVID-19 FUNDING BY SERVICE TYPE					
Hospital Services Payments	-	-	-	-	-
State Public Health Payments	-	-	-	-	-
Private Hospital Financial Viability Payment	-	-	-	-	-
Priority groups testing and vaccination	31,565	-	-	252	10,398
Payments in respect of 2022-23 Services	93,316	(476,875)	30,311	(43,171)	(46,838)
TOTAL COVID-19 FUNDING	**124,881**	**(476,875)**	**30,311**	**(42,919)**	**(36,440)**
AMOUNT PAID IN 2023-24	**8,406,006**	**6,163,183**	**6,799,389**	**3,025,259**	**1,992,206**

Further detail on the total amount paid by the Commonwealth into each State Pool Account may be found in the financial statements and 'Funding and Payments' chapters.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

	TAS $'000	ACT $'000	NT $'000	TOTAL $'000
ACTIVITY BASED FUNDING BY SERVICE TYPE				
Emergency department	60,506	49,489	56,903	3,082,700
Acute admitted	337,149	279,058	234,215	14,837,897
Admitted mental health	17,815	27,402	12,150	1,318,667
Sub-acute	29,546	37,431	16,394	1,564,781
Non-admitted	61,812	71,865	51,908	3,565,188
2022-23 Commonwealth funding guarantee	-	-	-	-
Payments in respect of 2022-23 Services	22,971	(6,976)	(12,912)	(52,893)
TOTAL ACTIVITY BASED FUNDING	**529,799**	**458,270**	**358,658**	**24,316,341**
BLOCK FUNDING BY SERVICE TYPE				
Small rural hospitals	50,014	1,517	-	1,206,909
Teaching, training and research	18,943	10,509	13,290	755,057
Non-admitted mental health	24,592	22,928	8,099	1,226,029
Non-admitted CAMHS	4,962	699	1,823	114,611
Non-admitted home ventilation	1,325	691	42	38,112
Other non-admitted services	-	-	-	23,147
Highly Specialised Therapies	-	-	-	52,401
Other public hospital programs	-	-	-	12,117
Payments in respect of 2022-23 Services	27	-	-	52,753
TOTAL BLOCK FUNDING	**99,863**	**36,344**	**23,253**	**3,481,136**
PUBLIC HEALTH FUNDING				
Public Health funding	11,187	9,156	4,935	522,302
Payments in respect of 2022-23 Services	(259)	(121)	(148)	(1,755)
TOTAL PUBLIC HEALTH FUNDING	**10,928**	**9,035**	**4,787**	**520,546**
COVID-19 FUNDING BY SERVICE TYPE				
Hospital Services Payments	-	-	-	-
State Public Health Payments	-	-	-	-
Private Hospital Financial Viability Payment	-	-	-	-
Priority groups testing and vaccination	260	16	1,241	43,731
Payments in respect of 2022-23 Services	(15,675)	(6,883)	2,533	(463,282)
TOTAL COVID-19 FUNDING	**(15,415)**	**(6,867)**	**3,774**	**(419,551)**
AMOUNT PAID IN 2023-24	**625,175**	**496,782**	**390,472**	**27,898,472**

Notes to and forming part of the Special Purpose Financial Statement
for the period ended 30 June 2023

Note 3: COVID-19 funding

The NPCR was agreed to and signed by COAG on Friday, 13 March 2020 and ceased on 31 December 2022.

For the duration of the agreement, each State provided the Administrator a forecast of their expected expenditure for in-scope COVID-19 related activity each month as well as actual activity and expenditure data to support reconciliation process. This included:

i. activity data for the Hospital Services Payment
ii. expenditure data for COVID-19 testing
iii. expenditure data for the State Public Health Payment
iv. audit reports for the Private Hospital Financial Viability Payment
v. activity data for vaccination dose delivery.

The Administrator conducted a reconciliation every quarter based on the data submitted quarterly by States and Territories. Consistent with NHRA reconciliation practices, these NCPR quarterly reconciliations remained subject to an annual reconciliation at the end of each financial year. This is to ensure alignment between Commonwealth NHR and NPCR funding.

The Administrator's reconciliation of the NPCR was issued to the Commonwealth Treasurer (and all Health Ministers) on 1 December 2023.

The total Commonwealth funding paid to the States under the NPCR was $14.2 billion comprising of:

- $3.9 billion in Hospital Services Payments for COVID-19 related hospital activities
- $8.8 billion in State Public Health Payments for public health activities associated with addressing the pandemic and controlling the spread of COVID-19
- $1.5 billion in Private Hospital Financial Viability Payments to enable private hospitals to retain capacity and support States in responding to COVID-19.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

The types of funding and payments under the NPCR include:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment was been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity are included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

The Priority Groups COVID-19 Testing and Vaccination Payment

The Commonwealth provided a 50 per cent contribution for costs incurred by States and Territories for PCR testing for COVID-19 as well as a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered, consistent with the arrangements under the NPCR, which expired on 31 December 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding amounts through each State Pool Account in 2023-24

The following table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

	NSW $'000	VIC $'000	QLD $'000	WA $'000	SA $'000
RECEIPTS INTO THE STATE POOL ACCOUNT					
From Commonwealth					
Hospital Services Payments	-	-	-	-	-
Hospital Services Payments - final adjustment	(27,842)	(89,032)	4,590	27,184	263
State Public Health Payments	-	-	-	-	-
State Public Health Payments - final adjustment	113,214	(309,289)	(126,901)	(52,851)	(47,100)
Private Hospital Financial Viability Payment	-	-	-	-	-
Private Hospital Financial Viability Payment - final adjustment	7,944	(78,554)	152,621	(17,505)	-
Priority groups testing and vaccination	31,565	-	-	252	10,398
TOTAL COMMONWEALTH RECEIPTS	124,881	(476,875)	30,311	(42,919)	(36,440)
From State/Territory					
Hospital Services Payments	-	-	-	-	-
Hospital Services Payments - final adjustment	-	89,032	-	(27,184)	(263)
State Public Health Payments	-	-	-	-	-
State Public Health Payments - final adjustment	-	309,289	-	52,851	47,100
Private Hospital Financial Viability Payment	-	-	-	-	-
Private Hospital Financial Viability Payment - final adjustment	-	78,554	-	17,505	-
Priority groups testing and vaccination	-	-	-	-	-
TOTAL STATE/TERRITORY RECEIPTS	-	476,875	-	43,171	46,838
TOTAL RECEIPTS	**124,881**	**-**	**30,311**	**252**	**10,398**
PAYMENTS OUT OF THE STATE POOL ACCOUNT					
To State/Territory (including Local Hospital Networks)					
Hospital Services Payments	-	-	-	-	-
Hospital Services Payments - final adjustment	(27,842)	-	4,590	-	-
State Public Health Payments	-	-	-	-	-
State Public Health Payments - final adjustment	113,214	-	(126,901)	-	-
Private Hospital Financial Viability Payment	-	-	-	-	-
Private Hospital Financial Viability Payment - final adjustment	7,944	-	152,621	-	-
Priority groups testing and vaccination	31,565	-	-	252	10,398
TOTAL PAYMENTS	**124,881**	**-**	**30,311**	**252**	**10,398**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-	-	-	-
OPENING CASH BALANCE	-	-	-	-	-
CLOSING CASH BALANCE	-	-	-	-	-

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

	TAS $'000	ACT $'000	NT $'000	TOTAL $'000
RECEIPTS INTO THE STATE POOL ACCOUNT				
From Commonwealth				
Hospital Services Payments	-	-	-	-
Hospital Services Payments - final adjustment	(20,914)	5,662	1,326	(98,762)
State Public Health Payments	-	-	-	-
State Public Health Payments - final adjustment	5,239	(10,505)	1,199	(426,994)
Private Hospital Financial Viability Payment	-	-	-	-
Private Hospital Financial Viability Payment - final adjustment	-	(2,041)	8	62,473
Priority groups testing and vaccination	260	16	1,241	43,731
TOTAL COMMONWEALTH RECEIPTS	(15,415)	(6,867)	3,774	(419,551)
From State/Territory				
Hospital Services Payments	–	–	–	–
Hospital Services Payments - final adjustment	20,914	(5,662)	-	76,836
State Public Health Payments	–	–	–	–
State Public Health Payments - final adjustment	(5,239)	10,505	-	414,506
Private Hospital Financial Viability Payment	-	-	-	-
Private Hospital Financial Viability Payment - final adjustment	-	2,041	-	98,100
Priority groups testing and vaccination	-	-	-	-
TOTAL STATE/TERRITORY RECEIPTS	15,675	6,883	-	589,442
TOTAL RECEIPTS	**260**	**16**	**3,774**	**169,891**
PAYMENTS OUT OF THE STATE POOL ACCOUNT				
To State/Territory (including Local Hospital Networks)				
Hospital Services Payments	-	-	-	-
Hospital Services Payments - final adjustment	-	-	1,326	(21,926)
State Public Health Payments	-	-	-	-
State Public Health Payments - final adjustment	-	-	1,199	(12,488)
Private Hospital Financial Viability Payment	-	-	-	-
Private Hospital Financial Viability Payment - final adjustment	-	-	8	160,573
Priority groups testing and vaccination	260	16	1,241	43,731
TOTAL PAYMENTS	**260**	**16**	**3,774**	**169,891**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-	-	-
OPENING CASH BALANCE	-	-	-	-
CLOSING CASH BALANCE	-	-	-	-

NEW SOUTH WALES

FUNDING AND PAYMENTS

$20.3B

TOTAL FUNDING WITH $20.1B PAID TO

20

LOCAL HOSPITAL NETWORKS (LHNs)

$17.3B

IN ACTIVITY BASED FUNDING THAT DELIVERED

3,126,520

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

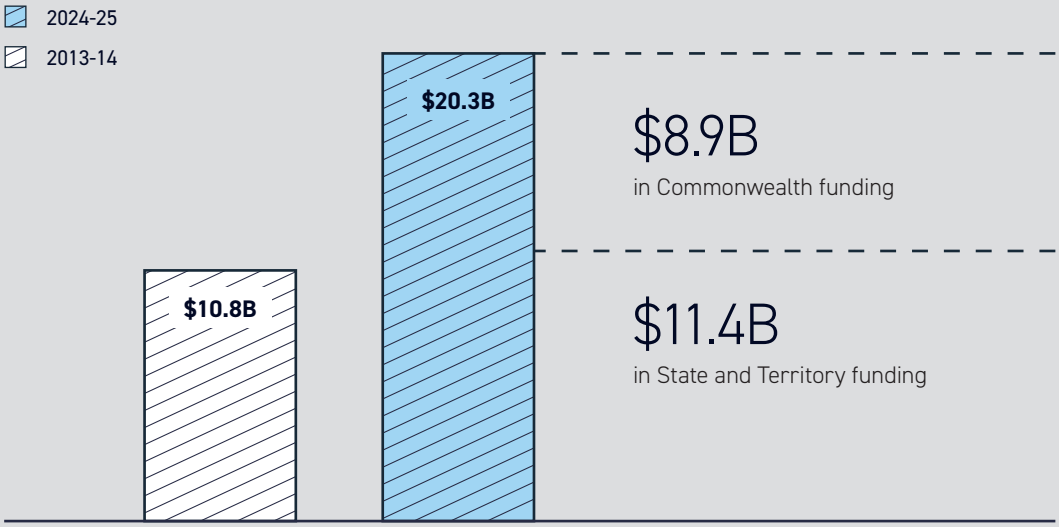
These amounts do not include transactions related to the NPCR and transactions related to the Priority groups for COVID-19 Vaccination Program. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011* and the New South Wales *Health Services Act 1997*.

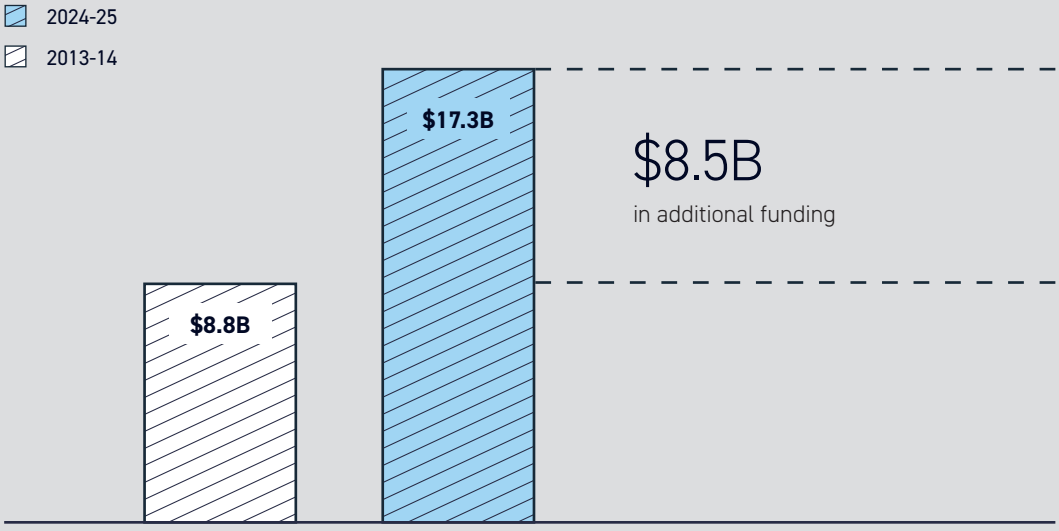
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified.

NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by New South Wales (NSW) and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

The following table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by New South Wales. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

	AMOUNT PAID TO NEW SOUTH WALES ($'000)					
	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
Cash Paid 2020-21	6,623,273	-	-	-	-	6,429,093[4]
Cash Paid 2021-22	458,458	6,799,450	-	-	-	7,257,908
Cash Paid 2022-23	-	8,140	7,901,611	-	-	7,909,751
Cash Paid 2023-24	-	-	(64,935)	8,346,060	-	8,281,125
Cash Paid 2024-25	-	-	-	3,908	8,892,716	8,896,625
FINAL ENTITLEMENT	**7,081,731**	**6,807,590**	**7,836,676**	**8,349,968**	**8,892,716**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $217,160,494 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $874,938,592 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $100,455,802 in HSP under the NPCR.

4 The total cash paid for 2020-21 includes recoveries of $194,180,263 related to entitlements for the 2019-20 financial year.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

COMPONENT	AMOUNT PAID BY COMMONWEALTH INTO NEW SOUTH WALES STATE POOL ACCOUNT ($'000)	
	2024-25	2023-24
Activity Based Funding	7,576,324	7,031,374
Block funding	1,147,382	1,086,624
Public Health funding	172,919	163,127
TOTAL	**8,896,625**	**8,281,125**

Additional financial assistance has been provided by the Commonwealth under the NPCR including hospital services funding which was paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments being made in the following financial year.

The previous table does not include amounts paid into the State Pool Account by the Commonwealth for COVID-19, including Commonwealth recoveries of Hospital Services Payments of $27,841,765 in 2023-24 and payments of State Public Health and Private Hospital Financial Viability Payments of $121,157,810 in 2023-24. Details of this funding is provided in the Special Purpose Financial Statement.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State — Section 241(2)(A)

COMPONENT	AMOUNT PAID BY NEW SOUTH WALES ($'000)	
	2024-25	2023-24
State Pool Account - Activity Based Funding	9,704,994	8,427,270
State Managed Fund - Block funding	1,737,054	1,419,870
TOTAL	**11,442,048**	**9,847,140**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department or cross-border contributions for transfer to other States or Territories.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
Albury NSW Local Health District[4]	22,802	23,854	22,802
Central Coast Local Health District	149,270	140,354	141,944
Contracted Services	2,944	982	3,899
Far West Local Health District	12,834	11,585	11,552
Hunter New England Local Health District	361,905	338,717	343,170
Illawarra Shoalhaven Local Health District	178,826	169,300	162,580
Mid North Coast Local Health District	116,723	109,887	110,130
Murrumbidgee Local Health District	82,323	78,545	74,234
Nepean Blue Mountains Local Health District	163,213	152,385	159,754
Northern NSW Local Health District	147,867	141,401	138,657
Northern Sydney Local Health District	248,769	235,752	229,818
South Eastern Sydney Local Health District	289,029	269,381	275,282
South Western Sydney Local Health District	371,102	343,273	346,963
Southern NSW Local Health District	65,503	61,285	59,577
St Vincent's Health Network	77,581	76,295	70,346
Sydney Children's Hospitals Network	119,955	117,672	113,269
Sydney Local Health District	285,758	261,010	275,997
Western NSW Local Health District	126,917	108,325	112,402
Western Sydney Local Health District	303,199	285,545	282,967
TOTAL	**3,126,520**	**2,925,548**	**2,935,343**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

4 Services undertaken at the Albury hospital campus is governed by a contractual arrangement between Albury Wodonga Health, a Victorian Government Entity and the NSW Ministry of Health.

The NWAU is the unit of measurement for the ABF system. It is a measure of health service activity expressed as a common unit, against which the National Efficient Price is paid. It provides a way of comparing and valuing each ABF public hospital service, by weighting it for its clinical complexity.

States and Territories provide NWAU estimates at the start of each financial year for Commonwealth payment purposes. These estimates may be revised during the course of the year and form the basis of Commonwealth funding until actual service volumes become available.

The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

In 2024-25 funding was provided to: 109 small regional, remote and very remote hospitals, 10 standalone hospitals providing specialist mental health services; and six standalone major city hospitals providing specialist services. Funding was also provided for other public hospital programs.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The actual number of patients treated and associated costs of high cost, highly specialised therapies are assessed by the Administrator at the end of each financial year.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Albury NSW Local Health District[1]	143,587	19,141	162,728
Central Coast Local Health District	825,784	56,151	881,934
Contracted Services	6,096	128,430	134,526
Far West Local Health District	93,142	33,807	126,949
Hunter New England Local Health District	1,982,830	379,983	2,362,813
Illawarra Shoalhaven Local Health District	1,008,916	78,049	1,086,966
Justice Health and Forensic Mental Health Network	-	100,160	100,160
Mid North Coast Local Health District	659,114	86,440	745,554
Murrumbidgee Local Health District	430,114	266,846	696,960
Nepean Blue Mountains Local Health District	901,406	81,222	982,628
Northern NSW Local Health District	864,500	95,354	959,854
Northern Sydney Local Health District	1,437,357	229,483	1,666,840
South Eastern Sydney Local Health District	1,538,544	131,959	1,670,503
South Western Sydney Local Health District	2,048,616	160,811	2,209,427
Southern NSW Local Health District	384,748	86,188	470,936
St Vincent's Health Network	401,551	37,579	439,130
Sydney Children's Hospitals Network	659,888	70,778	730,665
Sydney Local Health District	1,555,111	265,799	1,820,910
Western NSW Local Health District	702,344	292,928	995,272
Western Sydney Local Health District	1,637,671	283,327	1,920,998
TOTAL	**17,281,319**	**2,884,435**	**20,165,754**

1 Services undertaken at the Albury hospital campus is governed by a contractual arrangement between Albury Wodonga Health, a Victorian Government Entity and the NSW Ministry of Health.

For additional information please see the New South Wales basis for payments.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Albury NSW Local Health District[1]	112,110	13,038	125,148
Central Coast Local Health District	738,860	59,870	798,729
Contracted Services	27,390	-	27,390
Far West Local Health District	76,875	27,257	104,131
Hunter New England Local Health District	1,765,307	359,213	2,124,520
Illawarra Shoalhaven Local Health District	860,508	69,887	930,395
Justice Health and Forensic Mental Health Network	-	87,022	87,022
Mid North Coast Local Health District	591,813	77,207	669,020
Murrumbidgee Local Health District	381,293	228,850	610,143
Nepean Blue Mountains Local Health District	822,144	71,016	893,160
Northern NSW Local Health District	763,036	84,498	847,534
Northern Sydney Local Health District	1,304,163	209,386	1,513,549
South Eastern Sydney Local Health District	1,398,035	129,526	1,527,561
South Western Sydney Local Health District	1,799,864	153,599	1,953,464
Southern NSW Local Health District	351,770	75,070	426,840
St Vincent's Health Network	360,029	32,095	392,124
Sydney Children's Hospitals Network	593,812	67,845	661,658
Sydney Local Health District	1,426,045	208,923	1,634,968
Western NSW Local Health District	583,134	325,067	908,201
Western Sydney Local Health District	1,502,457	227,124	1,729,580
TOTAL	**15,458,644**	**2,506,494**	**17,965,138**

1 Services undertaken at the Albury hospital campus is governed by a contractual arrangement between Albury Wodonga Health, a Victorian Government Entity and the NSW Ministry of Health.

The 2023-24 amounts paid into the State Pool Account excludes recoveries of Commonwealth Hospital Services Payments under the NPCR of $27,841,765 and $31,564,705 related to the Priority groups for COVID-19 Vaccination Program.

For additional information please see the New South Wales basis for payments.

New South Wales basis for National Health Reform payments 2024-25

To meet the reporting requirements of Section 240 of the *National Health Reform Act 2011*, the Administrator is to include the basis of each State and Territory's NHR funding and payments.

The State contribution to the funding of public hospital services and functions is calculated on an activity basis or provided as block funding in accordance with the National Health Reform Agreement – Addendum 2020-25. The State determines the amount they pay for public hospital services and functions and the mix of those services and functions and will meet the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution.

State funding paid on an activity basis to Local Hospital Networks is based on the price set by the State (which is reported in Service Agreements) and the volume of weighted services as set out in Service Agreement for each service category.

To provide consistency in methodology and with the Addendum to the National Health Reform Agreement 2020-25, the 2024-25 New South Wales Funding Model has implemented the State Efficient Price and National Weighted Activity Unit (NWAU24) as the currency for ABF facilities.

The National Efficient Cost (NEC24) for small rural public hospitals model is used for small regional and remote hospitals. New South Wales has retained an alternative methodology to better account locally for the significant challenges faced by small hospitals in rural settings and better integrate care between small regional and remote hospitals and ABF hospitals.

The NEC24 Block funding model is used as the currency for standalone hospitals providing non-admitted mental health service non-admitted home ventilation, teaching, training and research provided in hospitals and other public hospital programs.

Operational and Block funding to districts/networks covers services provided and activities undertaken that are not within scope for ABF.

The State determines when payments are made into the Pool and State managed fund. Payments are made from the Pool account to local health districts/specialty health networks (districts/networks) in accordance with the Service Agreement agreed between the Secretary, New South Wales Health and the local health districts/networks.

The Secretary, New South Wales Health and the local health districts/networks can agree amendments to the Service Agreement to adjust service volumes or pricing to take account of such matters as changing health needs, variations in actual service delivery and hospital performance.

The Service Agreements are available on each of the local health district and speciality network websites.

Further information regarding the Basis for National Health Reform payments in both 2024-25 and previous financial years is included at www.publichospitalfunding.gov.au.

Administrator
National Health
Funding Pool

GPO Box 1252
Canberra ACT 2601
1300 930 522
publichospitalfunding.gov.au

Statement by the Administrator of the National Health Funding Pool New South Wales State Pool Account

I report that, as indicated in Note 1(a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a statement of receipts and payments and accompanying notes provides a true and fair presentation in accordance with the New South Wales *Health Services Act 1997,* the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the New South Wales *Health Services Act 1997,* the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
27 August 2025

National Health Funding Pool
New South Wales State Pool Account Special Purpose Financial Statement
for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011* and clause 17 of Schedule 6A of the New South Wales *Health Services Act 1997.*

CONTENTS

New South Wales State Pool Account

Notes to and forming part of the Special Purpose Financial Statement for the year ended 30 June 2025

INDEPENDENT AUDITOR'S REPORT

National Health Funding Pool - New South Wales State Pool Account

To the Minister for Health

Opinion

As required by the *Health Services Act 1997 (NSW)* and section 242 of the *National Health Reform Act 2011 (Cth),* I have audited the accompanying special purpose financial statement of the New South Wales State Pool Account of the National Health Funding Pool (the financial statement) for the year ended 30 June 2025. The financial statement comprises a Statement of Receipts and Payments for the year ended 30 June 2025, a summary of material accounting policies and other explanatory information.

In my opinion, the financial statement presents fairly the financial transactions of the New South Wales State Pool Account for the year ended 30 June 2025 in accordance with the financial reporting provisions of the *Health Services Act 1997 (NSW), the National Health Reform Act 2011 (Cth)* and the National Health Reform Agreement 2011.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statement' section of my report.

I am independent of the National Health Funding Pool in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statement, which describes the purpose of the financial statement and the basis of accounting. The financial statement has been prepared solely for the purpose of fulfilling the Administrator's financial reporting obligations under the financial reporting provisions of the *Health Services Act 1997 (NSW)*, *National Health Reform Act 2011 (Cth)* and the National Health Reform Agreement 2011. As a result, the financial statement may not be suitable for another purpose.

Other Information

The National Health Funding Pool New South Wales State Pool Account's annual report issued by the Administrator for the year ended 30 June 2025 includes other information in addition to the financial statement and my Independent Auditor's Report thereon. The Administrator is responsible for the other information.

At the date of this Independent Auditor's Report, the other information I have received comprise the summary narratives, charts and tables presented on pages 76 to 85 of the annual report, as well as the Statement by the Administrator of the National Health Funding Pool.

My opinion on the financial statement does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

Administrator's Responsibilities for the Financial Statement

The Administrator is responsible for the preparation and fair presentation of the financial statement and has determined that the basis of presentation described in Note 1, which is a special purpose framework using the cash basis of accounting, is appropriate to meet the financial reporting provisions of the *Health Services Act 1997 (NSW)*, the *National Health Reform Act 2011 (Cth)* and the National Health Reform Agreement 2011. The Administrator's responsibility also includes such internal controls as the Administrator determines is necessary to enable the preparation and fair presentation of the financial statement that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to:

- obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statement.

