



Standing Committee on Public Accounts

Inquiry into Appropriation 2022-2022 (No 2) and Appropriation (Office of the Legislative Assembly) 2022-2022 (No 2)
ANSWER TO QUESTION ON NOTICE

Ms Castley MLA to ask the Treasurer

Ref: Budget review 2022-23

1. Does the Health Directorate or CHS use any estimate of the annual percentage increase in hospital costs: if so what measure does it use?
2. Can I be supplied a table showing for each year from 2022-23 to 2025-26, using 2021-22 as a base:
 - (1) total funding for Hospital Services
 - (2) the percentage change in funding year on year
 - (3) the Government's estimate of CPI
 - (4) any Government estimate of inflation in hospital costs.

Could this table also show:

- (1) the total percentage change at the end of the 4 year period in funding for Hospital Services compared to 2021-22
- (2) the average annual percentage change over the 4 year period in (i) funding for Hospital Services (ii) CPI (iii) hospital cost inflation
- (3) the cumulative change over the four year period in (i) CPI (ii) hospital costs inflation

Mr Barr MLA: The answer to the Member's question is as follows:-

1. As outlined in the ACT Budget Papers (2022-23 Budget Outlook, page 159), the health portfolio is funded through a Health Funding Envelope (HFE). The HFE provides for a 5.4 per cent growth in hospital funding.
2. For the purposes of this question, we have used the ACT Local Hospital Network expense line of Grants and Purchased Services, which includes payments to Canberra Health Services, Calvary Public Hospital Bruce and Tresillian Queen Elizabeth II (QEII) Family Centre. It is important to note that funding for 2023-24 and the outyears will increase in future Budgets as growth and indexation funding currently provisioned in the HFE is released to specific initiatives.

	2021-22 \$000's	2022-23 \$000's	2023-24 \$000's	2024-25 \$000's	2025-26 \$000's	Total % change	Average % change	Cumulative Change
Funding for Hospital Services*	1,537,226	1,634,539	1,653,987	1,675,109	1,700,295	10.6%	2.6%	163,069
Average annual percentage change for currently funded hospital services		6.3%	1.2%	1.3%	1.5%	10.6%	2.6%	
Funding for Hospital Services including centrally provisioned funding**						20.5%	4.8%	
Additional Government investment in LHN to support response to COVID-19	113,164	63,954						
Total	1,650,390	1,698,493						
CPI forecasts as published in the 2022-23 Budget Review***		5.5%	3.5%	2.5%	2.5%			

* Health Central Provision (HCP) funding has been allocated and is reflected in Funding for Hospital Services for 2021-22 and 2022-23.

** Additional outyear growth funding is held in HCP and will be allocated to the Health portfolio in future budgets. Individual year funding is not published as it is subject to future Government consideration.

*** CPI is forecast for individual forward years only.

Hospital Services costs are separately published on page 306 of the 2022-23 Budget Outlook. However, these costs exclude (amongst other things) medical products, appliances and equipment, pharmaceuticals, outpatient services, mental health institutions and research and development. These tables are not re-published in the Budget Review. There is no separate Government estimate of inflation in hospital costs.

Approved for circulation to the Standing Committee on Public Accounts

Signature: 

Date: 31.3.23

By the Treasurer, Mr Barr MLA