

PREVENTIVE HEALTH PROGRAM — FUNDING CUTS

2382. Ms J. Farrer to the Minister for Health:

I refer to the fact the Federal Government is cutting funds for preventative health in Western Australia by \$16 million over the forward estimates, along with cuts to the National Health Reform agreements, and I ask:

- (a) what steps has the State Government taken to address these cuts and shortfalls;
- (b) will preventative health programs be affected in the Kimberley;
- (c) if yes to (b), which programs will be impacted, and how much will each lose; and
- (d) if Kimberley programs are impacted will the State Government make up the shortfall?

Dr K.D. Hames replied:

As at 3 July 2014 —

- (a) Reductions in funding under Commonwealth/State agreements announced in the 2014/15 Commonwealth Budget include:

Removal of guarantees for funding increases under the National Health Reform Agreement (NHRA), and then from 2017/18 changes to indexation arrangements that will cease funding indexed in response to population growth and growth in the CPI only. As a result of these changes, WA will receive lesser Commonwealth funding for public hospital services under the NHRA in future years.

Discontinuation of the National Partnership Agreement on Improving Public Hospital Services from 1 July 2015. This decision means the State will not be eligible to receive up to \$21.4 million in reward funding from 2015/17 to 2016/17 originally on offer under the Agreement. Discontinuation of the National Partnership Agreement on Preventive Health (NPAPH) from the end of 2013/14. As a result approximately \$22 million in Commonwealth funding (\$5.6 million per year) expected from July 2014 to June 2018 as facilitation payments will not be paid to WA. In addition, a further \$16 million expected in reward payments will not be forthcoming.

The previous Labor Commonwealth Government had already announced in the 2013/14 Commonwealth Budget that it would discontinue funding under the National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes. Under that Agreement, the State and Commonwealth governments had each committed to independently funding a number of programs to improve Aboriginal health outcomes.

When the Commonwealth provides a funding contribution to programs and then discontinues the funding, it is generally not possible for the State to provide additional own-source expenditures to meet the shortfall in Commonwealth funds.

In relation to the NPAPH, although the Commonwealth is not providing further funding beyond 2013/14, the State has a number of contracts for services providing funding to 30 June 2015, and will honour those existing contracts.

As I have noted, under the NPA on Closing the Gap in Indigenous Health Outcomes (CTG) the State and Commonwealth have each provided funding to a number of programs. The State will continue to provide funding for a significant proportion of the programs previously funded under CTG and the Indigenous Early Childhood Development NPA, under the new Footprints to Better Health Strategy 2014/15. As announced in the 2014/15 State Budget, funding totalling \$32.32 million will be provided by the State under this strategy in the current financial year. The Commonwealth will also continue to provide funding directly for various programs previously funded under the NPAs, however, the amount of funding is yet to be determined by the Commonwealth.

- (b) Preventative health programs in the Kimberley are funded by the State through State own-source expenditures, with some through the State's contributions under the NPA on Closing the Gap in Indigenous Health Outcomes. Funding for some programs has also been sourced from the Commonwealth through the NPAPH. Funding for programs the State has supported through the NPA on Closing the Gap in Indigenous Health Outcomes will continue in 2014/15. Despite the loss of Commonwealth funding from the end of 2013/14 under the NPAPH, the State will also be honouring contracts through to the end of 2014/15.
- (c) Under the NPAPH, Commonwealth funding has been used to support a WA Healthy Schools project that has funded one school health promotion officer in the Kimberley. The position will be fully funded until 30 June 2015, but will cease from that time. Funding for 2014/15 will be \$215,748.

- (d) See response to (c) above.