A description of my responsibilities for the audit of the financial statement is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the New South Wales State Pool Account of the National Health Funding Pool carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statement on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial statement.

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 August 2025
SYDNEY

New South Wales State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NOTES	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT			
From Commonwealth			
Activity Based Funding	2, 6	7,576,324	7,031,374
Block funding		1,147,382	1,086,624
Public Health funding		172,919	163,127
COVID-19 funding	8	-	31,565
COVID-19 funding - final adjustment	8	-	93,316
From New South Wales			
Activity Based Funding (in-scope)	2, 6	9,708,704	8,427,270
Withdrawal of ABF in excess of funding obligations	2,6	(3,710)	-
Activity Based Funding (out-of-scope)	7	-	-
Cross-border contribution	5	425,697	313,856
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	-
From other States or Territories			
Cross-border receipts	3	128,431	112,058
From Reserve Bank of Australia			
Interest receipts		6,703	6,406
TOTAL RECEIPTS		**19,162,450**	**17,265,596**
PAYMENTS OUT OF THE STATE POOL ACCOUNT			
To Local Hospital Networks			
Activity Based Funding (in-scope)	4, 6	17,281,319	15,458,644
Activity Based Funding (out-of-scope)	7	-	-
COVID-19 funding	8	-	-
To New South Wales State Managed Fund			
Block funding		1,147,382	1,086,624
To New South Wales Health			
Public Health funding		172,919	163,127
COVID-19 funding	8	-	31,565
COVID-19 funding - final adjustment	8	-	93,316
Interest payments		6,703	6,406
Cross-border transfer		128,431	112,058
To other States or Territories			
Cross-border payments	5	425,697	313,856
TOTAL PAYMENTS		**19,162,450**	**17,265,596**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR		-	-
OPENING CASH BALANCE		-	-
CLOSING CASH BALANCE		-	-

The above statement of receipts and payments should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement is required by:

- section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011
- clause 17(a) of Schedule 6A of the New South Wales *Health Services Act 1997*.

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 27 August 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

The New South Wales State Pool Account was established at the Reserve Bank of Australia (RBA) in 2012-13 in accordance with clause 9 of Schedule 6A of the New South Wales *Health Services Act 1997*.

(D) Activity Based Funding

ABF is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the IHACPA. ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category were calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided.

This calculation will generally result in reconciliation adjustments being made to the

Commonwealth ABF contribution to each LHN to align with the actual services delivered.

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the Payments System to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement. There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2023-24 and 2024-25 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory (refer Note 3 and Note 5).

The Commonwealth share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST). However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement was to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak.

The NPCR was subsequently amended and agreed to in April 2020 to include financial viability payments for private hospitals. In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Financial Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups included First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

As of 31 December 2023, the PGTV had concluded. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

Note 2: Activity Based Funding (in-scope) receipts

Total receipts paid into the New South Wales State Pool Account in respect of Activity Based Funding:

	2024-25 $'000	2023-24 $'000
Commonwealth	7,576,324	7,031,374
New South Wales	9,708,704	8,427,270
Withdrawal of Activity Based Funding in excess of funding obligations	(3,710)	-
TOTAL	**17,281,319**	**15,458,644**

The amounts paid into the New South Wales State Pool Account excludes Commonwealth recoveries of Hospital Services Payments under the NPCR of $27,841,765 in 2023-24. Please refer to Note 8.

Note 3: Cross-border receipts

Total cross-border receipts paid into the New South Wales State Pool Account from other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
Victoria	20,940	18,180
Queensland	58,211	50,040
Western Australia	4,008	2,254
South Australia	5,244	7,175
Tasmania	-	1,108
Australian Capital Territory	40,027	28,652
Northern Territory	-	4,649
TOTAL	**128,431**	**112,058**

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 4: Activity Based Funding (in-scope) payments

Total payments made out of the New South Wales State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
Albury NSW Local Health District[1]	143,587	112,110
Central Coast Local Health District	825,784	738,860
Contracted Services	6,096	27,390
Far West Local Health District	93,142	76,875
Hunter New England Local Health District	1,982,830	1,765,307
Illawarra Shoalhaven Local Health District	1,008,916	860,508
Mid North Coast Local Health District	659,114	591,813
Murrumbidgee Local Health District	430,114	381,293
Nepean Blue Mountains Local Health District	901,406	822,144
Northern NSW Local Health District	864,500	763,036
Northern Sydney Local Health District	1,437,357	1,304,163
South Eastern Sydney Local Health District	1,538,544	1,398,035
South Western Sydney Local Health District	2,048,616	1,799,864
Southern NSW Local Health District	384,748	351,770
St Vincent's Health Network	401,551	360,029
Sydney Children's Hospitals Network	659,888	593,812
Sydney Local Health District	1,555,111	1,426,045
Western NSW Local Health District	702,344	583,134
Western Sydney Local Health District	1,637,671	1,502,457
TOTAL	**17,281,319**	**15,458,644**

1 Services undertaken at the Albury hospital campus is governed by a contractual arrangement between Albury Wodonga Health, a Victorian Government Entity and the NSW Ministry of Health.

The Administrator makes payments from the New South Wales State Pool Account in accordance with the directions of the New South Wales Minister for Health and in alignment with LHN Service Agreements.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 5: Cross-border payments

Total cross-border payments made out of the New South Wales State Pool Account to other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
Victoria	80,700	63,010
Queensland	178,942	84,480
Western Australia	4,365	2,121
South Australia	12,677	11,555
Tasmania	-	917
Australian Capital Territory	149,013	148,059
Northern Territory	-	3,715
TOTAL	**425,697**	**313,856**

Note 6: Activity Based Funding (in-scope) receipts and payments

Total Commonwealth and New South Wales Activity Based Funding contributions and total Local Hospital Network Activity Based Funding payments:

	2024-25 $'000	2023-24 $'000
Total receipts from the Commonwealth	7,576,324	7,031,374
Total receipts from New South Wales	9,708,704	8,427,270
Withdrawal in excess of funding obligations	(3,710)	-
Total payments to Local Hospital Networks	(17,281,319)	(15,458,644)
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 7: Activity Based Funding (out-of-scope) receipts and payments

Total ABF contributions paid through the Pool for activities that are out-of-scope of the NHR Agreement:

	2024-25 $'000	2023-24 $'000
Total receipts from New South Wales	-	-
Total payments to Local Hospital Networks	-	-
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 8: COVID-19 funding

COVID-19 funding was provided monthly in advance based on estimates submitted by States and Territories and subject to reconciliation. Final funding entitlements were determined after actual activity data on hospital services and actual in-scope expenditure were submitted.

The types of funding and payments under the NPCR included:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment has been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity were included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

The Priority Groups COVID-19 Testing and Vaccination Payment

The Commonwealth provided a 50 per cent contribution for costs incurred by States and Territories for PCR testing for COVID-19 as well as a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered, consistent with the arrangements under the NPCR, which expired on 31 December 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding receipts and payments:

	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT		
From Commonwealth		
Hospital Services Payments - final adjustment	-	(27,842)
State Public Health Payments - final adjustment	-	113,214
Private Hospital Financial Viability Payment - final adjustment	-	7,944
Priority groups testing and vaccination	-	31,565
TOTAL COMMONWEALTH RECEIPTS	-	124,881
From New South Wales		
Hospital Services Payments - final adjustment	-	-
State Public Health Payments - final adjustment	-	-
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	-
TOTAL NEW SOUTH WALES RECEIPTS	-	-
TOTAL RECEIPTS	**-**	**124,881**
PAYMENTS OUT OF THE STATE POOL ACCOUNT		
To New South Wales (including Local Hospital Networks)		
Hospital Services Payments - final adjustment	-	(27,842)
State Public Health Payments - final adjustment	-	113,214
Private Hospital Financial Viability Payment - final adjustment	-	7,944
Priority groups testing and vaccination	-	31,565
TOTAL PAYMENTS	**-**	**124,881**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-
OPENING CASH BALANCE	-	-
CLOSING CASH BALANCE	-	-

The previous table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

End of Audited Special Purpose Financial Statement.

VICTORIA

FUNDING AND PAYMENTS

$19.3B

TOTAL FUNDING WITH $19.1B PAID TO

77

LOCAL HOSPITAL NETWORKS (LHNs)

$16.8B

IN ACTIVITY BASED FUNDING THAT DELIVERED

2,524,139

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

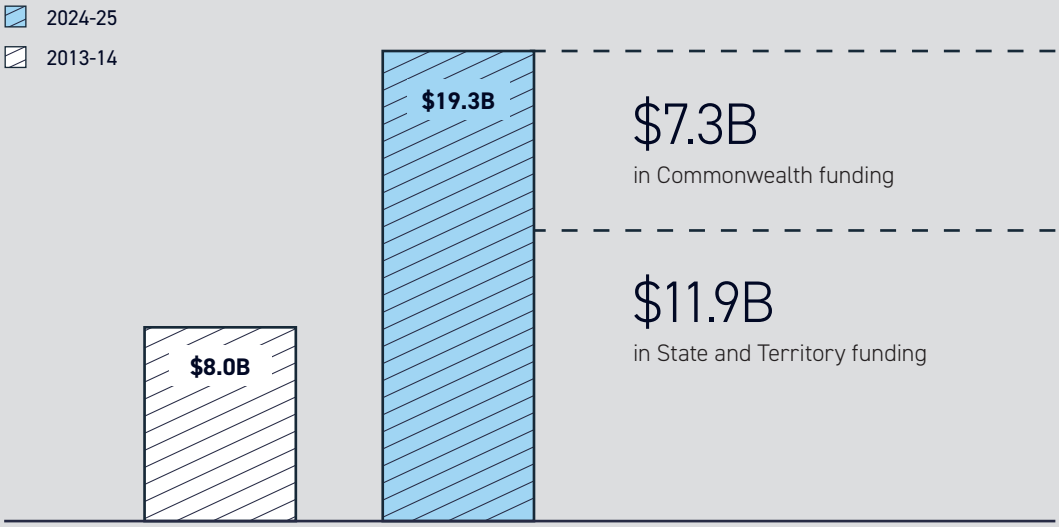
These amounts do not include transactions related to the NPCR. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011* and section 17(2) of the Victorian *Health (Commonwealth State Funding Arrangements) Act 2012.*

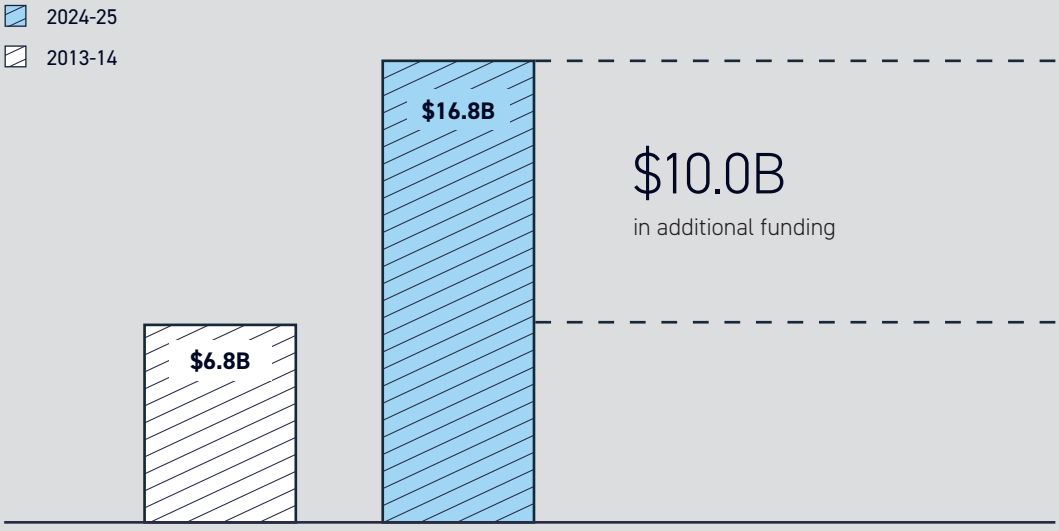
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified.

NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by Victoria (VIC) and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

The following table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by Victoria. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

	AMOUNT PAID TO VICTORIA ($'000)					
	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
Cash Paid 2020-21	5,830,361	-	-	-	-	5,649,450[4]
Cash Paid 2021-22	(869,948)	6,257,852	-	-	-	5,387,904
Cash Paid 2022-23	-	(633,092)	6,633,825	-	-	6,000,734
Cash Paid 2023-24	-	-	(205,794)	6,845,853	-	6,640,059
Cash Paid 2024-25	-	-	-	7,738	7,299,075	7,306,813
FINAL ENTITLEMENT	**4,960,413**	**5,624,760**	**6,428,031**	**6,853,591**	**7,299,075**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $915,504,081 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $604,183,899 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $30,316,269 in HSP under the NPCR.

4 The total cash paid in 2020-21 includes recoveries of $180,911,010 related to entitlements for the 2019-20 financial year.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

COMPONENT	AMOUNT PAID BY COMMONWEALTH INTO VICTORIA STATE POOL ACCOUNT ($'000)	
	2024-25	2023-24
Activity Based Funding	6,080,730	5,619,025
Block funding	1,083,717	887,209
Public Health funding	142,366	133,825
TOTAL	**7,306,813**	**6,640,059**

Additional financial assistance has been provided by the Commonwealth under the NPCR including hospital services funding which was paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments being made in the following financial year.

The previous table does not include amounts paid into the State Pool Account by the Commonwealth for COVID-19, including recoveries of Hospital Services Payments of $89,031,845 in 2023-24 and recoveries of State Public Health and Private Hospital Financial Viability Payments of $387,843,195 in 2023-24. Details of this funding is provided in the Pool Account Special Purpose Financial Statement.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State — Section 241(2)(A)

COMPONENT	AMOUNT PAID BY VICTORIA ($'000)	
	2024-25	2023-24
State Pool Account - Activity Based Funding	10,685,276	7,956,855
State Managed Fund - Block funding	1,261,613	1,259,748
TOTAL	**11,946,888**	**9,216,603**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department or cross-border contributions for transfer to other States or Territories.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
Albury Wodonga Health	35,823	22,514	30,250
Alfred Health	187,847	182,522	183,821
Austin Health	151,226	144,711	151,926
Bairnsdale Regional Health Service	16,371	15,723	15,552
Barwon Health	130,034	121,644	114,961
Bass Coast Health	17,316	16,627	14,380
Benalla Health	3,598	4,120	4,242
Bendigo Health	76,965	75,778	68,850
Calvary Health Care Bethlehem Limited	3,165	3,534	4,593
Central Gippsland Health Service	11,560	12,351	12,892
Colac Area Health	6,088	6,137	6,422
Contracted Services LHN Victoria	11,220	10,278	11,371
Dhelkaya Health	5,300	5,563	5,886
East Grampians Health Service	5,013	5,284	4,753
Eastern Health	186,192	178,011	177,179
Echuca Regional Health	17,411	16,699	14,159
Gippsland Southern Health Service	3,708	3,543	4,343
Goulburn Valley Health	43,763	41,855	47,275
Grampians Health	80,531	78,192	80,185
Kyabram District Health Service	2,951	2,933	3,243
Latrobe Regional Health	46,453	46,360	42,918
Maryborough District Health Service	4,225	3,707	4,439
Melbourne Health	161,363	155,236	169,044
Mercy Hospitals Victoria Limited	77,667	78,034	77,846
Mildura Base Public Hospital	25,980	26,824	23,190
Monash Health	342,239	334,413	337,158
Northeast Health Wangaratta	27,110	26,039	27,338
Northern Health[4]	160,220	140,901	119,653
Peninsula Health	117,943	115,991	112,653
Peter MacCallum Cancer Institute	41,545	41,338	32,556
Portland District Health	6,145	5,985	5,654
South West Healthcare	28,402	27,516	29,354
St Vincent's Hospital (Melbourne) Limited	103,417	98,814	104,092
Swan Hill District Hospital	8,537	8,232	9,188

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E) (continued)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
The Royal Children's Hospital	95,930	93,947	100,125
The Royal Victorian Eye and Ear Hospital	20,298	19,264	20,395
The Royal Women's Hospital	43,395	40,104	44,578
West Gippsland Healthcare Group	19,277	17,817	16,777
Western District Health Service	9,223	9,162	9,112
Western Health	188,689	183,595	178,683
TOTAL	**2,524,139**	**2,421,300**	**2,421,036**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

4 Kilmore and District Hospital amalgamated with Northern Health on 1 November 2023 and were reported separately until 30 June 2024.

The NWAU is the unit of measurement for the ABF system. It is a measure of health service activity expressed as a common unit, against which the National Efficient Price is paid. It provides a way of comparing and valuing each ABF public hospital service, by weighting it for its clinical complexity.

States and Territories provide NWAU estimates at the start of each financial year for Commonwealth payment purposes. These estimates may be revised during the course of the year and form the basis of Commonwealth funding until actual service volumes become available.

The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

In 2024-25 funding was provided to: 58 small regional, remote and very remote hospitals. Funding was also provided for other public hospital programs.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The actual number of patients treated and associated costs of high cost, highly specialised therapies are assessed by the Administrator at the end of each financial year.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Albury Wodonga Health	223,714	42,443	266,157
Alexandra District Hospital	-	8,409	8,409
Alfred Health	1,266,756	132,902	1,399,658
Alpine Health	-	14,654	14,654
Austin Health	997,358	89,031	1,086,389
Bairnsdale Regional Health Service	117,368	4,778	122,146
Barwon Health	802,112	88,272	890,384
Bass Coast Health	124,376	2,259	126,635
Beaufort and Skipton Health Service	-	7,355	7,355
Beechworth Health Service	-	6,720	6,720
Benalla Health	26,992	777	27,769
Bendigo Health	478,244	76,223	554,468
Boort District Health	-	3,740	3,740
Calvary Health Care Bethlehem Limited	31,797	667	32,464
Casterton Memorial Hospital	-	5,591	5,591
Central Gippsland Health Service	85,428	3,319	88,747
Central Highlands Rural Health	-	29,482	29,482
Cohuna District Hospital	-	8,666	8,666
Colac Area Health	44,242	639	44,881
Contracted Services LHN Victoria	79,796	7,107	86,902
Corryong Health	-	5,609	5,609
Dhelkaya Health	39,514	3,503	43,017
East Grampians Health Service	37,149	1,815	38,965
East Wimmera Health Service	-	19,795	19,795
Eastern Health	1,211,544	161,364	1,372,909
Echuca Regional Health	124,450	3,453	127,904
Gippsland Southern Health Service	28,755	618	29,374
Goulburn Valley Health	270,476	53,597	324,073
Grampians Health	502,209	68,057	570,266
Great Ocean Road Health	-	7,462	7,462
Heathcote Health	-	4,170	4,170
Hesse Rural Health Service	-	3,203	3,203
Heywood Rural Health	-	3,788	3,788
Inglewood and Districts Health Service	-	3,623	3,623

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Albury Wodonga Health	175,405	39,498	214,903
Alexandra District Hospital	-	8,070	8,070
Alfred Health	985,636	109,806	1,095,442
Alpine Health	-	13,927	13,927
Austin Health	813,430	84,222	897,652
Bairnsdale Regional Health Service	83,333	3,270	86,603
Barwon Health	673,781	76,800	750,581
Bass Coast Health	89,218	2,113	91,331
Beaufort and Skipton Health Service	-	6,820	6,820
Beechworth Health Service	-	6,493	6,493
Benalla Health	22,097	514	22,612
Bendigo Health	370,889	70,829	441,717
Boort District Health	-	3,199	3,199
Calvary Health Care Bethlehem Limited	25,356	688	26,043
Casterton Memorial Hospital	-	5,350	5,350
Central Gippsland Health Service	71,094	3,142	74,236
Central Highlands Rural Health	-	28,661	28,661
Cohuna District Hospital	-	8,188	8,188
Colac Area Health	34,869	433	35,303
Contracted Services LHN Victoria	79,612	8,560	88,172
Corryong Health	-	5,367	5,367
Dhelkaya Health	31,442	3,046	34,489
East Grampians Health Service	26,942	1,363	28,305
East Wimmera Health Service	-	18,531	18,531
Eastern Health	978,431	155,783	1,134,214
Echuca Regional Health	74,708	3,812	78,521
Gippsland Southern Health Service	24,157	557	24,714
Goulburn Valley Health	269,402	44,808	314,210
Grampians Health	436,844	64,378	501,222
Great Ocean Road Health	-	7,833	7,833
Heathcote Health	-	4,204	4,204
Hesse Rural Health Service	-	2,830	2,830
Heywood Rural Health	-	3,515	3,515
Inglewood and Districts Health Service	-	3,294	3,294

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D) (continued)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Kerang and District Health	-	8,701	8,701
Kooweerup Regional Health Services	-	7,132	7,132
Kyabram District Health Service	21,175	880	22,055
Latrobe Regional Health	288,372	65,640	354,012
Mallee Track Health and Community Service	-	5,703	5,703
Mansfield District Hospital	-	11,373	11,373
Maryborough District Health Service	31,365	449	31,814
Melbourne Health	1,052,222	128,556	1,180,778
Mercy Hospitals Victoria Limited	559,395	69,347	628,742
Mildura Base Public Hospital	185,639	28,399	214,038
Monash Health	2,234,596	221,479	2,456,075
Moyne Health Services	-	5,818	5,818
NCN Health	-	27,941	27,941
Northeast Health Wangaratta	195,592	4,328	199,921
Northern Health	1,034,998	204,690	1,239,687
Omeo District Health	-	3,299	3,299
Orbost Regional Health	-	8,118	8,118
Other Provider (VIC)	-	44,255	44,255
Peninsula Health	764,449	81,431	845,880
Peter MacCallum Cancer Institute	275,613	58,764	334,377
Portland District Health	44,696	528	45,224
Robinvale District Health Services	-	7,817	7,817
Rochester and Elmore District Health Service	-	7,542	7,542
Rural Northwest Health	-	11,646	11,646
Seymour District Memorial Hospital	-	17,385	17,385
South Gippsland Hospital	-	8,281	8,281
South West Healthcare	207,129	36,359	243,488
St Vincent's Hospital (Melbourne) Limited	752,866	90,485	843,350
Swan Hill District Hospital	62,698	1,039	63,737
Tallangatta Health Service	-	5,926	5,926
Terang and Mortlake Health Service	-	7,565	7,565
The Royal Children's Hospital	674,162	41,669	715,831
The Royal Victorian Eye and Ear Hospital	130,615	3,971	134,586

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D) (continued)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Kerang and District Health	-	8,217	8,217
Kilmore and District Hospital	-	10,833	10,833
Kooweerup Regional Health Services	-	6,600	6,600
Kyabram District Health Service	18,038	298	18,336
Latrobe Regional Health	231,841	58,436	290,277
Mallee Track Health and Community Service	-	5,357	5,357
Mansfield District Hospital	-	11,194	11,194
Maryborough District Health Service	24,602	643	25,245
Melbourne Health	868,657	115,760	984,417
Mercy Hospitals Victoria Limited	467,295	63,384	530,678
Mildura Base Public Hospital	125,291	24,366	149,657
Monash Health	1,910,555	214,873	2,125,428
Moyne Health Services	-	5,369	5,369
NCN Health	-	27,772	27,772
Northeast Health Wangaratta	153,498	4,456	157,954
Northern Health	704,720	155,397	860,117
Omeo District Health	-	3,142	3,142
Orbost Regional Health	-	7,730	7,730
Other Provider (VIC)	-	40,185	40,185
Peninsula Health	580,140	67,551	647,691
Peter MacCallum Cancer Institute	187,742	50,988	238,730
Portland District Health	31,825	685	32,511
Robinvale District Health Services	-	7,964	7,964
Rochester and Elmore District Health Service	-	6,427	6,427
Rural Northwest Health	-	11,309	11,309
Seymour District Memorial Hospital	-	16,255	16,255
South Gippsland Hospital	-	7,724	7,724
South West Healthcare	158,280	32,997	191,277
St Vincent's Hospital (Melbourne) Limited	644,500	87,989	732,489
Swan Hill District Hospital	48,672	972	49,643
Tallangatta Health Service	-	5,501	5,501
Terang and Mortlake Health Service	-	6,951	6,951
The Royal Children's Hospital	591,971	44,072	636,043

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D) (continued)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
The Royal Women's Hospital	284,478	5,384	289,862
Timboon and District Healthcare Service	-	4,976	4,976
Victorian Institute of Forensic Mental Health	-	88,248	88,248
West Gippsland Healthcare Group	142,743	3,030	145,773
West Wimmera Health Service	-	20,232	20,232
Western District Health Service	67,839	4,301	72,140
Western Health	1,263,082	93,719	1,356,802
Yarram and District Health Service	-	8,192	8,192
Yarrawonga District Health Service	-	13,665	13,665
Yea and District Memorial Hospital	-	3,974	3,974
TOTAL	**16,766,005**	**2,345,330**	**19,111,336**

For additional information please see the Victoria basis for payments.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D) (continued)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
The Royal Victorian Eye and Ear Hospital	117,651	3,967	121,618
The Royal Women's Hospital	235,543	5,235	240,778
Timboon and District Healthcare Service	-	4,910	4,910
Victorian Institute of Forensic Mental Health	-	83,321	83,321
West Gippsland Healthcare Group	98,936	2,648	101,584
West Wimmera Health Service	-	19,279	19,279
Western District Health Service	50,620	4,131	54,751
Western Health	1,058,855	88,391	1,147,246
Yarram and District Health Service	-	7,876	7,876
Yarrawonga District Health Service	-	12,254	12,254
Yea and District Memorial Hospital	-	3,643	3,643
TOTAL	**13,575,879**	**2,146,957**	**15,722,836**

For additional information please see the Victoria basis for payments.

