

**Rachel Stephen-Smith MLA**

Minister for Health

Minister for Mental Health

Minister for Finance

Minister for the Public Service

Member for Kurrajong

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**RESPONSE TO QUESTION ON NOTICE****Questions on Notice Paper No 6****9 MAY 2025****Question No. 381****MR EMERSON MLA:** To ask the Minister for Health

What percentage of the ACT's total public health funding is contributed by the Commonwealth.

**RACHEL STEPHEN-SMITH MLA** - The answer to the Member's question is as follows:

The basis of Commonwealth funding to the ACT's public health system is complex with various funding arrangements in place through arrangements like Federation Funding Agreements, Medicare Benefits Scheme and the National Health Reform funding.

More information about how the health system is funded can be found at:

<https://www.health.gov.au/about-us/the-australian-health-system>.

The National Health Reform Addendum to the National Health Reform Agreement (NHRA) is the key mechanism for the transparency, governance and financing of Australia's public hospital system. It specifies funding contributed by the Commonwealth to the ACT to include:

Public Health – estimated at \$9.634 million in Table 3.6.2 of the [2024-25 ACT Government Budget Outlook](#).

Block funding – the Commonwealth provides funding to States for public hospital services or functions that are more appropriately funded through block funding and will fund 45 per cent of efficient growth in the cost of providing these services or performing these functions.

Activity Based Funding (ABF) – the Commonwealth funds 45 per cent of the efficient growth of ABF Service delivery, subject to the operation of the national funding cap.

These two components are noted as \$639.689 million in Table 3.6.2 of the [2024-25 ACT Government Budget Outlook](#). In the [2024-25 Budget Review](#), this estimate was reduced by \$105.4 million (p67).



The Commonwealth funding cap operates as both a national 'hard cap' of 6.5 per cent and a 'soft cap' for each jurisdiction, with any available funding under the national cap being redistributed to jurisdictions where growth in activity times national efficient price (NEP) exceeds 6.5 per cent. No funding is expected to be available for redistribution in 2024-25, as all jurisdictions have experienced significant cost and demand pressures in their public health systems.

The Commonwealth contribution rate (CCR) for ABF NHRA funding in 2024-25, pending reconciliation, is expected to be approximately 36.5 per cent. This is a nationally consistent measure that reflects the CCR for activity multiplied by the NEP. The cost of service delivery in the ACT exceeds the NEP (as it does in other small jurisdictions), reducing the actual proportion of Commonwealth contribution for ABF activity.

**Approved for circulation to the Member and incorporation into Hansard.**



**Rachel Stephen-Smith MLA**  
**Minister for Health**

**Date:** .....**22/6/25**.....

This response required 2hrs 10mins to complete, at an approximate cost of \$257.85