



Select Committee on the Fiscal Sustainability of the ACT

Answer to question taken on notice

Asked by: Mr Ed Cocks MLA

Addressed to: Minister for Health

In relation to: Health and Breakdown of the \$74 million savings

Hearing: 5 March 2026

Uncorrected Proof Transcript pp 26-27

Transcript provided: 12 March 2026

Answer Due: 19 March 2026

Ms Stephen-Smith MLA took on notice the following question(s):

MR COCKS: Yes, expenditure will be at or below what the prediction was in the budget?

Ms Hughes: Yes. We are on track—I am sorry, apologies—Rosalie Hughes, CFO, CHS. We are overall, including all the non-controllable expense that comes from elsewhere, we are \$8.6 million favourable to the budget set after seven months to the end of January, and we are on track. Also our cash is on track as well. And the budget that we set this year, whilst last year 24-25 actual expenditure was several hundred million more than the previous year, the budget we have set for CHS is in total \$10 million more.

So we spent 2545 last year, and we will spend—2.545 billion last year—we will spend, and are on track to spend 2.555. I guess some of the things within the 24-25 year, there was the opening of new capacity and often health costs are a step. They are not a linear—you will understand that. So that there will be future step costs that we need to describe and understand, but we have a \$74 million efficiency program, and one thing that we have done is year to date we have saved \$29 million on agency nursing, and we are on track to save 50, so of that 74, and that is a good news story because not only have we reduced to a third the hours of agency nursing, so we have reduced that by 8,000 hours a week, but we have also employed 470 more nurses.

And if you think about that, the cost of an agency nurse is so much more expensive than someone who works on staff, that is the reason for the saving. Sorry, I am giving you a lot of information.

MR COCKS: No, other people are waiting, so I just want to jump in really quickly. Maybe on notice, you could provide a breakdown of what that \$74 million is composed of.

Ms Hughes: Yes, we can do that.

MR COCKS: But also I am keen to know whether that—

Ms Stephen-Smith: Yes, we will take that on notice.

MR COCKS: Thank you. I am also keen to understand to what extent that is offset by additional expenditure internally. So if you move from an agency nurse to an employed nurse, there is going to be an additional expenditure on the other side.

Ms Hughes: So the 29 is a net improvement, and we will—

MR COCKS: The 29 is a net?

Ms Hughes: A net. We count both when we do it.

MR COCKS: Yes, thank you.

Minister for Health: The answer to the Member's question is as follows:

The \$74 million financial sustainability program is made up of the following initiatives:

- Agency nursing reduction
- Repatriating outsourced surgery
- Procurement efficiencies
- Streamlining processes for Visiting Medical Officers payments
- Gawanggal Mental Health Unit Closure
- Return FTEs to budgeted level
- Revenue Optimisation
- Cost Containment initiatives

Year to date to the end of January 2026, \$46.9 million of efficiencies have been achieved from the above initiatives, \$3.3 million more than the \$43.6 million budget set for the seven months to 31 January 2026. These are net efficiencies, with both the efficiencies from the initiatives and any additional costs elsewhere being combined to produce the net figure.

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT

Signature:



Date:

18/3/26

By the Minister for Health, Ms Rachel Stephen-Smith