Victoria basis for National Health Reform payments 2024-25

To meet the reporting requirements of Section 240 of the *National Health Reform Act 2011*, the Administrator is to include the basis of each State and Territory's NHR funding and payments.

The State contribution to the funding of public hospital services and functions is calculated on an activity basis or provided as block funding in accordance with the National Health Reform Agreement – Addendum 2020-25. The State determines the amount they pay for public hospital services and functions and the mix of those services and functions and will meet the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution.

System-wide terms and conditions for Government-funded healthcare organisations are detailed in Policy and Funding Guidelines Policy Guide and Funding Rules (www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services).

State funding is paid on an activity basis to Local Hospital Networks (LHNs) based on the price set by the State (that is reported in the Policy and Funding Guidelines - Funding Rules) and the volume of weighted services as set out in Statement of Priorities for each service category. Non-price grants are also provided where local service delivery does not support activity-based funding.

To provide consistency in methodology and with the Addendum to the National Health Reform Agreement 2020-25, the Victoria funding model has implemented the National Weighted Activity Unit (NWAU24) and a Metropolitan, Regional, and Subregional Victorian Efficient Price as the currency for local ABF facilities.

The National Efficient Cost (NEC24) block funding model is used as the currency for small rural hospitals, standalone hospitals providing specialised mental health services, rural and regional local hospital networks delivering a low volume of community mental health services, and eligible community health services. The NEC24 block funding model is also used as the currency for teaching training and research, non-admitted home ventilation, High Cost, Highly Specialised Therapies, and other public hospital programs.

Operational grants are also provided to the LHN covering services performed and activities undertaken that are not within scope for NHRA block funding or ABF. For example: public health, dental services, maternal, child health and parenting services, primary care and community health, ageing and aged care, and home and community care.

The Minister for Health and the LHN can agree amendments to the Statement of Priorities to adjust service volumes or pricing to take account of such matters as changing health needs, variations in actual service delivery and hospital performance.

The Statements of Priorities are available at www.health.vic.gov.au/funding-performance-accountability/statements-of-priorities.

Further information regarding the Basis for National Health Reform payments in both 2024-25 and previous financial years is included at www.publichospitalfunding.gov.au.

Administrator
National Health
Funding Pool

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Statement by the Administrator of the National Health Funding Pool Victoria State Pool Account

I report that, as indicated in Note 1(a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a statement of receipts and payments and accompanying notes provides a true and fair presentation in accordance with the Victorian *Health (Commonwealth State Funding Arrangements) Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the Victorian *Health (Commonwealth State Funding Arrangements) Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
27 August 2025

National Health Funding Pool Victoria State Pool Account Special Purpose Financial Statement for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011* and section 18 of the Victorian *Health (Commonwealth State Funding Arrangements) Act 2012.*

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Independent Auditor's Report

Victorian Auditor-General's Office

To the Minister of Health

Opinion	I have audited the special purpose financial statement (the financial statement) of Victoria State Pool Account (the account) which comprises the: • statement of receipts and payments for the year ended 30 June 2025 • notes to the financial statements, including material accounting policy information • statement by the Administrator of the National Health Funding Pool In my opinion the financial statement presents fairly, in all material respects, the receipts and payments of the Victoria State Pool Account for the year ended 30 June 2025 in accordance with the financial reporting requirements of section 242 of the *National Health Reform Act 2011 (Commonwealth)* and section 18 of the *Health (Commonwealth State Funding Arrangements) Act 2012 (Victoria)*.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the account in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other information	The Administrator is responsible for the Other Information, which comprises the information in the Victoria State Pool Account 's annual report for the year ended 30 June 2025 but does not include the financial statement and my auditor's report thereon. My opinion on the financial statement does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
Emphasis of Matter - Basis of accounting for financial report	I draw attention to Note 1(A) to the financial statements, which describes the purpose of the financial statement and its basis of accounting. The financial report has been prepared using the cash basis of accounting and for the purpose of fulfilling the Administrator's financial reporting obligations under the *National Health Reform Act 2011 (Commonwealth)* and the *Health (Commonwealth State Funding Arrangements) Act 2012 (Victoria)*. As a result, the financial statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

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OFFICIAL

Administrator's responsibilities for the financial report	The Administrator of the National Health Funding Pool is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting requirements of the *National Health Reform Act 2011 (Commonwealth)* and the *Health (Commonwealth State Funding Arrangements) Act 2012 (Victoria)*, and for such internal control as the Administrator determines is necessary to enable the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error. The Administrator is responsible for overseeing the Victoria State Pool Account's financial reporting process.
Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the account's internal control. • evaluate the appropriateness of accounting policies used and related disclosures made by the Administrator. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Administrator regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
28 August 2025

Simone Bohan
as delegate for the Auditor-General of Victoria

Victoria State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NOTES	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT			
From Commonwealth			
Activity Based Funding	2, 6	6,080,730	5,619,025
Block funding		1,083,717	887,209
Public Health funding		142,366	133,825
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	(476,875)
From Victoria			
Activity Based Funding (in-scope)	2, 6	11,097,336	8,495,469
Withdrawal of ABF in excess of funding obligations	2, 6	(412,061)	(538,614)
Activity Based Funding (out-of-scope)	7	-	-
Cross-border contribution	5	92,991	18,180
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	476,875
From other States or Territories			
Cross-border receipts	3	153,618	63,010
From Reserve Bank of Australia			
Interest receipts		4,747	4,648
TOTAL RECEIPTS		**18,243,445**	**14,682,751**
PAYMENTS OUT OF THE STATE POOL ACCOUNT			
To Local Hospital Networks			
Activity Based Funding (in-scope)	4, 6	16,766,005	13,575,879
Activity Based Funding (out-of-scope)	7	-	-
COVID-19 funding	8	-	-
To Victoria State Managed Fund			
Block funding		1,083,717	887,209
To Department of Health Victoria			
Public Health funding		142,366	133,825
COVID-19 funding	8	-	-
COVID-19 funding - final entitlement	8	-	-
Interest payments		4,747	4,648
Cross-border transfer		153,618	63,010
To other States or Territories			
Cross-border payments	5	92,991	18,180
TOTAL PAYMENTS		**18,243,445**	**14,682,751**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR		-	-
OPENING CASH BALANCE		-	-
CLOSING CASH BALANCE		-	-

The above statement of receipts and payments should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement is required by:

- section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011
- section 18 of the Victoria *Health (Commonwealth State Funding Arrangements) Act 2012.*

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 27 August 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

The Victorian State Pool Account was established at the Reserve Bank of Australia (RBA) in 2012-13 in accordance with section 11 of the Victoria *Health (Commonwealth State Funding Arrangements) Act 2012.*

(D) Activity Based Funding

ABF is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the Independent Health and Aged Care Pricing Authority (IHACPA). ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category were calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided.

This calculation will generally result in reconciliation adjustments being made to the Commonwealth ABF contribution to each LHN to align with the actual services delivered.

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the Payments System to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement. There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2023-24 and 2024-25 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory (refer Note 3 and Note 5).

The Commonwealth's share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST).

However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement was to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak. The NPCR was subsequently amended and agreed to in April 2020 to include financial viability payments for private hospitals. In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Financial Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023.

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups included First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

Victoria abstained from entering into this agreement with the Commonwealth.

Note 2: Activity Based Funding (in-scope) receipts

Total receipts paid into the Victoria State Pool Account in respect of Activity Based Funding:

	2024-25 $'000	2023-24 $'000
Commonwealth	6,080,730	5,619,025
Victoria	11,097,336	8,495,469
Withdrawal of Activity Based Funding in excess of funding obligations	(412,061)	(538,614)
TOTAL	**16,766,005**	**13,575,879**

The amounts paid by the Commonwealth into the Victoria State Pool Account excludes Commonwealth recoveries related to Hospital Services Payments under the NPCR of $89,031,845 in 2023-24. Please refer to Note 8.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 3: Cross-border receipts

Total cross-border receipts paid into the Victoria State Pool Account from other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	80,700	63,010
Queensland	19,232	-
Western Australia	7,186	-
South Australia	20,587	-
Tasmania	23,028	-
Australian Capital Territory	2,886	-
Northern Territory	-	-
TOTAL	**153,618**	**63,010**

Note 4: Activity Based Funding (in-scope) payments

Total payments made out of the Victoria State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
Albury Wodonga Health	223,714	175,405
Alfred Health	1,266,756	985,636
Austin Health	997,358	813,430
Bairnsdale Regional Health Service	117,368	83,333
Barwon Health	802,112	673,781
Bass Coast Health	124,376	89,218
Benalla Health	26,992	22,097
Bendigo Health	478,244	370,889
Calvary Health Care Bethlehem Limited	31,797	25,356
Central Gippsland Health Service	85,428	71,094
Colac Area Health	44,242	34,869
Contracted Services LHN Victoria	79,796	79,612
Dhelkaya Health	39,514	31,442
East Grampians Health Service	37,149	26,942
Eastern Health	1,211,544	978,431
Echuca Regional Health	124,450	74,708
Gippsland Southern Health Service	28,755	24,157
Goulburn Valley Health	270,476	269,402
Grampians Health	502,209	436,844

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 4: Activity Based Funding (in-scope) payments (continued)

Total payments made out of the Victoria State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
Kyabram District Health Service	21,175	18,038
Latrobe Regional Health	288,372	231,841
Maryborough District Health Service	31,365	24,602
Melbourne Health	1,052,222	868,657
Mercy Hospitals Victoria Limited	559,395	467,295
Mildura Base Public Hospital	185,639	125,291
Monash Health	2,234,596	1,910,555
Northeast Health Wangaratta	195,592	153,498
Northern Health[1]	1,034,998	704,720
Peninsula Health	764,449	580,140
Peter MacCallum Cancer Institute	275,613	187,742
Portland District Health	44,696	31,825
South West Healthcare	207,129	158,280
St Vincent's Hospital (Melbourne) Limited	752,866	644,500
Swan Hill District Hospital	62,698	48,672
The Royal Children's Hospital	674,162	591,971
The Royal Victorian Eye and Ear Hospital	130,615	117,651
The Royal Women's Hospital	284,478	235,543
West Gippsland Healthcare Group	142,743	98,936
Western District Health Service	67,839	50,620
Western Health	1,263,082	1,058,855
TOTAL	**16,766,005**	**13,575,879**

1 Kilmore and District Hospital amalgamated with Northern Health on 1 November 2023 and were reported separately until 30 June 2024.

The Administrator makes payments from the Victoria State Pool Account in accordance with the directions of the Victoria Minister for Health and in alignment with LHN Service Agreements.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 5: Cross-border payments

Total cross-border payments made out of the Victoria State Pool Account to other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	20,940	18,180
Queensland	43,275	-
Western Australia	8,682	-
South Australia	13,775	-
Tasmania	-	-
Australian Capital Territory	6,319	-
Northern Territory	-	-
TOTAL	**92,991**	**18,180**

Note 6: Activity Based Funding (in-scope) receipts and payments

Total Commonwealth and Victoria Activity Based Funding contributions and total Local Hospital Network Activity Based Funding payments:

	2024-25 $'000	2023-24 $'000
Total receipts from the Commonwealth	6,080,730	5,619,025
Total receipts from Victoria	11,097,336	8,495,469
Withdrawal in excess of funding obligations	(412,061)	(538,614)
Total payments to Local Hospital Networks	(16,766,005)	(13,575,879)
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 7: Activity Based Funding (out-of-scope) receipts and payments

Total ABF contributions paid through the Pool for activities that are out-of-scope of the NHR Agreement:

	2024-25 $'000	2023-24 $'000
Total receipts from Victoria	-	-
Total payments to Local Hospital Networks	-	-
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 8: COVID-19 funding

COVID-19 funding was provided monthly in advance based on estimates submitted by States and Territories and subject to reconciliation. Final funding entitlements were determined after actual activity data on hospital services and actual in-scope expenditure were submitted.

The types of funding and payments under the NPCR included:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment has been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity were included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding receipts and payments:

	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT		
From Commonwealth		
Hospital Services Payments - final adjustment	-	(89,032)
State Public Health Payments - final adjustment	-	(309,289)
Private Hospital Financial Viability Payment - final adjustment	-	(78,554)
TOTAL COMMONWEALTH RECEIPTS		(476,875)
From Victoria		
Hospital Services Payments - final adjustment	-	89,032
State Public Health Payments - final adjustment	-	309,289
Private Hospital Financial Viability Payment - final adjustment	-	78,554
TOTAL VICTORIA RECEIPTS		476,875
TOTAL RECEIPTS		**-**
PAYMENTS OUT OF THE STATE POOL ACCOUNT		
To Victoria (including Local Hospital Networks)		
Hospital Services Payments - final adjustment	-	-
State Public Health Payments - final adjustment	-	-
Private Hospital Financial Viability Payment - final adjustment	-	**-**
TOTAL PAYMENTS	**-**	**-**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-
OPENING CASH BALANCE	-	-
CLOSING CASH BALANCE	-	-

The previous table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

End of Audited Special Purpose Financial Statement.

QUEENSLAND

FUNDING AND PAYMENTS

$18.0B

TOTAL FUNDING WITH **$17.9B** PAID TO

18

LOCAL HOSPITAL NETWORKS (LHNs)

$15.4B

IN ACTIVITY BASED FUNDING THAT DELIVERED

2,540,738

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

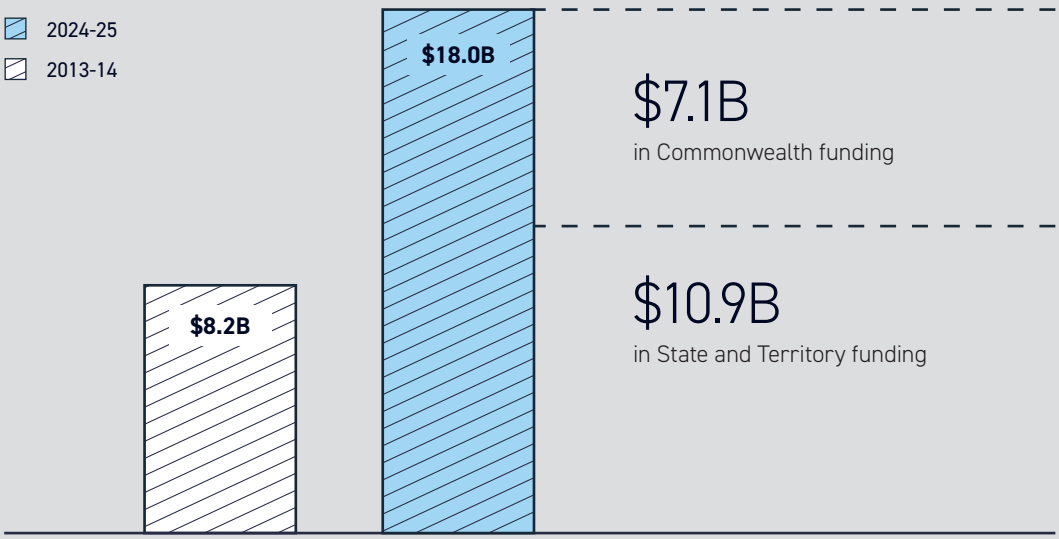
These amounts do not include transactions related to the NPCR and transactions related to the Priority groups for COVID-19 Vaccination Program. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011* and section 53S(2) of the Queensland *Hospital and Health Boards Act 2011.*

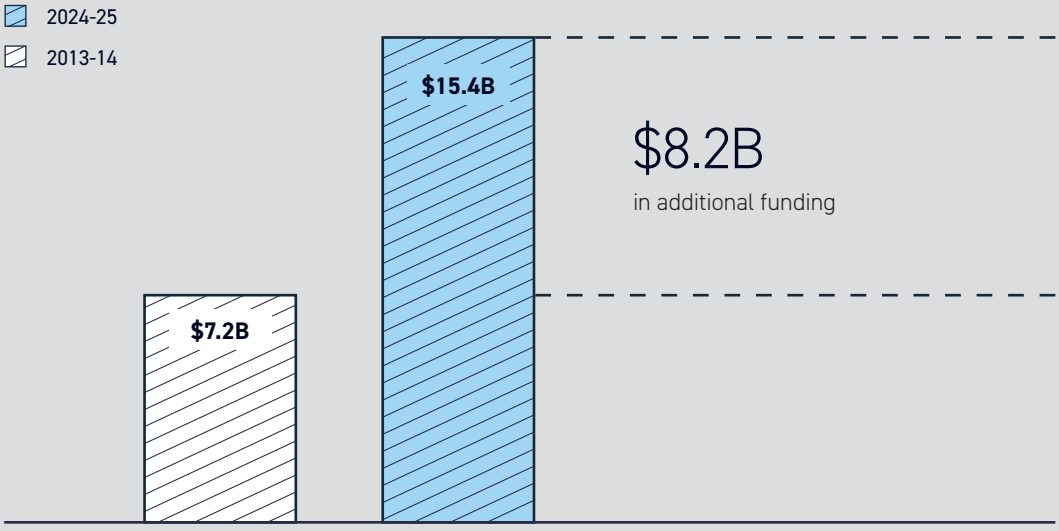
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified.

NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by Queensland (QLD) and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

The following table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by Queensland. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

	AMOUNT PAID TO QUEENSLAND ($'000)					
	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
Cash Paid 2020-21	5,313,701	-	-	-	-	5,243,304[4]
Cash Paid 2021-22	31,603	5,679,802	-	-	-	5,711,404
Cash Paid 2022-23	-	(65,661)	6,103,031	-	-	6,037,370
Cash Paid 2023-24	-	-	130,436	6,638,643	-	6,769,079
Cash Paid 2024-25	-	-	-	699	7,070,899	7,071,598
FINAL ENTITLEMENT	**5,345,303**	**5,614,140**	**6,233,467**	**6,639,342**	**7,070,899**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $43,726,900 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $116,405,562 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $20,832,667 in HSP under the NPCR.

4 The total cash paid in 2020-21 includes recoveries of $70,396,830 related to entitlements for the 2019-20 financial year.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

COMPONENT	AMOUNT PAID BY COMMONWEALTH INTO QUEENSLAND STATE POOL ACCOUNT ($'000)	
	2024-25	2023-24
Activity Based Funding	6,126,642	5,963,335
Block funding	830,794	699,099
Public Health funding	114,162	106,644
TOTAL	**7,071,598**	**6,769,079**

Additional financial assistance has been provided by the Commonwealth under the NPCR including hospital services funding which was paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments being made in the following financial year.

The previous table does not include amounts paid into the State Pool Account by the Commonwealth for COVID-19, including Hospital Services Payments of $4,590,418 in 2023-24 and payments of State Public Health and Private Hospital Financial Viability Payments of $25,720,353 in 2023-24. Details of this funding is provided in the Pool Account Special Purpose Financial Statement.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State — Section 241(2)(A)

COMPONENT	AMOUNT PAID BY QUEENSLAND ($'000)	
	2024-25	2023-24
State Pool Account - Activity Based Funding	9,248,331	8,339,078
State Managed Fund - Block funding	1,694,923	1,753,560
TOTAL	**10,943,254**	**10,092,638**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department or cross-border contributions for transfer to other States or Territories.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
Cairns and Hinterland Hospital and Health Service	155,949	147,328	145,545
Central Queensland Hospital and Health Service	89,069	82,015	80,178
Children's Health Queensland Hospital and Health Service	97,236	90,442	90,818
Darling Downs Hospital and Health Service	114,888	107,956	105,561
Gold Coast Hospital and Health Service	291,941	271,388	267,925
Mackay Hospital and Health Service	75,963	67,609	67,009
Mater Misericordiae Health Service Brisbane	104,577	96,421	101,123
Metro North Hospital and Health Service	528,441	473,934	481,256
Metro South Hospital and Health Service	459,600	412,731	409,515
North West Hospital and Health Service	18,603	18,065	17,990
Queensland Health Virtual LHN	26,980	2,132	8,222
South West Hospital and Health Service	4,705	4,881	4,224
Sunshine Coast Hospital and Health Service	202,080	190,380	186,250
Townsville Hospital and Health Service	158,926	141,366	140,100
West Moreton Hospital and Health Service	101,317	99,713	90,514
Wide Bay Hospital and Health Service	110,462	105,563	102,481
TOTAL	**2,540,738**	**2,311,924**	**2,298,712**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

The NWAU is the unit of measurement for the ABF system. It is a measure of health service activity expressed as a common unit, against which the National Efficient Price is paid. It provides a way of comparing and valuing each ABF public hospital service, by weighting it for its clinical complexity.

States and Territories provide NWAU estimates at the start of each financial year for Commonwealth payment purposes. These estimates may be revised during the course of the year and form the basis of Commonwealth funding until actual service volumes become available.

The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

In 2024-25 funding was provided to: 75 small regional, remote and very remote hospitals, four standalone hospitals providing specialist mental health services; and one standalone hospital providing specialist health services. Funding was also provided for other public hospital programs.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The actual number of patients treated and associated costs of high cost, highly specialised therapies are assessed by the Administrator at the end of each financial year.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Cairns and Hinterland Hospital and Health Service	921,776	179,496	1,101,273
Central Queensland Hospital and Health Service	520,837	116,470	637,307
Central West Hospital and Health Service	-	66,759	66,759
Children's Health Queensland Hospital and Health Service	581,598	140,815	722,414
Darling Downs Hospital and Health Service	663,616	211,376	874,992
Gold Coast Hospital and Health Service	1,794,760	141,844	1,936,604
Mackay Hospital and Health Service	442,710	83,407	526,118
Mater Misericordiae Health Service Brisbane	665,128	29,012	694,140
Metro North Hospital and Health Service	3,198,657	322,154	3,520,811
Metro South Hospital and Health Service	2,703,351	250,610	2,953,961
North West Hospital and Health Service	135,317	54,370	189,687
Queensland Health Virtual LHN	256,627	80,636	337,263
South West Hospital and Health Service	28,820	101,731	130,551
Sunshine Coast Hospital and Health Service	1,274,886	121,490	1,396,376
Torres and Cape Hospital and Health Service	-	169,815	169,815
Townsville Hospital and Health Service	969,802	159,143	1,128,945
West Moreton Hospital and Health Service	590,148	198,999	789,147
Wide Bay Hospital and Health Service	626,940	97,588	724,528
TOTAL	**15,374,973**	**2,525,717**	**17,900,690**

For additional information please see the Queensland basis for payments.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Cairns and Hinterland Hospital and Health Service	877,050	175,364	1,052,414
Central Queensland Hospital and Health Service	495,390	110,596	605,986
Central West Hospital and Health Service	-	57,564	57,564
Children's Health Queensland Hospital and Health Service	572,765	136,997	709,761
Darling Downs Hospital and Health Service	646,421	204,966	851,386
Gold Coast Hospital and Health Service	1,700,776	134,255	1,835,031
Mackay Hospital and Health Service	399,411	95,001	494,413
Mater Misericordiae Health Service Brisbane	661,358	25,253	686,611
Metro North Hospital and Health Service	3,000,799	291,764	3,292,563
Metro South Hospital and Health Service	2,512,728	238,349	2,751,076
North West Hospital and Health Service	121,603	56,843	178,446
Queensland Health Virtual LHN	70,102	98,684	168,787
South West Hospital and Health Service	25,846	90,099	115,945
Sunshine Coast Hospital and Health Service	1,196,069	114,780	1,310,849
Torres and Cape Hospital and Health Service	-	149,197	149,197
Townsville Hospital and Health Service	875,654	185,503	1,061,157
West Moreton Hospital and Health Service	554,447	194,078	748,525
Wide Bay Hospital and Health Service	591,995	93,366	685,361
TOTAL	**14,302,413**	**2,452,659**	**16,755,072**

The 2023-24 amounts paid into the State Pool Account excludes Hospital Services Payments made under the NPCR of $4,590,418 and $nil related to the Priority groups for COVID-19 Vaccination Program.

For additional information please see the Queensland basis for payments.

Queensland basis for National Health Reform payments 2024-25

To meet the reporting requirements of Section 240 of the *National Health Reform Act 2011*, the Administrator is to include the basis of each State and Territory's NHR funding and payments.

The State contribution to the funding of public hospital services and functions is calculated on an activity basis or provided as block funding in accordance with the National Health Reform Agreement – Addendum 2020-25. The State determines the amount they pay for public hospital services and functions and the mix of those services and functions and will meet the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution.

State funding paid on an activity basis to Local Hospital Networks is based on the price set by the State (which is reported in Service Agreements and deeds of amendment) and the volume of weighted services as set out in Service Agreement and deeds of amendment for each service category.

Queensland utilises the National Efficient Price (NEP24) and price weights as determined by the IHACPA as the underlying funding model for ABF in the State. The State also provides an overlay of supplementation grants where the Hospital and Health Service (HHS) reports higher average costs than the NEP24.

Queensland utilises information from statewide cost collections to determine funding for small rural hospitals, standalone hospitals providing specialist mental health services (admitted and non-admitted), child and adolescent mental health services, non-admitted home ventilation and teaching, training and research provided in hospitals. Operational and block grants are also provided to HHS' covering services provided and activities undertaken that are not within scope for ABF, for example, community dental services, primary care, home and community care.

The State determines when payments are made into the Pool and the State managed fund. Payments are made from the Pool account to HHS' and the State managed fund in accordance with the Service Agreement and deeds of amendment between the HHS and the Director-General, Queensland Health.

The State also makes payments for activities outside the scope of the National Health Reform Agreement. Out-of-scope activities are defined as those public hospital services with a funding source other than the NHRA.

The Director-General, Queensland Health and the HHS can agree amendments to the Service Agreement to adjust service volumes or pricing to take account of such matters as changing health needs, variations in actual service delivery and hospital performance.

