Increasing funding for public hospitals

The Government will deliver an additional $2.8 billion to public hospitals in this Budget. Since the signing of the Council of Australian Governments (COAG) Heads of Agreement in 2016, the Commonwealth has provided an extra $7.7 billion to support states and territories to deliver public hospital services. This will bring the total Commonwealth investment to more than $103.1 billion over five years.

**Why is this important?**

Commonwealth public hospital funding continues to grow over the next four years from $18.5 billion in 2016–17 to $22.7 billion in 2020–21. This represents an increase of 22.8 per cent over this period. Commonwealth public hospital funding in 2020–21 is $1.4 billion above the Mid-Year Economic and Fiscal Outlook 2019–20 estimate of $21.2 billion.

From 2014–15 to 2016–17, Commonwealth public hospital funding is based on hospital service activity and the efficient price of hospital services.

From 2017–18 to 2019–20, Commonwealth public hospital funding continues to be based on hospital service activity and the efficient price of hospital services, capped at 6.5 per cent annual funding growth.

Actual funding in 2020–21 will be subject to the outcome of negotiations on a longer-term funding agreement to be considered by COAG in late 2018.

**Who will benefit?**

Patients will receive care when they need it, delivered efficiently, safely and cost-effectively, now and into the future.

All Australians will benefit from improved health outcomes through greater sustainability of the Australian health system.

**How much will this cost?**

This will cost $2.8 billion from 2016–17 to 2020–21.