The Service Agreements are available at www.health.qld.gov.au/system-governance/health-system/managing/agreements-deeds.

Further information regarding the Basis for National Health Reform payments in both 2024-25 and previous financial years is included at www.publichospitalfunding.gov.au.

Administrator
National Health
Funding Pool

GPO Box 1252
Canberra ACT 2601
1300 930 522
publichospitalfunding.gov.au

Statement by the Administrator of the National Health Funding Pool Queensland State Pool Account

I report that, as indicated in Note 1(a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a statement of receipts and payments and accompanying notes provides a true and fair presentation in accordance with the Queensland *Hospital and Health Boards Act 2011*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the Queensland *Hospital and Health Boards Act 2011*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
27 August 2025

National Health Funding Pool Queensland State Pool Account Special Purpose Financial Statement for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011* and section 53T of the Queensland *Hospital and Health Boards Act 2011.*

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Administrator of the National Health Funding Pool

Report on the audit of the financial statement

Opinion

I have audited the accompanying special purpose financial statement of the Queensland State Pool Account.

The financial statement comprises the statement of receipts and payments for the year ended 30 June 2025, notes to the financial statements including material accounting policy information, and the statement provided by the Administrator of the National Health Funding Pool (the Administrator).

In my opinion, the financial statement:

a) gives a true and fair view of the Queensland State Pool Account's cash receipts and payments for the year ended 30 June 2025; and

b) complies with the *National Health Reform Act 2011*, the *Hospital and Health Boards Act 2011* and the financial reporting framework described in Note 1(A).

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the Queensland State Pool Account in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1(A) to the financial statement, which describes the basis of accounting. The financial statement has been prepared for the purpose of fulfilling the financial reporting responsibilities of the Administrator. As a result, the financial statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of the entity for the financial statement

The Administrator is responsible for the preparation of the financial statement that gives a true and fair view in accordance with the *National Health Reform Act 2011*, the *Hospital and Health Boards Act 2011* and the financial reporting framework described in Note 1(A), and for such internal control as the Administrator determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error. In fulfilling this responsibility, the Administrator determined that the basis of preparation described in Note 1(A) is appropriate to meet the requirements of the *National Health Reform Act 2011* and the *Hospital and Health Boards Act 2011*.

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Auditor's responsibilities for the audit of the financial statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

A further description of my responsibilities for the audit of the financial statement is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

28 August 2025

Rachel Vagg
Auditor-General

Queensland Audit Office
Brisbane

Queensland State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NOTES	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT			
From Commonwealth			
Activity Based Funding	2, 6	6,126,642	5,963,335
Block funding		830,794	699,099
Public Health funding		114,162	106,644
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	30,311
From Queensland			
Activity Based Funding (in-scope)	2, 6	9,248,331	8,339,078
Activity Based Funding (out-of-scope)	7	780,213	683,113
Cross-border contribution	5	86,132	55,258
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	-
From other States or Territories			
Cross-border receipts	3	233,049	90,202
From Reserve Bank of Australia			
Interest receipts		2,296	1,868
TOTAL RECEIPTS		**17,421,620**	**15,968,907**
PAYMENTS OUT OF THE STATE POOL ACCOUNT			
To Local Hospital Networks			
Activity Based Funding (in-scope)	4, 6	15,374,973	14,302,413
Activity Based Funding (out-of-scope)	7	780,213	683,113
COVID-19 funding	8	-	-
To Queensland State Managed Fund			
Block funding		830,794	699,099
To Queensland Health			
Public Health funding		114,162	106,644
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	30,311
Interest payments		2,296	1,868
Cross-border transfer		233,049	90,202
To other States or Territories			
Cross-border payments	5	86,132	55,258
TOTAL PAYMENTS		**17,421,620**	**15,968,907**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR		-	-
OPENING CASH BALANCE		-	-
CLOSING CASH BALANCE		-	-

The above statement of receipts and payments should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement is required by:

- section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011
- section 53T of the Queensland *Hospital and Health Boards Act 2011*.

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 27 August 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

The Queensland State Pool Account was established at the Reserve Bank of Australia (RBA) in 2012-13 in accordance with Part 3A, Division 2, section 53B of the Queensland *Hospital and Health Boards Act 2011*.

(D) Activity Based Funding

ABF is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the IHACPA. ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category were calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided.

This calculation will generally result in reconciliation adjustments being made to the Commonwealth ABF contribution to each LHN to align with the actual services delivered.

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the Payments System to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement. There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2023-24 and 2024-25 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory (refer Note 3 and Note 5).

The Commonwealth share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST). However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement is to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak. The NPCR was subsequently amended and agreed to in April 2020 to include financial viability payments for private hospitals. In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Financial Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023.

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups included First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

The Queensland Department of Health did not submit any claims under the agreement.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 2: Activity Based Funding (in-scope) receipts

Total receipts paid into the Queensland State Pool Account in respect of Activity Based Funding:

	2024-25 $'000	2023-24 $'000
Commonwealth	6,126,642	5,963,335
Queensland	9,248,331	8,339,078
TOTAL	**15,374,973**	**14,302,413**

The amounts paid into the Queensland State Pool Account excludes Hospital Services Payments under the NPCR of $4,590,418 in 2023-24. Please refer to Note 8.

Note 3: Cross-border receipts

Total cross-border receipts paid into the Queensland State Pool Account from other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	178,942	84,480
Victoria	43,275	-
Western Australia	5,300	2,548
South Australia	3,626	-
Tasmania	-	2,042
Australian Capital Territory	1,589	1,132
Northern Territory	316	-
TOTAL	**233,049**	**90,202**

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 4: Activity Based Funding (in-scope) payments

Total payments made out of the Queensland State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
Cairns and Hinterland Hospital and Health Service	921,776	877,050
Central Queensland Hospital and Health Service	520,837	495,390
Children's Health Queensland Hospital and Health Service	581,598	572,765
Darling Downs Hospital and Health Service	663,616	646,421
Gold Coast Hospital and Health Service	1,794,760	1,700,776
Mackay Hospital and Health Service	442,710	399,411
Mater Misericordiae Health Service Brisbane	665,128	661,358
Metro North Hospital and Health Service	3,198,657	3,000,799
Metro South Hospital and Health Service	2,703,351	2,512,728
North West Hospital and Health Service	135,317	121,603
Queensland Health Virtual LHN	256,627	70,102
South West Hospital and Health Service	28,820	25,846
Sunshine Coast Hospital and Health Service	1,274,886	1,196,069
Townsville Hospital and Health Service	969,802	875,654
West Moreton Hospital and Health Service	590,148	554,447
Wide Bay Hospital and Health Service	626,940	591,995
TOTAL	**15,374,973**	**14,302,413**

The Administrator makes payments from the Queensland State Pool Account in accordance with the directions of the Queensland Minister for Health and in alignment with LHN Service Agreements.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 5: Cross-border payments

Total cross-border payments made out of the Queensland State Pool Account to other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	58,211	50,040
Victoria	19,232	-
Western Australia	3,968	2,585
South Australia	2,460	-
Tasmania	-	1,415
Australian Capital Territory	2,262	1,218
Northern Territory	-	-
TOTAL	**86,132**	**55,258**

Note 6: Activity Based Funding (in-scope) receipts and payments

Total Commonwealth and Queensland Activity Based Funding contributions and total Local Hospital Network Activity Based Funding payments:

	2024-25 $'000	2023-24 $'000
Total receipts from the Commonwealth	6,126,642	5,963,335
Total receipts from Queensland	9,248,331	8,339,078
Total payments to Local Hospital Networks	(15,374,973)	(14,302,413)
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 7: Activity Based Funding (out-of-scope) receipts and payments

Total ABF contributions paid through the Pool for activities that are out-of-scope of the NHR Agreement:

	2024-25 $'000	2023-24 $'000
Total receipts from Queensland	780,213	683,113
Total payments to Local Hospital Networks	(780,213)	(683,113)
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 8: COVID-19 funding

COVID-19 funding was provided monthly in advance based on estimates submitted by States and Territories and subject to reconciliation. Final funding entitlements were determined after actual activity data on hospital services and actual in-scope expenditure were submitted.

The types of funding and payments under the NPCR included:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment has been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity were included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

The Priority Groups COVID-19 Testing and Vaccination Payment

The Commonwealth provided a 50 per cent contribution for costs incurred by States and Territories for PCR testing for COVID-19 as well as a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered, consistent with the arrangements under the NPCR, which expired on 31 December 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding receipts and payments:

	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT		
From Commonwealth		
Hospital Services Payments - final adjustment	-	4,590
State Public Health Payments - final adjustment	-	(126,901)
Private Hospital Financial Viability Payment - final adjustment	-	152,621
Priority groups testing and vaccination	-	-
TOTAL COMMONWEALTH RECEIPTS		30,311
From Queensland		
Hospital Services Payments - final adjustment	-	-
State Public Health Payments - final adjustment	-	-
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	-
TOTAL QUEENSLAND RECEIPTS		-
TOTAL RECEIPTS	**-**	**30,311**
PAYMENTS OUT OF THE STATE POOL ACCOUNT		
To Queensland (including Local Hospital Networks)		
Hospital Services Payments - final adjustment	-	4,590
State Public Health Payments - final adjustment	-	(126,901)
Private Hospital Financial Viability Payment - final adjustment	-	152,621
Priority groups testing and vaccination	-	-
TOTAL PAYMENTS	**-**	**30,311**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-
OPENING CASH BALANCE	-	-
CLOSING CASH BALANCE	-	-

The previous table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

End of Audited Special Purpose Financial Statement.

WESTERN AUSTRALIA

FUNDING AND PAYMENTS

$8.8B

TOTAL FUNDING WITH $8.7B PAID TO

7

LOCAL HOSPITAL NETWORKS (LHNs)

$7.3B

IN ACTIVITY BASED FUNDING THAT DELIVERED

1,104,976

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

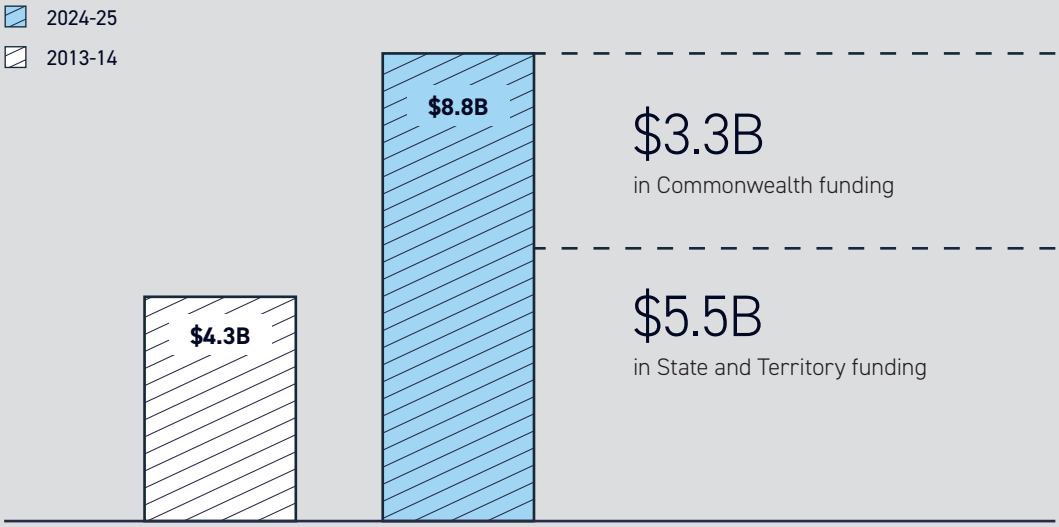
These amounts do not include transactions related to the NPCR and transactions related to the Priority groups for COVID-19 Vaccination Program. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011* and section 19(2) of the Western Australia *National Health Funding Pool Act 2012.*

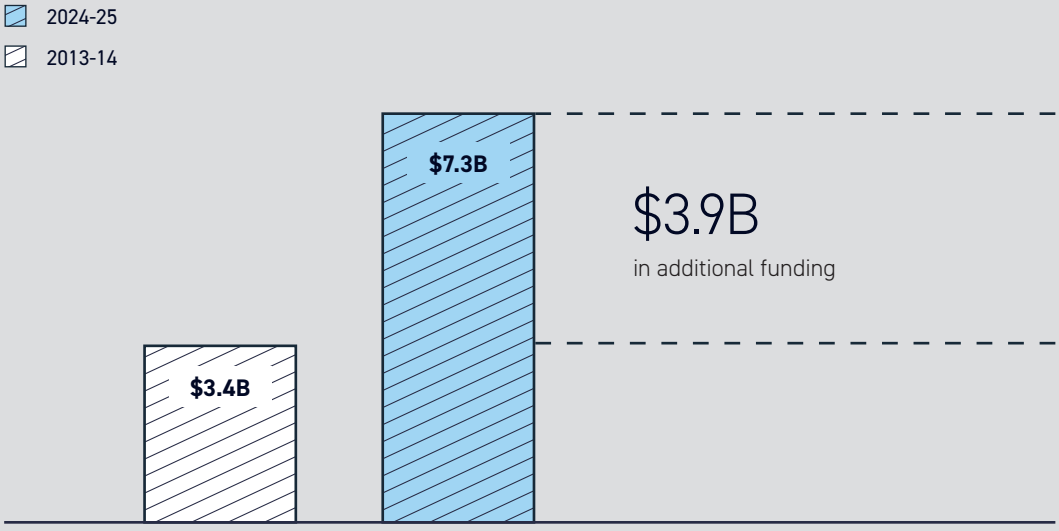
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified.

NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by Western Australia (WA) and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

The following table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by Western Australia. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

	AMOUNT PAID TO WESTERN AUSTRALIA ($'000)					
	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
Cash Paid 2020-21	2,456,333	-	-	-	-	2,415,673[4]
Cash Paid 2021-22	24,030	2,641,587	-	-	-	2,665,617
Cash Paid 2022-23	-	(87,596)	2,839,975	-	-	2,752,379
Cash Paid 2023-24	-	-	27,439	3,040,739	-	3,068,178
Cash Paid 2024-25	-	-	-	13,057	3,252,293	3,265,349
FINAL ENTITLEMENT	**2,480,363**	**2,553,990**	**2,867,414**	**3,053,796**	**3,252,293**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $108,838,713 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $136,477,618 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $33,750,770 in HSP under the NPCR.

4 The total cash paid in 2020-21 includes recoveries of $40,659,378 related to entitlements for the 2019-20 financial year.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

COMPONENT	AMOUNT PAID BY COMMONWEALTH INTO WESTERN AUSTRALIA STATE POOL ACCOUNT ($'000)	
	2024-25	2023-24
Activity Based Funding	2,718,987	2,588,373
Block funding	485,390	423,501
Public Health funding	60,972	56,303
TOTAL	**3,265,349**	**3,068,178**

Additional financial assistance has been provided by the Commonwealth under the NPCR including hospital services funding which is paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments being made in the following financial year.

The previous table does not include amounts paid into the State Pool Account by the Commonwealth for COVID-19, including Hospital Services Payments of $27,184,483 in 2023-24 and Commonwealth recoveries of State Public Health and Private Hospital Financial Viability Payments of $70,355,950 in 2023-24. Details of this funding is provided in the Pool Account Special Purpose Financial Statement.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State — Section 241(2)(A)

COMPONENT	AMOUNT PAID BY WESTERN AUSTRALIA ($'000)	
	2024-25	2023-24
State Pool Account - Activity Based Funding	4,601,015	3,978,012
State Managed Fund - Block funding	913,594	813,869
TOTAL	**5,514,609**	**4,791,882**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department or cross-border contributions for transfer to other States or Territories.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
Child and Adolescent Health Service	82,201	68,099	73,565
East Metropolitan Health Service	242,758	229,941	221,723
North Metropolitan Health Service	269,713	274,922	259,592
Notional LHN - Royal Street	34,657	29,232	23,411
South Metropolitan Health Service	279,093	264,853	260,680
WA Country Health Service	196,555	174,038	169,159
TOTAL	**1,104,976**	**1,041,084**	**1,008,130**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

The NWAU is the unit of measurement for the ABF system. It is a measure of health service activity expressed as a common unit, against which the National Efficient Price is paid. It provides a way of comparing and valuing each ABF public hospital service, by weighting it for its clinical complexity.

States and Territories provide NWAU estimates at the start of each financial year for Commonwealth payment purposes. These estimates may be revised during the course of the year and form the basis of Commonwealth funding until actual service volumes become available.

The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

In 2024-25 funding was provided to: 56 small regional, remote and very remote hospitals and one standalone major city unit providing specialist health services.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The actual number of patients treated and associated costs of high cost, highly specialised therapies are assessed by the Administrator at the end of each financial year.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Child and Adolescent Health Service	633,459	133,934	767,393
East Metropolitan Health Service	1,533,890	208,790	1,742,680
North Metropolitan Health Service	1,804,828	246,758	2,051,586
Notional LHN - Royal Street	97,694	475	98,169
Payments to Non-LHNs	-	12,886	12,886
South Metropolitan Health Service	1,747,059	248,206	1,995,265
WA Country Health Service	1,503,072	547,936	2,051,008
TOTAL	**7,320,002**	**1,398,985**	**8,718,986**

For additional information please see the Western Australia basis for payments.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Child and Adolescent Health Service	511,999	122,467	634,466
East Metropolitan Health Service	1,396,862	183,244	1,580,106
North Metropolitan Health Service	1,693,364	215,486	1,908,850
Notional LHN - Royal Street	86,445	-	86,445
Payments to Non-LHNs	-	11,673	11,673
South Metropolitan Health Service	1,590,220	187,960	1,778,180
WA Country Health Service	1,287,496	516,541	1,804,037
TOTAL	**6,566,386**	**1,237,371**	**7,803,757**

The 2023-24 amounts paid into the State Pool Accounts excludes $252,150 related to the Priority groups for COVID-19 Vaccination Program.

For additional information please see the Western Australia basis for payments.

Western Australia basis for National Health Reform payments 2024-25

To meet the reporting requirements of section 240 of the *National Health Reform Act 2011*, the Administrator is to include the basis of each State and Territory's NHR funding and payments.

The State contribution to the funding of public hospital services and functions is calculated on an activity basis or provided as block funding in accordance with the National Health Reform Agreement – Addendum 2020-25. The State determines the amount they pay for public hospital services and functions and the mix of those services and functions and will meet the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution.

State funding paid on an activity basis for each service category is based on the price set by that State (which is reported in the Service Agreement and Deeds of Amendment) and the volume of weighted services as set out in the Service Agreement and Deeds of Amendment.

To provide consistency in the methodology and with the Addendum to the National Health Reform Agreement 2020-25 (NHRA), the 2024-25 Western Australia (WA) Activity Funding Model has implemented the 2024-25 National Pricing Framework, with some modifications to meet specific local costs, for ABF facilities. The State also provides an overlay of supplementary grants at the ABF stream level, if necessary, in recognition that the LHN has reported average costs greater than the current allocation price.

The National Efficient Cost (NEC24) Block funded model is used to support the information for the calculation of funding for the small rural, remote, and very remote hospitals. The NEC24 includes WA's estimated costs for standalone hospitals providing specialist mental health services (admitted and non-admitted), eligible community mental health services (for child and adolescents, adults, and older persons), non-admitted home ventilation services, Highly Specialised Therapies and clinical teaching, training and research provided in the major hospitals. The State also provides operational and Block grants to the LHN covering services provided and activities undertaken that are not within the scope for ABF, for example, dental services, primary care, home, and community care.

The State determines when payments are made into the Pool and State Managed Funds. Payments are made from the Pool account to the LHNs and State managed fund in accordance with the Service Agreement agreed between the LHN and the Chief Executive Officer, Western Australia Department of Health.

The Department of Health and the LHN can agree to amendments to the Service Agreements to adjust service volumes or pricing to take account of such matters as changing health needs, variations in actual service delivery and hospital performance.

The Service Agreements and Deeds of Amendment are available at www.health.wa.gov.au/About-us/Service-agreements/Service-Agreement-2024-25-Abridged.

Further information regarding the Basis for National Health Reform payments in both 2024-25 and previous financial years is included at www.publichospitalfunding.gov.au.

Administrator
National Health
Funding Pool

GPO Box 1252
Canberra ACT 2601
1300 930 522
publichospitalfunding.gov.au

Statement by the Administrator of the National Health Funding Pool Western Australia State Pool Account

I report that, as indicated in Note 1(a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a statement of receipts and payments and accompanying notes provides a true and fair presentation in accordance with the Western Australia *National Health Funding Pool Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the Western Australia *National Health Funding Pool Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
27 August 2025

National Health Funding Pool
Western Australia State Pool
Account Special Purpose
Financial Statement
for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011* and section 20 of the Western Australia *National Health Funding Pool Act 2012.*

CONTENTS

Western Australia State Pool Account

Notes to and forming part of the Special Purpose Financial Statement for the year ended 30 June 2025

Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Western Australian State Pool Account

To the Parliament of Western Australia

Report on the audit of the Special Purpose Financial Statement

As required by section 21 of the *National Health Funding Pool Act 2012 (WA)* and section 243 of the *National Reform Act* 2011, I have audited the accompanying special purpose financial statement (the financial statement) of the Western Australian State Pool Account of the National Health Funding Pool for the year ended 30 June 2025. The financial statement comprises a Statement of Receipts and Payments for the year ended 30 June 2025, notes comprising a summary of significant accounting policies and other explanatory information, and the Administrator's declaration.

In my opinion, the financial statement gives a true and fair view of the receipts and payments of the Western Australian State Pool Account of the National Health Funding Pool for the year ended 30 June 2025 in accordance with the *National Health Funding Pool Act 2012 (WA)* and *National Health Reform Act 2011*.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Basis of Accounting

Note 1 (A) to the financial statement describes the purpose of the financial statements and the basis of accounting. The financial statement has been prepared using the cash basis for accounting and for the purpose of fulfilling the Administrator of the National Health Funding Pool's (Administrator's) financial reporting obligations under the *National Health Funding Pool Act 2012* (WA), and the *National Health Reform Act 2011.* As a result the financial statement may not be suitable for another purpose.

Other information

The Administrator is responsible for the other information. Other information comprises the information in the Entity's annual report for the year ended 30 June 2025, but does not include the financial statement and my auditor's report.

My opinion on the financial statement does not cover the other information and,accordingly, I do not express any form of assurance conclusion thereon.

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

In connection with my audit of the financial statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the Administrator and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Administrator for the financial statement

The Administrator is responsible for:

- Preparation of the financial statement that gives a true and fair view in accordance with the National Health Funding Pool 2012 (WA) and the *National Health Reform Act 2011,* and has determined that the basis of preparation described in Note 1 to the financial statement is appropriate to meet these requirements
- Such internal control as the Administrator determines necessary to enable to preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statement

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statement. The objectives of my audit are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statement is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial statement

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial statement

This auditor's report relates to the financial statement of Western Australian State Pool Account for the year ended 30 June 2025 included in the annual report on the National Health Funding Body website. The National Health Funding Body is responsible for the integrity of the National Health Funding Body's website. This audit does not provide assurance on the integrity of the National Health Funding Body's website. The auditor's report refers only to the financial statement described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statement are concerned with the inherent risks arising from publication on the website, they are advised to contact the National Health Funding Body to confirm the information contained in the website version.

Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
28 August 2025

Western Australia State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NOTES	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT			
From Commonwealth			
Activity Based Funding	2, 6	2,718,987	2,588,373
Block funding		485,390	423,501
Public Health funding		60,972	56,303
COVID-19 funding	8	-	252
COVID-19 funding - final adjustment	8	-	(43,171)
From Western Australia			
Activity Based Funding (in-scope)	2, 6	4,601,015	3,978,012
Activity Based Funding (out-of-scope)	7	-	-
Cross-border contribution	5	24,480	11,188
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	43,171
From other States or Territories			
Cross-border receipts	3	21,327	6,086
From Reserve Bank of Australia			
Interest receipts		-	-
TOTAL RECEIPTS		**7,912,171**	**7,063,717**
PAYMENTS OUT OF THE STATE POOL ACCOUNT			
To Local Hospital Networks			
Activity Based Funding (in-scope)	4, 6	7,320,002	6,566,386
Activity Based Funding (out-of-scope)	7	-	-
COVID-19 funding	8	-	-
To Western Australia State Managed Fund			
Block funding		485,390	423,501
To Department of Health			
Public Health funding		60,972	56,303
COVID-19 funding	8	-	252
COVID-19 funding - final adjustment	8	-	-
Interest payments		-	-
Cross-border transfer		21,327	6,086
To other States or Territories			
Cross-border payments	5	24,480	11,188
TOTAL PAYMENTS		**7,912,171**	**7,063,717**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR		-	-
OPENING CASH BALANCE		-	-
CLOSING CASH BALANCE		-	-

The above statement of receipts and payments should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement is required by:

- section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011
- section 20 of the Western Australia *National Health Funding Pool Act 2012.*

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 27 August 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

The Western Australia State Pool Account was established at the Reserve Bank of Australia (RBA) in 2012-13 in accordance with section 12 of the Western Australia *National Health Funding Pool Act 2012.*

(D) Activity Based Funding

ABF is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the IHACPA. ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category were calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided.

This calculation will generally result in reconciliation adjustments being made to the Commonwealth ABF contribution to each LHN to align with the actual services delivered.

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the Payments System to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement.

There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2023-24 and 2024-25 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory (refer Note 3 and Note 5).

The Commonwealth share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST).

However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement was to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak. The NPCR was subsequently amended and agreed to in April 2020 to include financial viability payments for private hospitals.

In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Financial Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023.

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups included First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

As of 31 December 2023, the PGTV had concluded. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

Note 2: Activity Based Funding (in-scope) receipts

Total receipts paid into the Western Australia State Pool Account in respect of Activity Based Funding:

	2024-25 $'000	2023-24 $'000
Commonwealth	2,718,987	2,588,373
Western Australia	4,601,015	3,978,012
TOTAL	**7,320,002**	**6,566,386**

The amounts paid into the Western Australia State Pool Account excludes Hospital Services Payments under the NPCR of $27,184,483 in 2023-24. Please refer to Note 8.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 3: Cross-border receipts

Total cross-border receipts paid into the Western Australia State Pool Account from other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	4,365	2,121
Victoria	8,682	-
Queensland	3,968	2,585
South Australia	1,374	-
Tasmania	1,051	-
Australian Capital Territory	-	345
Northern Territory	1,887	1,035
TOTAL	**21,327**	**6,086**

Note 4: Activity Based Funding (in-scope) payments

Total payments made out of the Western Australia State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
Child and Adolescent Health Service	633,459	511,999
East Metropolitan Health Service	1,533,890	1,396,862
North Metropolitan Health Service	1,804,828	1,693,364
Notional LHN - Royal Street	97,694	86,445
South Metropolitan Health Service	1,747,059	1,590,220
WA Country Health Service	1,503,072	1,287,496
TOTAL	**7,320,002**	**6,566,386**

The Administrator makes payments from the Western Australia State Pool Account in accordance with the directions of the Western Australia Minister for Health and in alignment with LHN Service Agreements.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 5: Cross-border payments

Total cross-border payments made out of the Western Australia State Pool Account to other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	4,008	2,254
Victoria	7,186	-
Queensland	5,300	2,548
South Australia	873	-
Tasmania	979	-
Australian Capital Territory	-	456
Northern Territory	6,134	5,931
TOTAL	**24,480**	**11,188**

Note 6: Activity Based Funding (in-scope) receipts and payments

Total Commonwealth and Western Australia Activity Based Funding contributions and total Local Hospital Network Activity Based Funding payments:

	2024-25 $'000	2023-24 $'000
Total receipts from the Commonwealth	2,718,987	2,588,373
Total receipts from Western Australia	4,601,015	3,978,012
Total payments to Local Hospital Networks	(7,320,002)	(6,566,386)
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 7: Activity Based Funding (out-of-scope) receipts and payments

Total ABF contributions paid through the Pool for activities that are out-of-scope of the NHR Agreement:

	2024-25 $'000	2023-24 $'000
Total receipts from Western Australia	-	-
Total payments to Local Hospital Networks	-	-
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 8: COVID-19 funding

COVID-19 funding was provided monthly in advance based on estimates submitted by States and Territories and subject to reconciliation. Final funding entitlements were determined after actual activity data on hospital services and actual in-scope expenditure were submitted.

The types of funding and payments under the NPCR included:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment has been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity were included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

The Priority Groups COVID-19 Testing and Vaccination Payment

The Commonwealth provided a 50 per cent contribution for costs incurred by States and Territories for PCR testing for COVID-19 as well as a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered, consistent with the arrangements under the NPCR, which expired on 31 December 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding receipts and payments:

	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT		
From Commonwealth		
Hospital Services Payments - final adjustment	-	27,184
State Public Health Payments - final adjustment	-	(52,851)
Private Hospital Financial Viability Payment - final adjustment	-	(17,505)
Priority groups testing and vaccination	-	252
TOTAL COMMONWEALTH RECEIPTS	-	(42,919)
From Western Australia		
Hospital Services Payments - final adjustment	-	(27,184)
State Public Health Payments - final adjustment	-	52,851
Private Hospital Financial Viability Payment - final adjustment	-	17,505
Priority groups testing and vaccination	-	-
TOTAL WESTERN AUSTRALIA RECEIPTS	-	43,171
TOTAL RECEIPTS	**-**	**252**
PAYMENTS OUT OF THE STATE POOL ACCOUNT		
To Western Australia (including Local Hospital Networks)		
Hospital Services Payments - final adjustment	-	-
State Public Health Payments - final adjustment	-	-
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	252
TOTAL PAYMENTS	**-**	**252**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-
OPENING CASH BALANCE	-	-
CLOSING CASH BALANCE	-	-

The previous table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

End of Audited Special Purpose Financial Statement.

SOUTH AUSTRALIA

FUNDING AND PAYMENTS

$5.6B

TOTAL FUNDING WITH $5.6B PAID TO

11

LOCAL HOSPITAL NETWORKS (LHNs)

$4.8B

IN ACTIVITY BASED FUNDING THAT DELIVERED

749,920

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

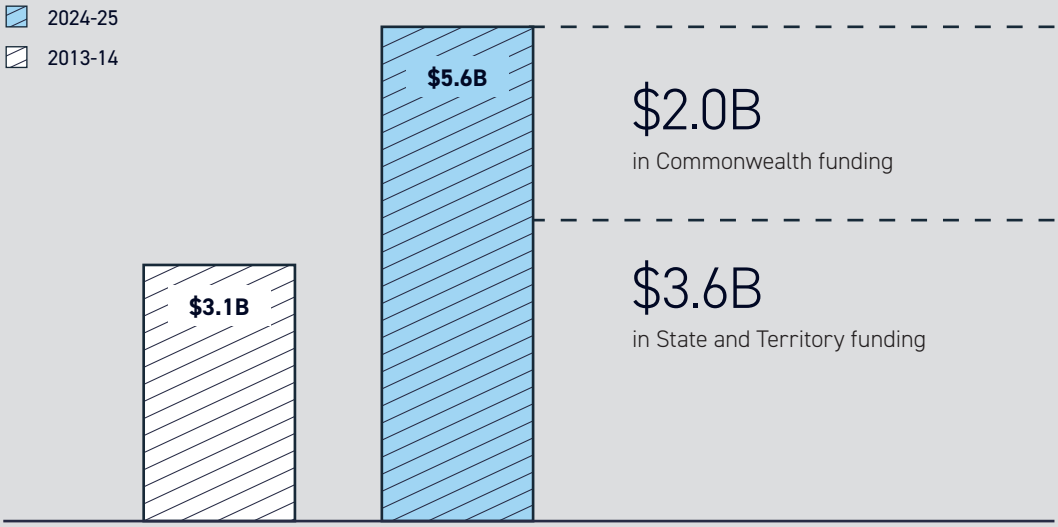
These amounts do not include transactions related to the NPCR and transactions related to the Priority groups for COVID-19 Vaccination Program. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011* and section 22(2) of the South Australia *National Health Funding Pool Administration (South Australia) Act 2012.*

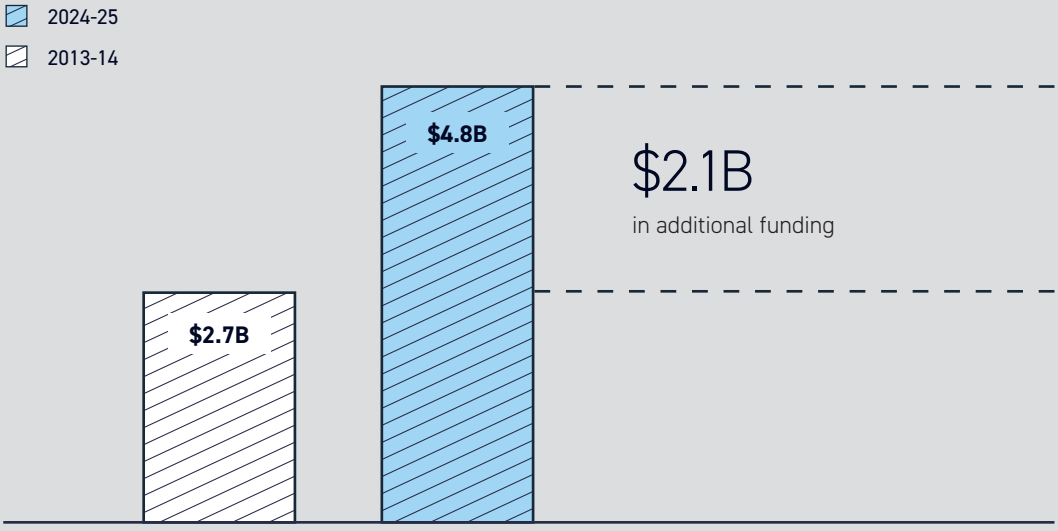
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified.

NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by South Australia (SA) and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

The following table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by South Australia. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

	AMOUNT PAID TO SOUTH AUSTRALIA ($'000)					
	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
2020-21 Cash Paid	1,494,519	-	-	-	-	1,492,411[4]
2021-22 Cash Paid	49,741	1,611,830	-	-	-	1,661,571
2022-23 Cash Paid	-	(20,571)	1,694,691	-	-	1,674,121
2023-24 Cash Paid	-	-	108,377	1,920,268	-	2,028,645
2024-25 Cash Paid	-	-	-	-	2,045,079	2,045,079
FINAL ENTITLEMENT	**1,544,260**	**1,591,260**	**1,803,069**	**1,920,268**	**2,045,079**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $27,623,093 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $92,709,673 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $14,904,165 in HSP under the NPCR.

4 The total cash paid in 2020-21 includes recoveries of $2,108,187 related to entitlements for the 2019-20 financial year.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

COMPONENT	AMOUNT PAID BY COMMONWEALTH INTO SOUTH AUSTRALIA STATE POOL ACCOUNT ($'000)	
	2024-25	2023-24
Activity Based Funding	1,760,860	1,767,507
Block funding	246,125	225,242
Public Health funding	38,094	35,896
TOTAL	**2,045,079**	**2,028,645**

Additional financial assistance has been provided by the Commonwealth under the NPCR including hospital services funding which was paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments being made in the following financial year.

The previous table does not include amounts paid into the State Pool Account by the Commonwealth for COVID-19, including Hospital Services Payments of $262,832 in 2023-24 and Commonwealth recoveries of State Public Health and Private Hospital Financial Viability Payments of $47,100,496 in 2023-24. Details of this funding is provided in the Pool Account Special Purpose Financial Statement.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State — Section 241(2)(A)

COMPONENT	AMOUNT PAID BY SOUTH AUSTRALIA ($'000)	
	2024-25	2023-24
State Pool Account - Activity Based Funding	3,087,375	2,655,714
State Managed Fund - Block funding	490,407	383,017
TOTAL	**3,577,782**	**3,038,732**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department or cross-border contributions for transfer to other States or Territories.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
Barossa Hills Fleurieu Local Health Network	29,511	27,345	24,344
Central Adelaide Local Health Network	236,474	227,806	231,708
Central Office Services	13,688	13,830	15,500
Eyre and Far North Local Health Network	10,274	9,730	7,542
Flinders and Upper North Local Health Network	18,217	17,747	17,953
Limestone Coast Local Health Network	20,123	16,954	14,592
Northern Adelaide Local Health Network	132,432	128,740	126,818
Riverland Mallee Coorong Local Health Network	16,102	14,752	13,048
Southern Adelaide Local Health Network	187,758	180,333	174,127
Women's and Children's Health Network	69,934	66,674	60,957
Yorke and Northern Local Health Network	15,407	13,889	11,418
TOTAL	**749,920**	**717,799**	**698,007**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

The NWAU is the unit of measurement for the ABF system. It is a measure of health service activity expressed as a common unit, against which the National Efficient Price is paid. It provides a way of comparing and valuing each ABF public hospital service, by weighting it for its clinical complexity.

States and Territories provide NWAU estimates at the start of each financial year for Commonwealth payment purposes. These estimates may be revised during the course of the year and form the basis of Commonwealth funding until actual service volumes become available.

The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

In 2024-25 funding was provided to: 50 small regional, remote and very remote hospitals. Funding was also provided for other public hospital programs.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Barossa Hills Fleurieu Local Health Network	190,789	99,278	290,067
Central Adelaide Local Health Network	1,528,804	132,713	1,661,517
Central Office Services	88,493	22,682	111,175
Eyre and Far North Local Health Network	66,421	59,325	125,747
Flinders and Upper North Local Health Network	117,773	24,729	142,502
Limestone Coast Local Health Network	130,095	38,317	168,412
Northern Adelaide Local Health Network	856,173	88,269	944,442
Riverland Mallee Coorong Local Health Network	104,099	43,117	147,217
Southern Adelaide Local Health Network	1,213,857	75,611	1,289,469
Women's and Children's Health Network	452,123	76,157	528,280
Yorke and Northern Local Health Network	99,606	76,334	175,940
TOTAL	**4,848,235**	**736,532**	**5,584,766**

For additional information please see the South Australia basis for payments.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Barossa Hills Fleurieu Local Health Network	169,261	87,654	256,915
Central Adelaide Local Health Network	1,502,093	101,129	1,603,222
Central Office Services	99,225	-	99,225
Eyre and Far North Local Health Network	49,501	53,621	103,122
Flinders and Upper North Local Health Network	116,067	15,670	131,736
Limestone Coast Local Health Network	91,306	42,341	133,647
Northern Adelaide Local Health Network	783,265	55,504	838,768
Riverland Mallee Coorong Local Health Network	88,259	45,314	133,573
Southern Adelaide Local Health Network	1,068,861	72,699	1,141,560
Women's and Children's Health Network	382,034	65,431	447,464
Yorke and Northern Local Health Network	78,460	68,896	147,357
TOTAL	**4,428,331**	**608,259**	**5,036,590**

The 2023-24 amounts paid into the State Pool Account excludes $10,397,940 related to Priority groups for COVID-19 Vaccination Program.

For additional information please see the South Australia basis for payments.

South Australia basis for National Health Reform payments 2024-25

To meet the reporting requirements of Section 240 of the *National Health Reform Act 2011*, the Administrator is to include the basis of each State and Territory's NHR funding and payments.

The State contribution to the funding of public hospital services and functions is calculated on an activity basis or provided as block funding in accordance with the National Health Reform Agreement – Addendum 2020-25. The State determines the amount they pay for public hospital services and functions and the mix of those services and functions and will meet the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution.

State funding paid on an activity basis for each service category is based on the price set by that State (which is reported in the Service Agreement) and the volume of weighted services as set out in the Service Agreement.

To provide consistency in methodology and with the Addendum to the National Health Reform Agreement 2020-25, the 2024-25 South Australia Funding Model has implemented the National Efficient Price (NEP24) and National Weighted Activity Unit (NWAU24) as the currency for ABF facilities.

The National Efficient Cost (NEC24) Block funding model is used for the small rural hospitals, specialist mental health services (non-admitted), child and adolescent mental health services, non-admitted home ventilation, other services deemed in scope and teaching, training and research provided in the public hospitals. The State also provides an overlay of supplementary grants for services provided and activities undertaken that are not within scope of the NHR, for example, alcohol and drug services, dental services, child health and parenting services, primary care, home and community care.

The State determines when payments are made into the Pool and State managed fund. Payments are made from the Pool account to the Local Hospital Networks (LHNs) and the State managed fund in accordance with the Service Agreements agreed between the LHN and the Chief Executive of the South Australia Department for Health and Wellbeing.

The Chief Executive of the South Australia Department for Health and Wellbeing can agree to amendments of the Service Agreements with LHNs to adjust service volumes or pricing to take account of such matters as changing health needs, variations in actual service delivery and hospital performance.

The Service Agreements are available at www.sahealth.sa.gov.au/wps/wcm/connect/Public+Content/SA+Health+Internet/About+us/Governance/service+agreements.

Further information regarding the Basis for National Health Reform payments in both 2024-25 and previous financial years is included at www.publichospitalfunding.gov.au.

Administrator
National Health
Funding Pool

GPO Box 1252
Canberra ACT 2601
1300 930 522
publichospitalfunding.gov.au

Statement by the Administrator of the National Health Funding Pool South Australia State Pool Account

I report that, as indicated in Note 1(a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a statement of receipts and payments and accompanying notes provides a true and fair presentation in accordance with the South Australia *National Health Funding Pool Administration (South Australia) Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the South Australia *National Health Funding Pool Administration (South Australia) Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
27 August 2025

National Health Funding Pool
South Australia State Pool
Account Special Purpose
Financial Statement
for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011* and section 23 of the South Australia *National Health Funding Pool Administration (South Australia) Act 2012.*

CONTENTS

South Australia State Pool Account

Notes to and forming part of the Special Purpose Financial Statement for the year ended 30 June 2025

INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Audit Office of South Australia

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000

Tel +618 8226 9640

ABN 53 327 061 410

enquiries@audit.sa.gov.au
www.audit.sa.gov.au

To the Administrator
National Health Funding Pool

Opinion

I have audited the special purpose financial statement of the South Australia State Pool Account of the National Health Funding Pool for the financial year ended 30 June 2025.

In my opinion, the accompanying financial statement of the South Australia State Pool Account for the year ended 30 June 2025 gives a true and fair view of the cash transactions of the South Australia State Pool Account as at 30 June 2025, in accordance with the financial reporting requirements of the *National Health Funding Pool Administration (South Australia) Act 2012,* the *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

The financial statement comprises:

- a statement of receipts and payments for the year end 30 June 2025
- notes, including material accounting policy information
- a statement from the Administrator of the National Health Funding Pool.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statement' section of my report. I am independent of the South Australia State Pool Account, the National Health Funding Pool and the National Health Funding Body. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting and restriction on use

I draw attention to note 1(A) to the financial statement, which describes the purpose of the financial statement and the basis of accounting. The financial statement is prepared using the cash basis of accounting and solely for the purpose of fulfilling the Administrator's financial reporting responsibilities under the *National Health Funding Pool Administration (South Australia) Act 2012*, the *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

As a result, the financial statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of the Administrator for the financial statement

The Administrator is responsible for the preparation of the financial statement that gives a true and fair view in accordance with the *National Health Funding Pool Administration (South Australia) Act 2012*, the *National Health Reform Act 2011* and the National Health Reform Agreement 2011 and for such internal control as management determines is necessary to enable the preparation of the financial statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statement

As required by section 24 of the *National Health Funding Pool Administration (South Australia) Act 2012* and section 243 of the *National Health Reform Act 2011*, I have audited the financial statement of the South Australia State Pool Account for the financial year ended 30 June 2025.

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Health Funding Pool internal control over the South Australia State Pool Account
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Administrator
- evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial statement described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Administrator about, among other matters, the planned timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

Daniel O'Donohue
Deputy Auditor-General

28 August 2025

South Australia State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NOTES	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT			
From Commonwealth			
Activity Based Funding	2, 6	1,760,860	1,767,507
Block funding		246,125	225,242
Public Health funding		38,094	35,896
COVID-19 funding	8	-	10,398
COVID-19 funding - final adjustment	8	-	(46,838)
From South Australia			
Activity Based Funding (in-scope)	2, 6	3,087,375	2,655,714
Activity Based Funding (out-of-scope)	7	-	-
Cross-border contribution	5	53,682	16,757
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	46,838
From other States or Territories			
Cross-border receipts	3	78,945	34,243
From Reserve Bank of Australia			
Interest receipts		2,000	3,642
TOTAL RECEIPTS		**5,267,081**	**4,749,400**
PAYMENTS OUT OF THE STATE POOL ACCOUNT			
To Local Hospital Networks			
Activity Based Funding (in-scope)	4, 6	4,848,235	4,428,331
Activity Based Funding (out-of-scope)	7	-	-
COVID-19 funding	8	-	-
To South Australia State Managed Fund			
Block funding		246,125	225,242
To Department for Health and Wellbeing			
Public Health funding		38,094	35,896
COVID-19 funding	8	-	10,398
COVID-19 funding - final adjustment	8	-	-
Interest payments		2,000	3,642
Cross-border transfer		78,945	34,243
To other States or Territories			
Cross-border payments	5	53,682	16,757
TOTAL PAYMENTS		**5,267,081**	**4,754,510**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR		-	(5,109)
OPENING CASH BALANCE		-	5,109
CLOSING CASH BALANCE		-	-

The above statement of receipts and payments should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement is required by:

- section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011
- section 23 of the South Australia *National Health Funding Pool Administration (South Australia) Act 2012.*

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 27 August 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

The South Australia State Pool Account was established at the Reserve Bank of Australia (RBA) in 2012-13 in accordance with Part 3, section 13 of the South Australia *National Health Funding Pool Administration (South Australia) Act 2012.*

(D) Activity Based Funding

ABF is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the IHACPA. ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category were calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided.

This calculation will generally result in reconciliation adjustments being made to the

Commonwealth ABF contribution to each LHN to align with the actual services delivered.

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the Payments System to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement. There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2023-24 and 2024-25 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory (refer Note 3 and Note 5).

The Commonwealth share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST).

However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement was to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak. The NPCR was subsequently amended and agreed to in April 2020 to include financial viability payments for private hospitals. In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Financial Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023.

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups included First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

As of 31 December 2023, the PGTV had concluded. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

Note 2: Activity Based Funding (in-scope) receipts

Total receipts paid into the South Australia State Pool Account in respect of Activity Based Funding:

	2024-25 $'000	2023-24 $'000
Commonwealth	1,760,860	1,767,507
South Australia	3,087,375	2,655,714
TOTAL	**4,848,235**	**4,423,221**

The amounts paid into the South Australia State Pool Account excludes Hospital Services Payments under the NPCR of $262,832 in 2023-24. Please refer to Note 8.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 3: Cross-border receipts

Total cross-border receipts paid into the South Australia State Pool Account from other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	12,677	11,555
Victoria	13,775	-
Queensland	2,460	-
Western Australia	873	-
Tasmania	1,080	-
Australian Capital Territory	-	326
Northern Territory	48,081	22,361
TOTAL	**78,945**	**34,243**

Note 4: Activity Based Funding (in-scope) payments

Total payments made out of the South Australia State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
Barossa Hills Fleurieu Local Health Network	190,789	169,261
Central Adelaide Local Health Network	1,528,804	1,502,093
Central Office Services	88,493	99,225
Eyre and Far North Local Health Network	66,421	49,501
Flinders and Upper North Local Health Network	117,773	116,067
Limestone Coast Local Health Network	130,095	91,306
Northern Adelaide Local Health Network	856,173	783,265
Riverland Mallee Coorong Local Health Network	104,099	88,259
Southern Adelaide Local Health Network	1,213,857	1,068,861
Women's and Children's Health Network	452,123	382,034
Yorke and Northern Local Health Network	99,606	78,460
TOTAL	**4,848,235**	**4,428,331**

The Administrator makes payments from the South Australia State Pool Account in accordance with the directions of the South Australia Minister for Health and in alignment with LHN Service Agreements.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 5: Cross-border payments

Total cross-border payments made out of the South Australia State Pool Account to other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	5,244	7,175
Victoria	20,587	-
Queensland	3,626	-
Western Australia	1,374	-
Tasmania	332	-
Australian Capital Territory	-	301
Northern Territory	22,518	9,281
TOTAL	**53,682**	**16,757**

Note 6: Activity Based Funding (in-scope) receipts and payments

Total Commonwealth and South Australia Activity Based Funding contributions and total Local Hospital Network Activity Based Funding payments:

	2024-25 $'000	2023-24 $'000
Total receipts from the Commonwealth	1,760,860	1,767,507
Total receipts from South Australia	3,087,375	2,655,714
Total payments to Local Hospital Networks	(4,848,235)	(4,428,331)
NET RECEIPTS/(PAYMENTS)	**-**	**(5,109)**

Note 7: Activity Based Funding (out-of-scope) receipts and payments

Total ABF contributions paid through the Pool for activities that are out-of-scope of the NHR Agreement:

	2024-25 $'000	2023-24 $'000
Total receipts from South Australia	-	-
Total payments to Local Hospital Networks	-	-
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 8: COVID-19 funding

COVID-19 funding was provided monthly in advance based on estimates submitted by States and Territories and subject to reconciliation. Final funding entitlements were determined after actual activity data on hospital services and actual in-scope expenditure were submitted.

The types of funding and payments under the NPCR included:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment has been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity were included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

The Priority Groups COVID-19 Testing and Vaccination Payment

The Commonwealth provided a 50 per cent contribution for costs incurred by States and Territories for PCR testing for COVID-19 as well as a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered, consistent with the arrangements under the NPCR, which expired on 31 December 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding receipts and payments:

	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT		
From Commonwealth		
Hospital Services Payments - final adjustment	-	263
State Public Health Payments - final adjustment	-	(47,100)
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	10,398
TOTAL COMMONWEALTH RECEIPTS	-	(36,440)
From South Australia		
Hospital Services Payments - final adjustment	-	(263)
State Public Health Payments - final adjustment	-	47,100
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	-
TOTAL SOUTH AUSTRALIA RECEIPTS	-	46,838
TOTAL RECEIPTS	**-**	**10,398**
PAYMENTS OUT OF THE STATE POOL ACCOUNT		
To South Australia (including Local Hospital Networks)		
Hospital Services Payments - final adjustment	-	-
State Public Health Payments - final adjustment	-	-
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	10,398
TOTAL PAYMENTS	**-**	**10,398**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-
OPENING CASH BALANCE	-	-
CLOSING CASH BALANCE	-	-

The previous table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

End of Audited Special Purpose Financial Statement.

TASMANIA

FUNDING AND PAYMENTS

$2.1B

TOTAL FUNDING WITH $2.0B PAID TO

1

LOCAL HOSPITAL NETWORK (LHN)

$1.6B

IN ACTIVITY BASED FUNDING THAT DELIVERED

218,801

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

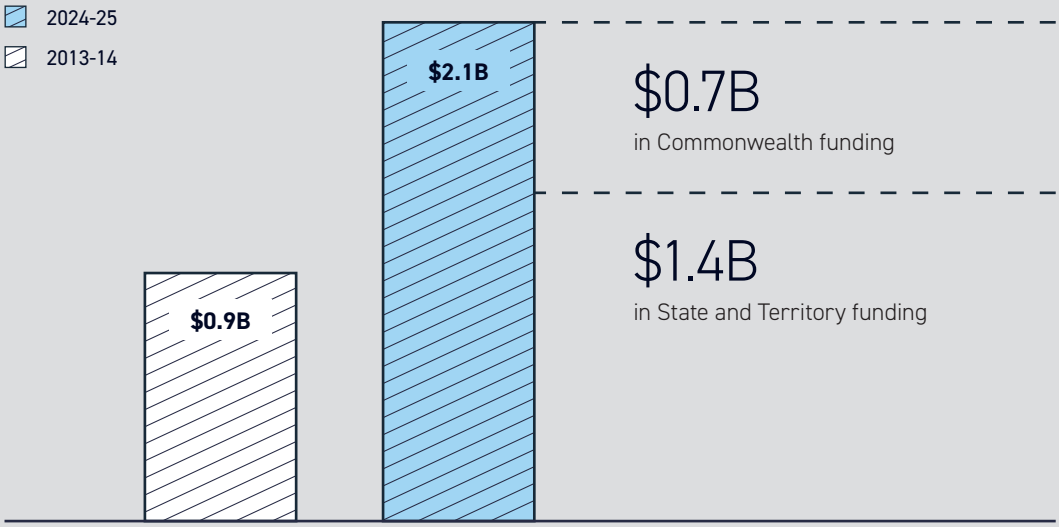
These amounts do not include transactions related to the NPCR and transactions related to Priority groups for the COVID-19 Vaccination Program. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011* and section 18(2) of the Tasmanian *National Health Funding Administration Act 2012*.

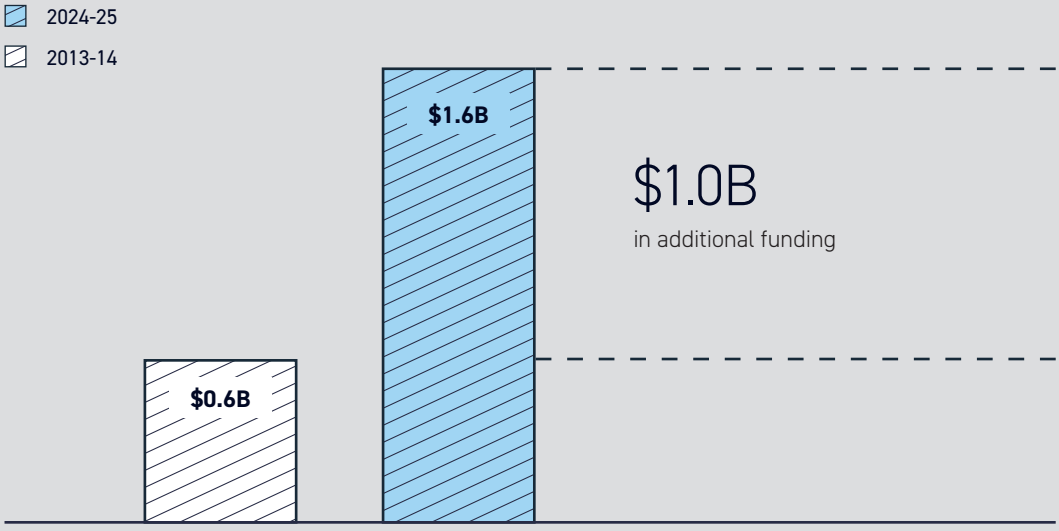
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified. NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by Tasmania (TAS) and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

The following table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by Tasmania. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

	AMOUNT PAID TO TASMANIA ($'000)					
	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
Cash Paid 2020-21	473,481	-	-	-	-	478,748[4]
Cash Paid 2021-22	7,818	512,584	-	-	-	520,402
Cash Paid 2022-23	-	13,174	559,933	-	-	573,107
Cash Paid 2023-24	-	-	22,740	617,851	-	640,590
Cash Paid 2024-25	-	-	-	2,695	658,399	661,094
FINAL ENTITLEMENT	**481,300**	**525,758**	**582,672**	**620,546**	**658,399**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $3,455,608 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $18,568,478 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $1,289,755 in HSP under the NPCR.

4 The total cash paid in 2020-21 includes payments of $5,266,952 related to entitlements for the 2019-20 financial year.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

COMPONENT	AMOUNT PAID BY COMMONWEALTH INTO TASMANIA STATE POOL ACCOUNT ($'000)	
	2024-25	2023-24
Activity Based Funding	524,843	529,799
Block funding	124,645	99,863
Public Health funding	11,606	10,928
TOTAL	**661,094**	**640,590**

Additional financial assistance was provided by the Commonwealth under the NPCR including hospital services funding which was paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments being made in the following financial year.

The previous table does not include amounts paid into the State Pool Account by the Commonwealth for COVID-19, including recoveries of Hospital Services Payments of $20,913,972 in 2023-24 and payments of State Public Health and Private Hospital Financial Viability Payments of $5,239,086 in 2023-24. Details of this funding is provided in the Special Purpose Financial Statement.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State — Section 241(2)(A)

COMPONENT	AMOUNT PAID BY TASMANIA ($'000)	
	2024-25	2023-24
State Pool Account - Activity Based Funding	1,089,056	973,490
State Managed Fund - Block funding	300,197	160,434
TOTAL	**1,389,253**	**1,133,924**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department or cross-border contributions for transfer to other States or Territories.

The amounts paid into the Tasmania State Pool Account in 2024-25 from the State included Commonwealth payments related to the National Partnership on Transfer of the Mersey Community Hospital of $31,941,023 in 2024-25 ($31,050,521 in 2023-24).

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
Tasmanian Health Service	218,801	207,517	198,781
TOTAL	**218,801**	**207,517**	**198,781**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

The NWAU is the unit of measurement for the ABF system. It is a measure of health service activity expressed as a common unit, against which the National Efficient Price is paid. It provides a way of comparing and valuing each ABF public hospital service, by weighting it for its clinical complexity.

States and Territories provide NWAU estimates at the start of each financial year for Commonwealth payment purposes. These estimates may be revised during the course of the year and form the basis of Commonwealth funding until actual service volumes become available.

The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

In 2024-25 funding was provided to 17 small regional, remote and very remote hospitals.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Tasmanian Health Service	1,613,899	424,842	2,038,741
TOTAL	**1,613,899**	**424,842**	**2,038,741**

For additional information please see the Tasmania basis for payments.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
Tasmanian Health Service	1,503,289	260,297	1,763,586
TOTAL	**1,503,289**	**260,297**	**1,763,586**

The 2023-24 amounts paid into the State Pool Account excludes $260,066 related to the Priority groups for COVID-19 Vaccination Program.

For additional information please see the Tasmania basis for payments.

Tasmania basis for National Health Reform payments 2024-25

To meet the reporting requirements of Section 240 of the *National Health Reform Act 2011*, the Administrator is to include the basis of each State and Territory's NHR funding and payments.

The State contribution to the funding of public hospital services and functions is calculated on an activity basis or provided as block funding in accordance with the National Health Reform Agreement – Addendum 2020-25. The State determines the amount they pay for public hospital services and functions and the mix of those services and functions and will meet the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution.

State funding paid on an activity basis for each service category is based on the price set by that State (which is reported in the Service Plan) and the volume of weighted services as set out in the Service Plan.

To provide consistency in methodology and with the Addendum to the National Health Reform Agreement 2020-25, the 2024-25 Tasmanian Funding Model has implemented the National Efficient Price (NEP24) and National Weighted Activity Unit (NWAU24) as the currency for ABF facilities. The State also provides an overlay of supplementary grants in recognition of the State reporting higher average costs than the NEP24.

The National Efficient Cost (NEC24) Block funding model is used as the currency for small regional and remote public hospitals, standalone hospitals providing specialist mental health services (admitted and non-admitted), child and adolescent mental health services, non-admitted home ventilation and clinical teaching, training and research provided in the major hospitals.

The State determines when payments are made into the Pool and State managed fund. Payments are made from the Pool account to the Tasmanian Health Service (THS) and the State managed fund in accordance with the Service Plan agreed between the Minister for Health and the Secretary of the Tasmanian Department of Health (the 'System Manager').

The State also makes payments for activities outside the scope of the National Health Reform Agreement. Out-of-scope activities are defined as those public hospital services with a funding source other than the NHRA.

The Minister for Health and the Tasmanian Department of Health can agree amendments to the Service Agreement to adjust service volumes or pricing to take account of such matters as changing health needs, variations in actual service delivery and hospital performance.

The Service Plan is available at www.health.tas.gov.au/publications/tasmanian-health-service-service-plans.

Further information regarding the basis for NHR payments in both 2024-25 and previous financial years is included at www.publichospitalfunding.gov.au.

Administrator
National Health
Funding Pool

GPO Box 1252
Canberra ACT 2601
1300 930 522
publichospitalfunding.gov.au

Statement by the Administrator of the National Health Funding Pool Tasmania State Pool Account

I report that, as indicated in Note 1(a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a statement of receipts and payments and accompanying notes provides a true and fair presentation in accordance with the Tasmanian *National Health Funding Administration Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the Tasmanian *National Health Funding Administration Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
27 August 2025

National Health Funding Pool Tasmania State Pool Account Special Purpose Financial Statement for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011* and section 19 of the Tasmanian *National Health Funding Administration Act 2012.*

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Report on the Audit of the Statement of Receipts and Payments

Opinion

I have audited the accompanying financial statement of the Tasmania State Pool Account of the National Health Funding Pool (the Pool), which comprises a statement of receipts and payments for the year ended 30 June 2025, other explanatory notes and the statement of certification signed by the management.

In my opinion, the accompanying financial statement presents fairly, in all material respects, the cash receipts and payments for the year ended 30 June 2025 in accordance with the financial reporting requirements of Section 19 of the *National Health Funding Administration Act 2012 (Tasmania)*, Section 242 of the *National Health Reform Act 2011 (Commonwealth)* and Clause B40 of the *National Health Reform Agreement 2011.*

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of my report. I am independent of the Pool in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1(A) to the financial statement, which describes the basis of accounting. The financial statement has been prepared to assist the Pool to meet the financial reporting requirements of the Section 19 of the *National Health Funding Administration Act 2012 (Tasmania),* Section 242 of the *National Health Reform Act 2011 (Commonwealth)* and Clause B40 of the *National Health Reform Agreement 2011.* As a result, the financial statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statement

The Administrator is responsible for the preparation and fair presentation of the financial statement in accordance with the cash receipts and disbursements basis of accounting as described in Note 1(A); this includes determining that the cash receipts and disbursements basis of accounting is an acceptable basis for preparation of the financial statement in the circumstances, and for such internal control as the Administrator determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Administrator.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

David Bond
Assistant Auditor-General
Delegate of the Auditor-General

28 August 2025
Hobart

Tasmania State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NOTES	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT			
From Commonwealth			
Activity Based Funding	2, 6	524,843	529,799
Block funding		124,645	99,863
Public Health funding		11,606	10,928
COVID-19 funding	8	-	260
COVID-19 funding - final adjustment	8	-	(15,675)
From Tasmania			
Activity Based Funding (in-scope)	2, 6	1,089,056	973,490
Activity Based Funding (out-of-scope)	7	-	-
Cross-border contribution	5	25,159	3,513
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	15,675
From other States or Territories			
Cross-border receipts	3	1,312	2,576
From Reserve Bank of Australia			
Interest receipts		17	1
TOTAL RECEIPTS		**1,776,638**	**1,620,430**
PAYMENTS OUT OF THE STATE POOL ACCOUNT			
To Local Hospital Networks			
Activity Based Funding (in-scope)	4, 6	1,613,899	1,503,289
Activity Based Funding (out-of-scope)	7	-	-
COVID-19 funding	8	-	-
To Tasmania State Managed Fund			
Block funding		124,645	99,863
To Department of Health			
Public Health funding		11,606	10,928
COVID-19 funding	8	-	260
COVID-19 funding - final adjustment	8	-	-
Interest payments		17	1
Cross-border transfer		1,312	2,576
To other States or Territories			
Cross-border payments	5	25,159	3,513
TOTAL PAYMENTS		**1,776,638**	**1,620,430**
NET RECEIPTS/(PAYMENTS) FOR THE YEAR		-	-
OPENING CASH BALANCE		-	-
CLOSING CASH BALANCE		-	-

The above statement of receipts and payments should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement is required by:

- section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011
- section 19 of the Tasmanian *National Health Funding Administration Act 2012*.

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 27 August 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

The Tasmanian State Pool Account was established at the Reserve Bank of Australia (RBA) in 2012-13 in accordance with section 11 of the Tasmanian *National Health Funding Administration Act 2012*.

(D) Activity Based Funding

ABF is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the IHACPA. ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category were calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided.

This calculation will generally result in reconciliation adjustments being made to the Commonwealth ABF contribution to each LHN to align with the actual services delivered.

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the Payments System to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement. There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs.
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2023-24 and 2024-25 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory (refer Note 3 and Note 5).

The Commonwealth share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST). However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement was to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak. The NPCR was subsequently amended and agreed to in April 2020 to include financial viability payments for private hospitals. In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Financial Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023.

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups included First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

As of 31 December 2023, the PGTV had concluded. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

Note 2: Activity Based Funding (in-scope) receipts

Total receipts paid into the Tasmania State Pool Account in respect of Activity Based Funding:

	2024-25 $'000	2023-24 $'000
Commonwealth	524,843	529,799
Tasmania	1,089,056	973,490
TOTAL	**1,613,899**	**1,503,289**

The amounts paid into the Tasmania State Pool Account exclude Commonwealth recoveries related to Hospital Services Payments under the NPCR of $20,913,972 in 2023-24. Please refer to Note 8.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 3: Cross-border receipts

Total cross-border receipts paid into the Tasmania State Pool Account from other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	-	917
Victoria	-	-
Queensland	-	1,415
Western Australia	979	-
South Australia	332	-
Australian Capital Territory	-	172
Northern Territory	-	72
TOTAL	**1,312**	**2,576**

Note 4: Activity Based Funding (in-scope) payments

Total payments made out of the Tasmania State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
Tasmanian Health Service	1,613,899	1,503,289
TOTAL	**1,613,899**	**1,503,289**

The Administrator makes payments from the Tasmania State Pool Account in accordance with the directions of the Tasmania Minister for Health and in alignment with LHN Service Agreements.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 5: Cross-border payments

Total cross-border payments made out of the Tasmania State Pool Account to other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	-	1,108
Victoria	23,028	-
Queensland	-	2,042
Western Australia	1,051	-
South Australia	1,080	-
Australian Capital Territory	-	141
Northern Territory	-	222
TOTAL	**25,159**	**3,513**

Note 6: Activity Based Funding (in-scope) receipts and payments

Total Commonwealth and Tasmania Activity Based Funding contributions and total Local Hospital Network Activity Based Funding payments:

	2024-25 $'000	2023-24 $'000
Total receipts from the Commonwealth	524,843	529,799
Total receipts from Tasmania	1,089,056	973,490
Total payments to Local Hospital Networks	(1,613,899)	(1,503,289)
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 7: Activity Based Funding (out-of-scope) receipts and payments

Total ABF contributions paid through the Pool for activities that are out-of-scope of the NHR Agreement:

	2024-25 $'000	2023-24 $'000
Total receipts from Tasmania	-	-
Total payments to Local Hospital Networks	-	-
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 8: COVID-19 funding

COVID-19 funding was provided monthly in advance based on estimates submitted by States and Territories and subject to reconciliation. Final funding entitlements were determined after actual activity data on hospital services and actual in-scope expenditure were submitted.

The types of funding and payments under the NPCR included:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment has been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity were included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

The Priority Groups COVID-19 Testing and Vaccination Payment

The Commonwealth provided a 50 per cent contribution for costs incurred by States and Territories for PCR testing for COVID-19 as well as a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered, consistent with the arrangements under the NPCR, which expired on 31 December 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding receipts and payments:

	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT		
From Commonwealth		
Hospital Services Payments - final adjustment	-	(20,914)
State Public Health Payments - final adjustment	-	5,239
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	260
TOTAL COMMONWEALTH RECEIPTS	-	(15,415)
From Tasmania		
Hospital Services Payments - final adjustment	-	20,914
State Public Health Payments - final adjustment	-	(5,239)
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	-
TOTAL TASMANIA RECEIPTS	-	15,675
TOTAL RECEIPTS	**-**	**260**
PAYMENTS OUT OF THE STATE POOL ACCOUNT		
To Tasmania (including Local Hospital Networks)		
Hospital Services Payments - final adjustment	-	-
State Public Health Payments - final adjustment	-	-
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	260
TOTAL PAYMENTS	**-**	**260**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-
OPENING CASH BALANCE	-	-
CLOSING CASH BALANCE	-	-

The previous table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

End of Audited Special Purpose Financial Statement.

AUSTRALIAN CAPITAL TERRITORY

FUNDING AND PAYMENTS

$1.9B

TOTAL FUNDING WITH $1.9B PAID TO

1

LOCAL HOSPITAL NETWORK (LHN)

$1.7B

IN ACTIVITY BASED FUNDING THAT DELIVERED

210,294

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

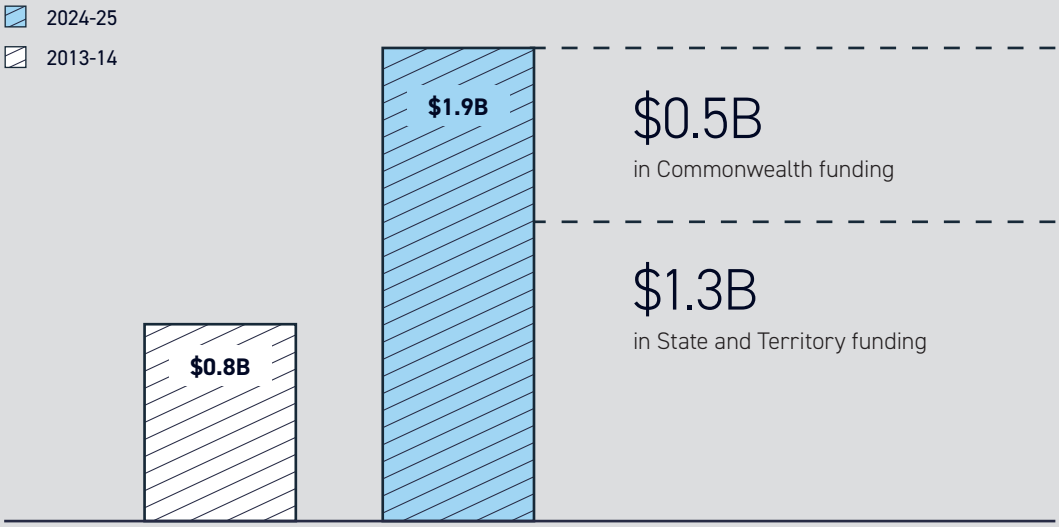
These amounts do not include transactions related to the NPCR and transactions related to the Priority groups for COVID-19 Vaccination Program. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011* and section 25(2) of the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013.*

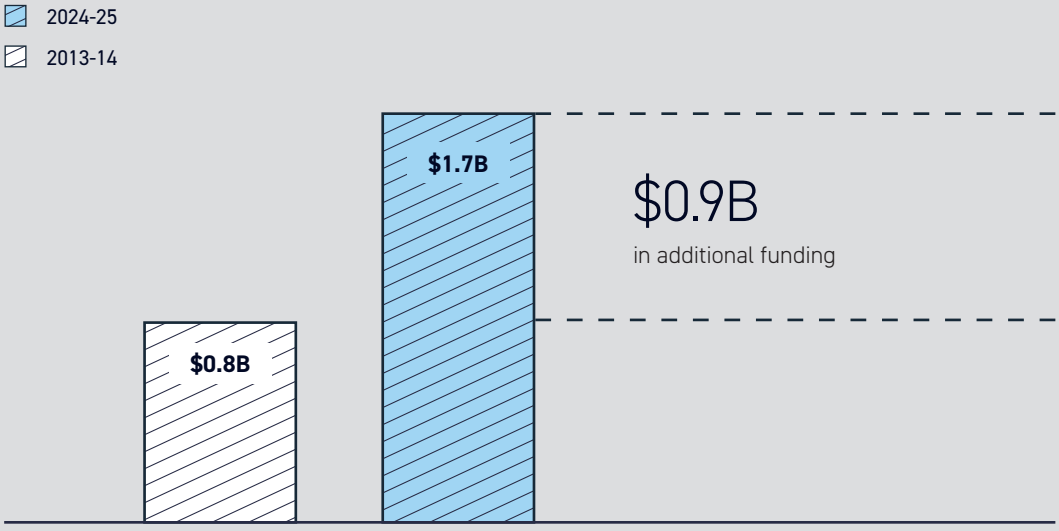
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified.

NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by Australian Capital Territory (ACT) and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

The following table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by Australian Capital Territory. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

	AMOUNT PAID TO AUSTRALIAN CAPITAL TERRITORY ($'000)					
	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
Cash Paid 2020-21	441,294	-	-	-	-	433,397[4]
Cash Paid 2021-22	3,020	457,044	-	-	-	460,064
Cash Paid 2022-23	-	(4,848)	486,669	-	-	481,822
Cash Paid 2023-24	-	-	(7,096)	510,746	-	503,649
Cash Paid 2024-25	-	-	-	-	543,944	543,944
FINAL ENTITLEMENT	**444,314**	**452,196**	**479,573**	**510,746**	**543,944**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $119,128 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $16,800,801 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $7,563,988 in HSP under the NPCR.

4 The total cash paid in 2020-21 includes recoveries of $7,896,726 related to entitlements for the 2019-20 financial year.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

COMPONENT	AMOUNT PAID BY COMMONWEALTH INTO AUSTRALIAN CAPITAL TERRITORY STATE POOL ACCOUNT ($'000)	
	2024-25	2023-24
Activity Based Funding	496,279	458,270
Block funding	38,068	36,344
Public Health funding	9,597	9,035
TOTAL	**543,944**	**503,649**

Additional financial assistance has been provided by the Commonwealth under the NPCR including hospital services funding which was paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments being made in the following financial year.

The previous table does not include amounts paid into the State Pool Account by the Commonwealth for COVID-19, including Hospital Services Payments of $5,662,319 in 2023-24 and Commonwealth recoveries of State Public Health and Private Hospital Financial Viability Payments of $12,545,634 in 2023-24. Details of this funding is provided in the Pool Account Special Purpose Financial Statement.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State — Section 241(2)(A)

COMPONENT	AMOUNT PAID BY AUSTRALIAN CAPITAL TERRITORY ($'000)	
	2024-25	2023-24
State Pool Account - Activity Based Funding	1,218,106	950,713
State Managed Fund - Block funding	118,334	98,041
TOTAL	**1,336,440**	**1,048,754**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department or cross-border contributions for transfer to other States or Territories.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
ACT Local Hospital Network	210,294	200,633	187,173
TOTAL	**210,294**	**200,633**	**187,173**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

The NWAU is the unit of measurement for the ABF system. It is a measure of health service activity expressed as a common unit, against which the National Efficient Price is paid. It provides a way of comparing and valuing each ABF public hospital service, by weighting it for its clinical complexity.

States and Territories provide NWAU estimates at the start of each financial year for Commonwealth payment purposes. These estimates may be revised during the course of the year and form the basis of Commonwealth funding until actual service volumes become available.

The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

In 2024-25 funding was provided to one standalone major city hospital providing specialist services.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
ACT Local Hospital Network	1,714,385	156,402	1,870,787
TOTAL	**1,714,385**	**156,402**	**1,870,787**

For additional information please see the Australian Capital Territory basis for payments.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
ACT Local Hospital Network	1,408,983	134,385	1,543,369
TOTAL	**1,408,983**	**134,385**	**1,543,369**

The 2023-24 amounts paid into the State Pool Account excludes $15,817 related to Priority groups for COVID-19 Vaccination Program.

For additional information please see the Australian Capital Territory basis for payments.

Australian Capital Territory basis for National Health Reform payments 2024-25

To meet the reporting requirements of Section 240 of the *National Health Reform Act 2011*, the Administrator is to include the basis of each State and Territory's NHR funding and payments.

The Territory contribution to the funding of public hospital services and functions is calculated on an activity basis or provided as block funding in accordance with the National Health Reform Agreement – Addendum 2020-25.

The Territory determines the amount they pay for public hospital services and functions and the mix of those services and functions and will meet the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution.

Territory funding paid on an activity basis for each service category is based on the price set by that Territory (which is reported in the Service Agreement) and the volume of weighted services as set out in the Service Agreement.

To provide consistency in methodology and with the Addendum to the National Health Reform Agreement 2020-25, the ACT funding model has implemented the National Efficient Price (NEP24) and National Weighted Activity Unit (NWAU24) as the currency for ABF facility. The Territory also provides an overlay of supplementary grants in recognition of the Territory reporting higher average costs than the NEP24.

The National Efficient Cost (NEC24) Block funding model is used for small hospitals, non-admitted mental health services, non-admitted child and adolescent mental health services, non-admitted home ventilation and teaching, training and research provided in hospitals.

The Territory determines when payments are made into the Pool and State managed fund. Payments are made from the Pool account to the Australian Capital Territory Health Directorate (ACT Health Directorate) and State managed fund in accordance with the Service Agreement agreed between the Australian Capital Territory Minister for Health and the Director-General of the ACT Health Directorate ('System Manager').

The Territory also makes payments for activities outside the scope of the National Health Reform Agreement. Out-of-scope activities are defined as those public hospital services with a funding source other than the NHRA.

The Australian Capital Territory Minister for Health and the ACT Health Directorate can agree amendments to the Service Agreement to adjust service volumes or pricing to take account of such matters as changing health needs, variations in actual service delivery and hospital performance.

The Service Agreement is available at www.act.gov.au/open/health-system-performance.

Further information regarding the Basis for National Health Reform payments in both 2024-25 and previous financial years is included at www.publichospitalfunding.gov.au.

Administrator
National Health
Funding Pool

GPO Box 1252
Canberra ACT 2601
1300 930 522
publichospitalfunding.gov.au

Statement by the Administrator of the National Health Funding Pool Australian Capital Territory State Pool Account

I report that, as indicated in Note 1 (a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a statement of receipts and payments and accompanying notes provides a true and fair presentation in accordance with the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
27 August 2025

National Health Funding Pool Australian Capital Territory State Pool Account Special Purpose Financial Statement for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011* and section 26 of the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013.*

CONTENTS

Australian Capital Territory State Pool Account

Notes to and forming part of the Special Purpose Financial Statement for the year ended 30 June 2025

ACT Audit Office

AUDITOR-GENERAL AN OFFICER OF THE ACT LEGISLATIVE ASSEMBLY

INDEPENDENT AUDITOR'S REPORT

AUSTRALIAN CAPITAL TERRITORY STATE POOL ACCOUNT

To the members of ACT Legislative Assembly

Opinion

I have audited the special purpose financial statement (financial statement) of the Australian Capital Territory State Pool Account for the year ended 30 June 2025. The financial statement is comprised of the statement by the Administrator, the statement of receipts and payments and notes to the financial statement, including a summary of significant accounting policies.

In my opinion, the financial statement:

(i) is presented in accordance with the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011; and

(ii) presents fairly, in all material aspects, the receipts and payments of the Australian Capital Territory State Pool Account for the year ended 30 June 2025.

Basis for opinion

I conducted the audit in accordance with the Australian Auditing Standards. My responsibilities under the standards are further described in the 'Auditor's responsibilities for the audit of the financial statement' section of this report.

I am independent of the National Health Funding Pool in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Basis of preparation

I draw your attention to Note 1(A): 'Basis of preparation' of the financial statement, which describes the purpose of the financial statement, and the basis of accounting used in the preparation of the financial statement.

The Administrator has determined that a special purpose framework using the cash basis of accounting is appropriate to meet the financial reporting requirements under the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011. As a result, the financial statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Nara Centre, Level 4, 3 Constitution Avenue, Canberra 2601 PO Box 158 Canberra ACT 2601
T 02 6207 0833 **E** actauditorgeneral@act.gov.au **W** www.audit.act.gov.au

Responsibility for preparing and fairly presenting the financial statement

The Administrator of the National Health Funding Pool is responsible for:

- preparing and fairly presenting the financial statement in accordance with the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011; and
- determining the internal controls necessary for the preparation and fair presentation of the financial statement so that it is free from material misstatements, whether due to error or fraud.

Auditor's responsibilities for the audit of the financial statement

Under the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013*, the Auditor-General is responsible for issuing an audit report that includes an independent opinion on the financial statement of the Australian Capital Territory State Pool Account.

My objective is to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from error or fraud and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the internal controls;
- evaluate the appropriateness of accounting policies used to prepare the financial statement and related disclosures made in the financial statement; and
- evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Administrator of the National Health Funding Pool regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Ajay Sharma PSM
Assistant Auditor-General, Financial Audit
27 August 2025

Australian Capital Territory State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NOTES	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT			
From Commonwealth			
Activity Based Funding	2, 6	496,279	458,270
Block funding		38,068	36,344
Public Health funding		9,597	9,035
COVID-19 funding	8	-	16
COVID-19 funding - final adjustment	8	-	(6,883)
From Australian Capital Territory			
Activity Based Funding (in-scope)	2, 6	1,218,106	950,713
Activity Based Funding (out-of-scope)	7	68,194	75,991
Cross-border contribution	5	44,817	30,628
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	6,883
From other States or Territories			
Cross-border receipts	3	157,903	150,175
From Reserve Bank of Australia			
Interest receipts		-	-
TOTAL RECEIPTS		**2,032,964**	**1,711,172**
PAYMENTS OUT OF THE STATE POOL ACCOUNT			
To Local Hospital Networks			
Activity Based Funding (in-scope)	4, 6	1,714,385	1,408,983
Activity Based Funding (out-of-scope)	7	68,194	75,991
COVID-19 funding	8	-	-
To Australian Capital Territory State Managed Fund			
Block funding		38,068	36,344
To Australian Capital Territory Health Directorate			
Public Health funding		9,597	9,035
COVID-19 funding	8	-	16
COVID-19 funding - final adjustment	8	-	-
Interest payments		-	-
Cross-border transfer		157,903	150,175
To other States or Territories			
Cross-border payments	5	44,817	30,628
TOTAL PAYMENTS		**2,032,964**	**1,711,172**
NET RECEIPTS/(PAYMENTS) FOR THE YEAR		-	-
OPENING CASH BALANCE		-	-
CLOSING CASH BALANCE		-	-

The above statement of receipts and payments should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement is required by:

- section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011
- section 26 of the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013.*

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 27 August 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

The Australian Capital Territory State Pool Account was established at the Reserve Bank of Australia (RBA) in 2012-13 in accordance with section 15 of the Australian Capital Territory *Health (National Health Funding Pool and Administration) Act 2013.*

(D) Activity Based Funding

Activity Based Funding (ABF) is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the IHACPA. ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category were calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided.

This calculation will generally result in reconciliation adjustments being made to the Commonwealth ABF contribution to each LHN to align with the actual services delivered.

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the Payments System to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement. There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2023-24 and 2024-25 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory (refer Note 3 and Note 5).

The Commonwealth share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST).

However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement was to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak. The NPCR was subsequently amended and agreed to in April 2020 to include financial viability payments for private hospitals.

In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Financial Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023.

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups include First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

As of 31 December 2023, the PGTV had concluded. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

Note 2: Activity Based Funding (in-scope) receipts

Total receipts paid into the Australian Capital Territory State Pool Account in respect of Activity Based Funding:

	2024-25 $'000	2023-24 $'000
Commonwealth	496,279	458,270
Australian Capital Territory	1,218,106	950,713
TOTAL	**1,714,385**	**1,408,983**

The amounts paid by the Commonwealth into the State Pool Account excludes Hospital Services Payments under the NPCR of $5,662,319 in 2023-24. Please refer to Note 8.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 3: Cross-border receipts

Total cross-border receipts paid into the Australian Capital Territory State Pool Account from other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	149,013	148,059
Victoria	6,319	-
Queensland	2,262	1,218
Western Australia	-	456
South Australia	-	301
Tasmania	-	141
Northern Territory	309	-
TOTAL	**157,903**	**150,175**

Note 4: Activity Based Funding (in-scope) payments

Total payments made out of the Australian Capital Territory State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
ACT Local Hospital Network	1,714,385	1,408,983
TOTAL	**1,714,385**	**1,408,983**

The Administrator makes payments from the Australian Capital Territory State Pool Account in accordance with the directions of the Australian Capital Territory Minister for Health and in alignment with LHN Service Agreements.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 5: Cross-border payments

Total cross-border payments made out of the Australian Capital Territory State Pool Account to other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	40,027	28,652
Victoria	2,886	-
Queensland	1,589	1,132
Western Australia	-	345
South Australia	-	326
Tasmania	-	172
Northern Territory	314	-
TOTAL	**44,817**	**30,628**

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 6: Activity Based Funding (in-scope) receipts and payments

Total Commonwealth and Australian Capital Territory Activity Based Funding contributions and total Local Hospital Network Activity Based Funding payments:

	2024-25 $'000	2023-24 $'000
Total receipts from the Commonwealth	496,279	458,270
Total receipts from Australian Capital Territory	1,218,106	950,713
Total payments to Local Hospital Networks	(1,714,385)	(1,408,983)
NET RECEIPTS/(PAYMENTS)	-	-

Note 7: Activity Based Funding (out-of-scope) receipts and payments

Total ABF contributions paid through the Pool for activities that are out-of-scope of the NHR Agreement:

	2024-25 $'000	2023-24 $'000
Total receipts from Australian Capital Territory	68,194	75,991
Total payments to Local Hospital Networks	(68,194)	(75,991)
NET RECEIPTS/(PAYMENTS)	-	-

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 8: COVID-19 funding

COVID-19 funding was provided monthly in advance based on estimates submitted by States and Territories and subject to reconciliation. Final funding entitlements were determined after actual activity data on hospital services and actual in-scope expenditure were submitted.

The types of funding and payments under the NPCR included:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment has been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity were included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

The Priority Groups COVID-19 Testing and Vaccination Payment

The Commonwealth provided a 50 per cent contribution for costs incurred by States and Territories for PCR testing for COVID-19 as well as a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered, consistent with the arrangements under the NPCR, which expired on 31 December 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding receipts and payments:

	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT		
From Commonwealth		
Hospital Services Payments - final adjustment	-	5,662
State Public Health Payments - final adjustment	-	(10,505)
Private Hospital Financial Viability Payment - final adjustment	-	(2,041)
Priority groups testing and vaccination	-	16
TOTAL COMMONWEALTH RECEIPTS	-	(6,867)
From Australian Capital Territory		
Hospital Services Payments - final adjustment	-	(5,662)
State Public Health Payments - final adjustment	-	10,505
Private Hospital Financial Viability Payment - final adjustment	-	2,041
Priority groups testing and vaccination	-	-
TOTAL AUSTRALIAN CAPITAL TERRITORY RECEIPTS	-	6,883
TOTAL RECEIPTS	**-**	**16**
PAYMENTS OUT OF THE STATE POOL ACCOUNT		
To Australian Capital Territory (including Local Hospital Networks)		
Hospital Services Payments - final adjustment	-	-
State Public Health Payments - final adjustment	-	-
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	16
TOTAL PAYMENTS	**-**	**16**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-
OPENING CASH BALANCE	-	-
CLOSING CASH BALANCE	-	-

The previous table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

End of Audited Special Purpose Financial Statement.

NORTHERN TERRITORY

FUNDING AND PAYMENTS

$1.2B

TOTAL FUNDING WITH $1.2B PAID TO

1

LOCAL HOSPITAL NETWORK (LHN)

$1.1B

IN ACTIVITY BASED FUNDING THAT DELIVERED

191,332

NATIONAL WEIGHTED ACTIVITY UNITS (NWAU)

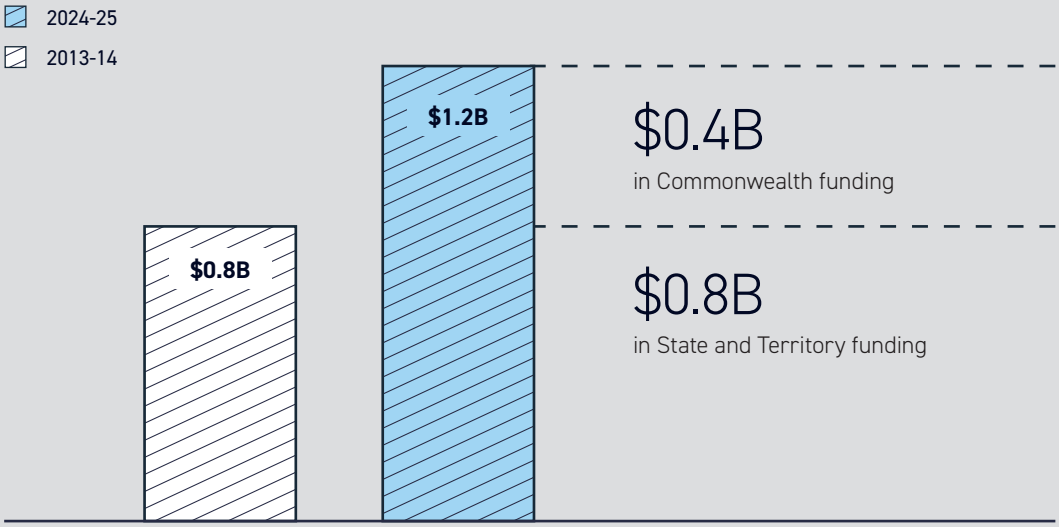
These amounts do not include transactions related to the NPCR and transactions related to the Priority groups for COVID-19 Vaccination Program. Details of these transactions are located in the Pool Account Special Purpose Financial Statement of each State or Territory.

National Health Reform disclosures for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 241(2) of the Commonwealth *National Health Reform Act 2011* and section 18(2) of the Northern Territory *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012.*

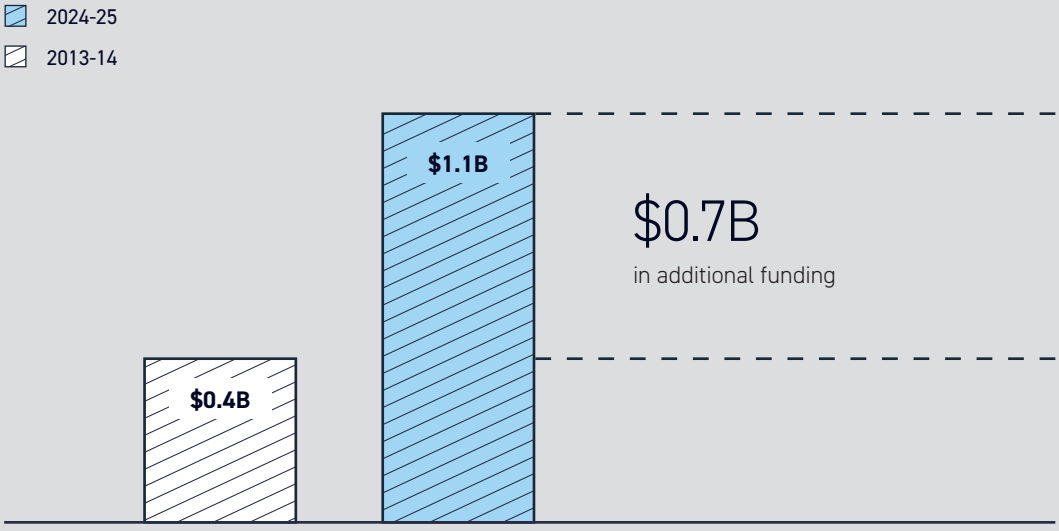
GROWTH IN PUBLIC HOSPITAL PAYMENTS

SINCE 2013-14



GROWTH IN ACTIVITY BASED FUNDING

SINCE 2013-14



Section 241(2) of the NHR Act outlines certain disclosures to be included in this Annual Report.

The information reported is specific to the transactions of the 'relevant State'.

For the purposes of this legislative reporting, the 'relevant State' is the State or Territory that holds the bank accounts opened under the laws of that State or Territory for NHR Agreement purposes.

The values are rounded to the nearest thousand dollars unless otherwise specified.

NHR funding and payments shown in the following tables include Goods and Services Tax (GST) where applicable.

The information disclosed in the following tables is provided by Northern Territory (NT) and forms part of the Administrator's monthly reporting requirements, located at www.publichospitalfunding.gov.au.

For further information on the types of NHR funding, refer to the 'Introduction' chapter of this Annual Report.

Commonwealth National Health Reform funding entitlement based on actual services provided and cash paid in each financial year

The following table shows the cash paid by the Commonwealth each financial year based on activity estimates provided by Northern Territory. The table also shows the final Commonwealth NHR funding entitlement determined by the Commonwealth Treasurer which is based on an end of financial year reconciliation of actual services delivered. The subsequent funding adjustments, whether positive or negative, reflect the difference between estimated activity and actual services delivered.

	AMOUNT PAID TO NORTHERN TERRITORY ($'000)					
	2020-21[1] Entitlement	2021-22[2] Entitlement	2022-23[3] Entitlement	2023-24 Entitlement	2024-25 Estimate	CASH PAID
Cash Paid 2020-21	298,064	-	-	-	-	296,457[4]
Cash Paid 2021-22	35,132	355,110	-	-	-	390,243
Cash Paid 2022-23	-	(6,864)	388,893	-	-	382,029
Cash Paid 2023-24	-	-	(13,060)	399,758	-	386,698
Cash Paid 2024-25	-	-	-	504	426,279	426,783
FINAL ENTITLEMENT	**333,196**	**348,246**	**375,833**	**400,262**	**426,279**	

1 The 2020-21 Commonwealth NHR funding entitlement excludes $8,700,043 in HSP under the NPCR.

2 The 2021-22 Commonwealth NHR funding entitlement excludes $16,911,538 in HSP under the NPCR.

3 The 2022-23 Commonwealth NHR funding entitlement excludes $1,775,697 in HSP under the NPCR.

4 The total cash paid in 2020-21 includes recoveries of $1,607,078 related to entitlements for the 2019-20 financial year.

The amounts paid into each State Pool Account by the Commonwealth — Section 241(2)(B)

COMPONENT	AMOUNT PAID BY COMMONWEALTH INTO NORTHERN TERRITORY STATE POOL ACCOUNT ($'000)	
	2024-25	2023-24
Activity Based Funding	396,532	358,658
Block funding	25,103	23,253
Public Health funding	5,149	4,787
TOTAL	**426,783**	**386,698**

Additional financial assistance was provided by the Commonwealth under the NPCR including hospital services funding which was paid monthly based on activity estimates provided to the Administrator and reconciled annually with adjustments being made in 2023–24.

The previous table does not include amounts paid into the State Pool Account by the Commonwealth for COVID-19, including Hospital Services Payments of $1,325,697 in 2023-24 and payments of State Public Health and Private Hospital Financial Viability Payments of $1,207,493. Details of this funding is provided in the Pool Account Special Purpose Financial Statement.

The amounts paid into each State Pool Account and State Managed Fund by the relevant State — Section 241(2)(A)

COMPONENT	AMOUNT PAID BY NORTHERN TERRITORY ($'000)	
	2024-25	2023-24
State Pool Account - Activity Based Funding	720,163	745,405
State Managed Fund - Block funding	61,063	61,133
TOTAL	**781,226**	**806,539**

The previous table does not include out-of-scope funding (ABF and Block), interest deposited into the Pool Account, and over deposits of ABF in excess of funding obligations by States and Territories which is subsequently paid back to the respective State or Territory Health Department or cross-border contributions for transfer to other States or Territories.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

The number of public hospital services funded for each Local Hospital Network in accordance with the system of Activity Based Funding — Section 241(2)(E)

LOCAL HOSPITAL NETWORK	NUMBER OF ABF PUBLIC HOSPITAL SERVICES FUNDED (NWAU)		
	2024-25[1] Estimate	2023-24[2] Actual	2023-24[3] Estimate
NT Regional Health Services	191,332	185,807	185,175
TOTAL	**191,332**	**185,807**	**185,175**

1 2024-25 NWAU as per the updated activity estimates as at the Administrator's May 2025 Payment Advice.

2 2023-24 NWAU as per the 2023-24 Annual Reconciliation outcome, forming the basis of the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

3 2023-24 NWAU as per the activity estimates as at the Administrator's June 2024 Payment Advice.

The NWAU is the unit of measurement for the ABF system. It is a measure of health service activity expressed as a common unit, against which the National Efficient Price is paid. It provides a way of comparing and valuing each ABF public hospital service, by weighting it for its clinical complexity.

States and Territories provide NWAU estimates at the start of each financial year for Commonwealth payment purposes. These estimates may be revised during the course of the year and form the basis of Commonwealth funding until actual service volumes become available.

The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund — Section 241(2)(F)

The Independent Health and Aged Care Pricing Authority (IHACPA) determines services which are eligible for block funding as the technical requirements for applying activity based funding are not able to be satisfied. IHACPA also determines; small rural hospitals which are to be block funded; standalone hospitals providing specialist mental health services; standalone major city hospitals providing specialised services; other stand-alone hospitals; and other public hospital programs.

There is currently no nationally consistent measurement for the provision of teaching, training and research.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2024-25 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
NT Regional Health Services	1,116,695	86,165	1,202,861
TOTAL	**1,116,695**	**86,165**	**1,202,861**

For additional information please see the Northern Territory basis for payments.

The amounts paid from each State Pool Account and State Managed Fund to Local Hospital Networks in 2023-24 — Section 241(2)(C)(D)

RECIPIENT	AMOUNT PAID ($'000)		
	State Pool Account	State Managed Fund	TOTAL
NT Regional Health Services	1,104,064	84,386	1,188,450
TOTAL	**1,104,064**	**84,386**	**1,188,450**

The 2023-24 amounts paid into the State Pool Account excludes Hospital Services Payments made under the NPCR of $1,325,697 and $1,240,617 related to the Priority groups for COVID-19 Vaccination Program.

For additional information please see the Northern Territory basis for payments.

Northern Territory basis for National Health Reform payments 2024-25

To meet the reporting requirements of Section 240 of the *National Health Reform Act 2011*, the Administrator is to include the basis of each State and Territory's NHR funding and payments.

The Territory contribution to the funding of public hospital services and functions is calculated on an activity basis or provided as block funding in accordance with the National Health Reform Agreement – Addendum 2020-25.

The Territory determines the amount they pay for public hospital services and functions and the mix of those services and functions and will meet the balance of the cost of delivering public hospital services and functions over and above the Commonwealth contribution.

Territory funding paid on an activity basis for each service category is based on the price set by that Territory (which is reported in the Service Plan) and the volume of weighted services as set out in the Service Plan.

To provide consistency in methodology and with the Addendum to the National Health Reform Agreement 2020-25, the Northern Territory funding model has implemented the National Efficient Price (NEP24) and National Weighted Activity Unit (NWAU24) as the currency for ABF facility.

The National Efficient Cost (NEC24) Block funding model is used for non-admitted mental health services, non-admitted child and adolescent mental health services, non-admitted home ventilation and teaching, training and research provided in hospitals.

The Territory determines when payments are made into the Pool and State managed fund. Payments are made from the Pool account to the Local Hospital Network and State managed fund in accordance with the Service Plan agreed between the Chief Executive Officer of Northern Territory Department of Health (the 'System Manager') and the Northern Territory Regional Health Services (NTRHS).

The Territory also makes payments for activities outside the scope of the National Health Reform Agreement. Out-of-scope activities are defined as those public hospital services with a funding source other than the NHRA.

The Northern Territory Department of Health and NTRHS can agree amendments to the Service Plan to adjust service volumes or pricing to take account of such matters as changing health needs, variations in actual service delivery and hospital performance.

The Service Plan is available at www.health.nt.gov.au/governance-strategies-committees/about/service-delivery-agreements-sda.

Further information regarding the Basis for National Health Reform payments in both 2024-25 and previous financial years is included at www.publichospitalfunding.gov.au.

Administrator
National Health
Funding Pool

GPO Box 1252
Canberra ACT 2601
1300 930 522
publichospitalfunding.gov.au

Statement by the Administrator of the National Health Funding Pool Northern Territory State Pool Account

I report that, as indicated in Note 1(a) to the financial statement, I have determined that the attached Special Purpose Financial Statement comprising of a statement of receipts and payments and accompanying notes provides a true and fair presentation in accordance with the Northern Territory *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

In my opinion, the attached Special Purpose Financial Statement for the year ended 30 June 2025 is based on properly maintained financial records and gives a true and fair view of the matters required by the Northern Territory *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012*, the Commonwealth *National Health Reform Act 2011* and the National Health Reform Agreement 2011.

Toni Cunningham

Administrator
National Health Funding Pool
27 August 2025

National Health Funding Pool Northern Territory State Pool Account Special Purpose Financial Statement for the year ended 30 June 2025

Issued by the Administrator of the National Health Funding Pool under section 242 of the Commonwealth *National Health Reform Act 2011* and section 19 of the Northern Territory *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012.*

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Northern Territory State Pool Account

Report on the audit of the financial statement for the year ended 30 June 2025

Opinion

I have audited the special purpose financial statement (the financial statement) of the Northern Territory State Pool Account, which comprises the statement of receipts and payments for the year ended 30 June 2025, notes to the financial statement, including a summary of material accounting policies and the statement by the Administrator of the National Health Funding Pool (the Administrator).

In my opinion the accompanying financial statement presents fairly, in all material respects, the receipts and payments of the Northern Territory State Pool Account for the year ended 30 June 2025 in accordance with the financial reporting requirements of section 242 of the *National Health Reform Act 2011* (Commonwealth), clause B40 of the National Health Reform Agreement 2011 and section 19 of the *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012* (NT).

Basis for opinion

I conducted my audit in accordance with Australian Accounting Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of my report.

I am independent of both the National Health Funding Pool and the National Health Funding Body in accordance with the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board (the Code) that are relevant to my audit of the financial statement in Australia. My authorised auditors and I have also fulfilled our other ethical responsibilities in accordance with the Code.

My independence is further established by the *Audit Act 1995*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1(A) to the financial statement, which describes the purpose of the financial statement and its basis of accounting. The financial statement has been prepared using the cash basis of accounting and for the purpose of fulfilling the Administrator's financial reporting obligations under section 242 of the *National Health Reform Act 2011* (Commonwealth), clause B40 of the National Health Reform Agreement 2011 and section 19 of the *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012* (NT). As a result, the financial statement may not be suitable for another purpose.

My opinion is not modified in respect of this matter.

Other information

The Administrator is responsible for the other information. The other information comprises the charts, tables and narratives presented with financial statement but does not include the financial statement and my auditor's report thereon, which I have obtained prior to the date of this auditor's report. The National Health Funding Pool's Annual Report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statement, my responsibility is to read the other information and, in doing so, I consider whether the other information is materially inconsistent with the financial statement or the knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard. When I read the National Health Funding Pool's Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the Administrator.

Responsibilities of the Administrator for the financial statement

The Administrator is responsible for the preparation and the fair presentation of the financial statement in accordance with the financial reporting requirements of the *National Health Reform Act 2011* (Commonwealth), the National Health Reform Agreement 2011 and the *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012* (NT) and for such internal control as the Administrator determines is necessary to enable the preparation and fair presentation of the financial statement that is free from material misstatement whether due to fraud or error. The Administrator is assisted by the National Health Funding Body in the financial reporting process.

Auditor's responsibilities for the audit of the financial statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial ststement whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used to prepare the financial statement.
- Evaluate the overall presentation, structure and content of the financial statement including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Administrator regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Jara K Dean
Auditor-General
Darwin, Northern Territory
27 August 2025

Northern Territory State Pool Account

Statement of Receipts and Payments for the year ended 30 June 2025

	NOTES	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT			
From Commonwealth			
Activity Based Funding	2, 6	396,532	358,658
Block funding		25,103	23,253
Public Health funding		5,149	4,787
COVID-19 funding	8	-	1,241
COVID-19 funding - final adjustment	8	-	2,533
From Northern Territory			
Activity Based Funding (in-scope)	2, 6	720,163	745,405
Activity Based Funding (out-of-scope)	7	-	-
Cross-border contribution	5	50,593	28,118
COVID-19 funding	8	-	-
COVID-19 funding - final adjustment	8	-	-
From other States or Territories			
Cross-border receipts	3	28,966	19,149
From Reserve Bank of Australia			
Interest receipts		-	-
TOTAL RECEIPTS		**1,226,505**	**1,183,144**
PAYMENTS OUT OF THE STATE POOL ACCOUNT			
To Local Hospital Networks			
Activity Based Funding (in-scope)	4, 6	1,116,695	1,104,064
Activity Based Funding (out-of-scope)	7	-	-
COVID-19 funding	8	-	-
To Northern Territory State Managed Fund			
Block funding		25,103	23,253
To Department of Health Northern Territory			
Public Health funding		5,149	4,787
COVID-19 funding	8	-	1,241
COVID-19 funding - final adjustment	8	-	2,533
Interest payments		-	-
Cross-border transfer		28,966	19,149
To other States or Territories			
Cross-border payments	5	50,593	28,118
TOTAL PAYMENTS		**1,226,505**	**1,183,144**
NET RECEIPTS/(PAYMENTS) FOR THE YEAR		-	-
OPENING CASH BALANCE		-	-
CLOSING CASH BALANCE		-	-

The above statement of receipts and payments should be read in conjunction with the accompanying notes.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 1: Summary of material accounting policies

The material accounting policies adopted in the preparation of the Special Purpose Financial Statement are set out below.

(A) Basis of preparation

The Special Purpose Financial Statement is required by:

- section 242 of the Commonwealth *National Health Reform Act 2011* and clause B40 of the National Health Reform Agreement 2011
- section 19 of the Northern Territory *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012.*

The Special Purpose Financial Statement has been prepared on a cash accounting basis. On this basis, receipts are recognised when received rather than earned, and payments are recognised when paid rather than incurred.

The Special Purpose Financial Statement is presented in Australian dollars and values are rounded to the nearest thousand dollars.

The Special Purpose Financial Statement was authorised for release by the Administrator on 27 August 2025.

(B) Comparative figures

Prior year comparative information has been disclosed. The results for 2023-24 and 2024-25 are for the year ended 30 June.

(C) National Health Funding Pool

The National Health Funding Pool (Funding Pool) consists of eight State and Territory bank accounts (State Pool Accounts).

The Northern Territory State Pool Account was established at the Reserve Bank of Australia (RBA) in 2012-13 in accordance with section 11 of the Northern Territory *National Health Funding Pool and Administration (National Uniform Legislation) Act 2012.*

(D) Activity Based Funding

ABF is a system for funding public hospital services provided to individual patients using national classifications, price weights and National Efficient Prices developed by the IHACPA. ABF is paid by the Commonwealth, States and Territories into the Funding Pool.

In 2023-24 and 2024-25 the Commonwealth, States and Territories ABF supported the following:

i. Emergency department services
ii. Acute admitted services
iii. Admitted mental health services
iv. Sub-acute and non-acute services
v. Non-admitted services.

As system managers of the public hospital system, State or Territory ABF contributions into the Funding Pool may be calculated using State and Territory prices and activity measures. The Service Agreement between the State or Territory and each Local Hospital Network (LHN) specifies the service delivery and funding parameters.

Commonwealth ABF contributions for each service category were calculated by summing the prior year amounts and efficient growth. Efficient growth is determined by measuring the change in efficient price and volume. The price adjustment is 45 per cent of the change in the National Efficient Price relative to the prior year.

The volume adjustment is 45 per cent of the net change in the volume of weighted services relative to the prior year.

In respect of a particular funding year, these contributions are first determined by the Administrator as preliminary funding entitlements. Final funding entitlements for the year are calculated after actual data on hospital services is provided.

This calculation will generally result in reconciliation adjustments being made to the Commonwealth ABF contribution to each LHN to align with the actual services delivered.

In 2017, the former Council of Australian Governments signed an Addendum to the National Health Reform Agreement. The Addendum amended specified elements of the operation of the National Health Reform Agreement for a period of three years. From 1 July 2017 to 30 June 2020, the Commonwealth funded 45 per cent of the efficient growth of public hospital services, subject to a 6.5 per cent cap in the growth of overall Commonwealth funding.

On 29 May 2020, the Addendum to the National Health Reform Agreement 2020–25 was entered into by the Commonwealth, State and Territory Governments. The Addendum to the National Health Reform Agreement 2020–25 replaces the Addendum to the National Health Reform Agreement 2017-20 but retains the core principles.

(E) Activity Based Funding (out-of-scope)

In accordance with the Administrator's Three Year Data Plan and Data Compliance Policy, from 1 July 2022 the States and Territories are required to identify both in-scope and out-of-scope activity in their LHN Service Agreements. In addition, a new fund account has been established (from 1 July 2022) in the Payments System to identify all payments for out-of-scope activity.

Out-of-scope activity is defined as those public hospital services with a funding source other than the National Health Reform Agreement.

There are multiple funding sources for out-of-scope activity including the States and Territories (e.g. one-off budget measures, correctional facilities), the Commonwealth (e.g. Department of Veterans' Affairs, Medicare Benefits Schedule) and other third-party revenue (e.g. Workers Compensation, Motor Vehicle Third Party Personal Claim).

(F) Block funding

Block funding is provided by the Commonwealth into the Funding Pool for States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate to be Block funded, particularly for smaller rural and regional hospitals.

In 2023-24 and 2024-25 the Commonwealth Block funding supported the following:

i. Small rural hospitals
ii. Teaching, training and research
iii. Other mental health
iv. Non-admitted home ventilation
v. Other non-admitted services
vi. Other public hospital programs
vii. Highly Specialised Therapies.

In 2024-25 Commonwealth block funding of mental health services were consolidated and reported under the other mental health category. Other Mental Health captures mental health funding from the following block service categories:

i. Standalone facilities providing mental health services
ii. Non-admitted mental health
iii. Non-admitted Child and Adolescent Mental Health Services
iv. Residential mental health.

In 2023-24 and 2024-25 the Commonwealth Block contributions for each service category were calculated by summing prior year amounts and 45 per cent of the change in the National Efficient Cost between the current year and the prior year. Highly Specialised Therapies are contributed at 50 per cent of the growth in the efficient price or cost.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

(G) Public Health funding

The Commonwealth contributes amounts into the Funding Pool for Public Health funding. This is funding for services such as national public health, youth health services and essential vaccines. This payment is indexed in accord with the previous existing health specific purpose payment.

Responsibility for calculation of Public Health funding moved from the Commonwealth Department of the Treasury in 2023-24 to the Commonwealth Department of Health, Disability and Ageing.

(H) Cross-border

When a resident of one State or Territory receives hospital treatment in another State or Territory, the provider State or Territory is compensated for the cost of that treatment. The resident State or Territory pays its share through the Funding Pool to the provider State or Territory (refer Note 3 and Note 5).

The Commonwealth share of the cost of treating the patient is paid through the Funding Pool as part of the normal ABF. The Commonwealth contribution to each State or Territory covers all eligible patients treated, regardless of where they reside.

(I) Interest

Interest earned and deposited by the RBA into the State Pool Account is recognised as interest received at the time the deposit is made. Interest paid from the State Pool Account to the State or Territory is recognised as an interest payment at the time the payment is made from the State Pool Account.

(J) Taxation

State Pool Accounts are not subject to income tax. The majority of Government funding, from the Commonwealth, State or Territory to LHNs is not subject to the Goods and Services Tax (GST).

However, in some cases hospital funding to non-government entities does attract GST, for example, denominational hospitals, privately and commercially owned health facilities, or other non-government third party providers of health services or related supplies.

(K) COVID-19 funding

The National Partnership on COVID-19 Response (NPCR) was agreed to and signed by the former Council of Australian Governments in March 2020. The objective of this agreement was to provide Commonwealth financial assistance for the additional costs incurred by State and Territory health services in responding to the COVID-19 outbreak. The NPCR was subsequently amended and agreed to in April 2020 to include financial viability payments for private hospitals.

In February 2021, the NPCR was amended with respect to the coordination and delivery of the COVID-19 vaccine under Schedule C. The NPCR was further amended to assist residential aged care providers prevent, prepare for and respond to outbreaks of COVID-19 under Schedule D.

Financial assistance was provided by the Commonwealth in the form of the Hospital Services Payments calculated on an activity basis, State Public Health Payments (including coordination and delivery of the COVID-19 vaccine) as well as Private Hospital Financial Viability Payments. The Private Hospital Financial Viability Payment ceased on 30 September 2022. The Hospital Services Payments and the State Public Health Payments ceased on 31 December 2022.

As of 31 December 2022, the NPCR had concluded with any outstanding funding adjustments completed as part of the 2022-23 Annual Reconciliation. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2022-23) Determination 2023.

(L) National Partnership for Priority Groups COVID-19 Testing and Vaccination (PGTV)

A new National Partnership for priority groups COVID-19 testing and vaccination was operational for the period 1 January 2023 to 31 December 2023.

The objective of this agreement was to provide targeted financial assistance to the States and Territories for the additional public health costs incurred by State and Territory health services for the provision of polymerase chain reaction (PCR) testing for COVID-19 and COVID-19 vaccine delivery, with a particular focus on ensuring access and service delivery to priority population groups who are at greater risk of severe disease from COVID-19 and long-COVID.

Priority population groups included First Nations peoples, older Australians, people from culturally and linguistically diverse backgrounds, people with disability, people living in rural and remote areas, and people experiencing homelessness. This may also be extended as required, for example to people in close contact with the identified priority population groups, such as family, carers, support workers and healthcare workers.

As of 31 December 2023, the PGTV had concluded. The final entitlements were included in the Federal Financial Relations (National Health Reform Payments for 2023-24) Determination 2024.

Note 2: Activity Based Funding (in-scope) receipts

Total receipts paid into the Northern Territory State Pool Account in respect of Activity Based Funding:

	2024-25 $'000	2023-24 $'000
Commonwealth	396,532	358,658
Northern Territory	720,163	745,405
TOTAL	**1,116,695**	**1,104,064**

The amounts paid into the Northern Territory State Pool Account excludes Hospital Services Payments under the NPCR of $1,325,697 in 2023-24. Please refer to Note 8.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 3: Cross-border receipts

Total cross-border receipts paid into the Northern Territory State Pool Account from other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	-	3,715
Victoria	-	-
Queensland	-	-
Western Australia	6,134	5,931
South Australia	22,518	9,281
Tasmania	-	222
Australian Capital Territory	314	-
TOTAL	**28,966**	**19,149**

Note 4: Activity Based Funding (in-scope) payments

Total payments made out of the Northern Territory State Pool Account in respect of each Local Hospital Network:

LOCAL HOSPITAL NETWORK	2024-25 $'000	2023-24 $'000
NT Regional Health Services	1,116,695	1,104,064
TOTAL	**1,116,695**	**1,104,064**

The Administrator makes payments from the Northern Territory State Pool Account in accordance with the directions of the Northern Territory Minister for Health and in alignment with LHN Service Agreements.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 5: Cross-border payments

Total cross-border payments made out of the Northern Territory State Pool Account to other States and Territories:

STATE OR TERRITORY	2024-25 $'000	2023-24 $'000
New South Wales	-	4,649
Victoria	-	-
Queensland	316	-
Western Australia	1,887	1,035
South Australia	48,081	22,361
Tasmania	-	72
Australian Capital Territory	309	-
TOTAL	**50,593**	**28,118**

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

Note 6: Activity Based Funding (in-scope) receipts and payments

Total Commonwealth and Northern Territory Activity Based Funding contributions and total Local Hospital Network Activity Based Funding payments:

	2024-25 $'000	2023-24 $'000
Total receipts from the Commonwealth	396,532	358,658
Total receipts from Northern Territory	720,163	745,405
Total payments to Local Hospital Networks	(1,116,695)	(1,104,064)
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 7: Activity Based Funding (out-of-scope) receipts and payments

Total ABF contributions paid through the Pool for activities that are out-of-scope of the NHR Agreement:

	2024-25 $'000	2023-24 $'000
Total receipts from Northern Territory	-	-
Total payments to Local Hospital Networks	-	-
NET RECEIPTS/(PAYMENTS)	**-**	**-**

Note 8: COVID-19 funding

COVID-19 funding was provided monthly in advance based on estimates submitted by States and Territories and subject to reconciliation. Final funding entitlements were determined after actual activity data on hospital services and actual in-scope expenditure were submitted.

The types of funding and payments under the NPCR included:

The Upfront Advance Payment

In March 2020, the Commonwealth provided an upfront advanced payment of $100 million to States and Territories on a population share basis. This was an advance payment to ensure the timely availability of funds under the NPCR. The Upfront Advance Payment has been subsequently reconciled against State Public Health requirements.

The Hospital Services Payment

The Commonwealth provided a 50 per cent contribution of the National Efficient Price, for costs incurred by States and Territories, through monthly payments, for the diagnosis and treatment of COVID-19 including suspected cases. The Hospital Services Payment ceased on 31 December 2022.

The State Public Health Payment

The Commonwealth provided a 50 per cent contribution for additional costs incurred by States and Territories, through monthly payments, for COVID-19 activities undertaken by State and Territory public health systems for the management of the outbreak.

In February 2021, the NPCR was amended with respect to the delivery of the COVID-19 vaccine through the Vaccination Dose Delivery Payment under Schedule C. Where eligible, funding contributions in relation to this activity are included within the State Public Health Payment.

The NPCR was further amended in December 2021 to include a revised vaccination schedule (revised Schedule C) which included additional financial support to States and Territories for the set-up of COVID-19 vaccination sites, and an aged care schedule which provided a 100 per cent contribution for costs incurred from 1 July 2020 for supporting aged care prevention, preparedness and response activities including additional targeted infection prevention and control training in Residential Aged Care Facilities (Schedule D).

In January 2022, National Cabinet agreed measures supporting States and Territories to claim 50 per cent of the costs of the purchase, logistics and distribution of Rapid Antigen Tests (RATs) through the NPCR. Where States and Territories provided RATs to residential aged care facilities, they could claim a 100 per cent contribution for the costs.

The State Public Health Payment ceased on 31 December 2022.

The Private Hospital Financial Viability Payment

The Commonwealth contributed 100 per cent of the Private Hospital Financial Viability Payment made to private operators to retain capacity for responding to State and Territory or Commonwealth public health requirements. The Private Hospital Financial Viability Payment ceased on 30 September 2022.

The Priority Groups COVID-19 Testing and Vaccination Payment

The Commonwealth provided a 50 per cent contribution for costs incurred by States and Territories for PCR testing for COVID-19 as well as a 50 per cent contribution to the agreed price per COVID-19 vaccine dose delivered, consistent with the arrangements under the NPCR, which expired on 31 December 2022.

Notes to and forming part of the Special Purpose Financial Statement
for the year ended 30 June 2025

COVID-19 funding receipts and payments:

	2024-25 $'000	2023-24 $'000
RECEIPTS INTO THE STATE POOL ACCOUNT		
From Commonwealth		
Hospital Services Payments - final adjustment	-	1,326
State Public Health Payments - final adjustment	-	1,199
Private Hospital Financial Viability Payment - final adjustment	-	8
Priority groups testing and vaccination	-	1,241
TOTAL COMMONWEALTH RECEIPTS	-	3,774
From Northern Territory		
Hospital Services Payments - final adjustment	-	-
State Public Health Payments - final adjustment	-	-
Private Hospital Financial Viability Payment - final adjustment	-	-
Priority groups testing and vaccination	-	-
TOTAL NORTHERN TERRITORY RECEIPTS	-	-
TOTAL RECEIPTS	**-**	**3,774**
PAYMENTS OUT OF THE STATE POOL ACCOUNT		
To Northern Territory (including Local Hospital Networks)		
Hospital Services Payments - final adjustment	-	1,326
State Public Health Payments - final adjustment	-	1,199
Private Hospital Financial Viability Payment - final adjustment	-	8
Priority groups testing and vaccination	-	1,241
TOTAL PAYMENTS	**-**	**3,774**
NET RECEIPTS / (PAYMENTS) FOR THE YEAR	-	-
OPENING CASH BALANCE	-	-
CLOSING CASH BALANCE	-	-

The previous table includes the Commonwealth NPCR funding entitlement determined by the Commonwealth Treasurer. The funding adjustment, whether positive or negative, reflects the final reconciliation of payments made under the Agreement.

In previous financial years some States and Territories elected not to separately report COVID-19 funding contributions through the State Pool Account. This will affect the comparison of COVID-19 funding contributions between the Commonwealth, States and Territories.

End of Audited Special Purpose Financial Statement.

PART 3:

REFERENCE INFORMATION

This section provides an explanation of the terms used throughout our report and an alphabetical index to help our readers locate key information easily.

ABBREVIATIONS AND ACRONYMS

ABF	Activity Based Funding
ACSQHC	Australian Commission on Safety and Quality in Health Care
AIHW	Australian Institute of Health and Welfare
CCM	Commonwealth Contribution Model
CEO	Chief Executive Officer
CFO	Chief Finance Officer
COAG	Council of Australian Governments
IGA	Intergovernmental Agreement on Federal Financial Relations
IHACPA	Independent Health and Aged Care Pricing Authority
JAC	Jurisdictional Advisory Committee
LHN	Local Hospital Network
NEC	National Efficient Cost
NEP	National Efficient Price
NHFB	National Health Funding Body
NHR Act	*National Health Reform Act 2011*
NHR Agreement	*National Health Reform Agreement 2011*
NPCR	National Partnership on COVID-19 Response
NWAU	National Weighted Activity Unit
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
RBA	Reserve Bank of Australia
SPP	National Healthcare Specific Purpose Payment
The Administrator	Administrator of the National Health Funding Pool
The Pool	National Health Funding Pool

GLOSSARY

Activity Based Funding	Refers to a method for funding public hospital services provided to individual patients using national classifications, cost weights and nationally efficient prices developed by the IHACPA. Funding is based on the actual number of services provided to patients and the efficient cost of delivering those services.
(the) Administrator	The Administrator of the National Health Funding Pool (the Administrator) is an independent statutory office holder, distinct from Commonwealth and State and Territory Government departments, established under legislation of the Commonwealth and State and Territory Governments. The role of the Administrator, with support from the NHFB, is to oversee the responsible, efficient and effective administration of Commonwealth and State and Territory public hospital funding and payments under the National Health Reform Agreement (NHR Agreement).
Block funding	A method of funding public hospital functions and services as a fixed amount based on population and previous funding. Under the NHR Agreement, Block funding will be provided to States and Territories to support teaching and research undertaken in public hospitals and for some public hospital services where it is more appropriate, particularly smaller rural and regional hospitals.
Council of Australian Governments (COAG)	The peak intergovernmental forum in Australia up until March 2020. The members of COAG were the Prime Minister, State and Territory Premiers and Chief Ministers and the President of the Australian Local Government Association. On 13 March 2020, COAG's functions and operations were replaced with a National Cabinet.
Local Hospital Networks (LHNs)	Recipients of the payments from the National Health Funding Pool, Commonwealth Block funding and State (and Territory) Managed Funds.
Medicare Benefits Schedule (MBS)	A listing of the Medicare services subsidised by the Australian Government.
National Funding Cap	The limit in growth in Commonwealth funding for Public Hospital Services for all States and Territories of 6.5% per annum and where the context so requires includes the operation of the Funding Cap as provided in the NHR Agreement.
National Health Funding Body (NHFB)	An independent statutory body established under Commonwealth legislation to assist the Administrator in carrying out his or her functions under Commonwealth, State and Territory legislation.

National Health Funding Pool (the Pool)	A collective name for the State Pool Accounts of all States and Territories, also known as the 'the Pool'. The Pool was established under Commonwealth and State and Territory legislation for the purpose of receiving all Commonwealth and Activity Based State and Territory public hospital funding, and for making payments under the NHR Agreement.
National Health Funding Pool Payments System (the Payments System)	The Administrator's National Health Funding Pool Payments System processes the NHR Commonwealth, State/Territory deposits and payments into and out of the Pool, as required under the NHR Act.
National Weighted Activity Unit (NWAU)	The NWAU is a measure of health service activity expressed as a common unit, against which the NEP is paid. It provides a way of comparing and valuing each public hospital service (whether it is an admission, emergency department presentation or outpatient episode), by weighting it for clinical complexity.
PGPA Act	*The Public Governance, Performance and Accountability Act 2013* establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting.
State Managed Fund (SMF)	A separate bank account or fund established by a State or Territory for the purpose of health funding under the NHR Agreement which must be undertaken in the State or Territory through a State Managed Fund.
State Pool Account (SPA)	A Reserve Bank of Australia account established for the purpose of receiving all Commonwealth and Activity Based State and Territory public hospital funding, and for making payments under the Agreement. The State (and Territory) Pool Accounts of all States and Territories are collectively known as the National Health Funding Pool or the Pool.

DISCLOSURE INDEX

SECTION	DESCRIPTION	LOCATION — NATIONAL LEVEL	LOCATION — STATE AND TERRITORY LEVEL
241(2) THE ANNUAL REPORT MUST INCLUDE THE FOLLOWING INFORMATION FOR THE RELEVANT FINANCIAL YEAR			
(a)	The amounts paid into each State Pool Account and State Managed Fund by the relevant State and the basis on which the Payments were made	53	NSW 79-85 VIC 103-113 QLD 131-137 WA 155-161 SA 179-185 TAS 203-209 ACT 227-231 NT 249-253
(b)	The amounts paid into each State Pool Account by the Commonwealth and the basis on which the payments were made	52	
(c)	The amounts paid from each State Pool Account to LHNs, a State Managed Fund or other organisations or funds and the basis on which the Payments were made	54	
(d)	The amounts paid from each State Managed Fund to LHNs or other organisations or funds and the basis on which these payments were made	55	
(e)	The number of public hospital services funded for each LHN in accordance with the system of ABF	56	
(f)	The number of other public hospital services and functions funded from each State Pool Account or State Managed Fund	56	
241(3) THE ANNUAL REPORT IS TO BE ACCOMPANIED BY			
(a)	An audited financial statement for each State Pool Account	N/A	NSW 86-99 VIC 114-127 QLD 138-151 WA 162-175 SA 186-199 TAS 210-223 ACT 232-245 NT 254-267
(b)	A financial statement that combines the audited financial statements for each State Pool Account	58-75	N/A

LIST OF LEGISLATIVE REQUIREMENTS

JURISDICTION AND RELEVANT ACT	REQUIREMENT FOR THE FINANCIAL YEAR	COMMONWEALTH	NEW SOUTH WALES	VICTORIA
		National Health Reform Act 2011	Health Services Act 1997	Health (Commonwealth State Funding Arrangements) Act 2012
National Health Reform Funding and Payments Reporting	The Administrator's Annual Report must include: the amounts paid into the State Pool Account and State Managed Fund, and the number of weighted hospital services funded.	s.241(2)	schedule 6A clause 16(2)	s.17(2)
Financial Statements	The Administrator must prepare a financial statement for each State Pool Account and a financial statement that combines the financial statements for each State Pool Account.	s.241(3) and s.242	schedule 6A clauses 16(3) and 17	s.17(3) and s.18
Audit of Financial Statements	A financial statement for the State Pool Account is to be audited by the relevant Auditor-General.	s.243	schedule 6A clause 18	s.19
Administrator's Annual Report	The Administrator must, within four months after the end of each financial year, provide to the responsible Ministers an annual report on the exercise or performance of his/her functions.	s.241(1)	schedule 6A clause 16(1)	s.17(1)
Tabling of the Annual Report	A responsible Minister must, as soon as practicable after receiving an annual report, cause a copy of the report to be tabled in the Parliament of the relevant jurisdiction.	s.241(4)	schedule 6A clause 16(4)	s.17(4)

QUEENSLAND	WESTERN AUSTRALIA	SOUTH AUSTRALIA	TASMANIA	AUSTRALIAN CAPITAL TERRITORY	NORTHERN TERRITORY
Hospital and Health Boards Act 2011	National Health Funding Pool Act 2012	National Health Funding Pool Administration (South Australia) Act 2012	National Health Funding Administration Act 2012	Health (National Health Funding Pool and Administration) Act 2013	National Health Funding Pool and Administration (National Uniform Legislation) Act 2012
s.53S(2)	s.19(2)	s.22(2)	s.18(2)	s.25(2)	s.18(2)
s.53S(3) and s.53T	s.19(3) and s.20	s.22(3) and s.23	s.18(3) and s.19	s.25(3) and s.26	s.18(3) and s.19
s.53U	s.21	s.24	s.20	s.27	s.20
s.53S(1)	s.19(1)	s.22(1)	s.18(1)	s.25(1)	s.18(1)
s.53S(4)	s.19(4)	s.22(4)	s.18(4)	s.25(4)	s.18(4)

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