



Paul O'Halloran MP
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Thursday, 14 June 2012

The Hon. Tanya Plibersek MHR
Minister for Health
Parliament House
PO Box 6022

Via email: Minister.Plibersek@health.gov.au

Dear Minister Plibersek,

Re: Reports of potential Federal Funding Assistance for Tasmanian Health system

I am writing on behalf of the Tasmanian Greens regarding recent reports that the Federal government is seriously considering providing some form of financial assistance to Tasmania, to relieve current pressure on the State's elective surgery waiting lists.

There are two serious matters relating to this on which I am seeking urgent clarification from you: the first seeking a guarantee that any future financial injection is exempt from the Commonwealth GST redistribution process; and secondly, whether a single funder model option will be included in the package.

It has been, and remains, a long held concern of the Tasmanian Greens that any further Federal funding injection into the health system must be exempt from a GST 'clawback'. This is particularly vital given the harsh reality of the impact of the \$340 million Royal Hobart Hospital funding agreement between Prime Minister Gillard and Mr Andrew Wilkie MHR upon the State's GST revenue.

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We recently obtained confirmation, through Parliamentary questioning, that due to the RHH deal not being exempt from the GST redistribution process, it will cost the state approximately \$88 million per annum over the next three years. This is \$88 million that Tasmania clearly cannot afford now, and the State cannot afford a similar additional GST revenue cut due to another federal funding package.

Put simply, Minister, the Greens are seeking a guarantee from yourself that any future funding injection for Tasmania's health system is clearly exempt from the GST redistribution process, and also that it does not lock in any co-funding from the State Budget, which as you would be aware, is already stretched.

Further, it is the Greens' position that a single funder model is a vital step in addressing many of the challenges facing Tasmania's health system, both in the short and long term, and we again urge that any assistance package you may be considering commits to furthering this reform, either as a trial or pilot scheme.

I note that I have previously written to you, requesting a meeting to discuss the need for a single funder model to be trialled in Tasmania, as part of the necessary reform to place the state's health system onto a sustainable footing, and I remain willing to discuss this with you.

On behalf of the Greens, I stress that while we welcome any additional assistance to help Tasmanians and our hard-working health sector, we are determined to ensure that lessons from the previous RHH deal are learned, and that the State does not receive money from one avenue, only to lose GST revenue via another. It will not help our health system get onto a viable footing if this revolving door is not shut.

We appreciate your consideration of these urgent matters and look forward to receiving clarification as requested.

Kind Regards,

A handwritten signature in black ink, appearing to read 'P. T. O'H.', with a long horizontal flourish extending to the right.

Paul O'Halloran MP

Tasmanian Greens Health Spokesperson

Cc: The Hon. Julia Gillard MP, Prime Minister

The Hon. Michelle O'Byrne MP, Tasmanian Health Minister

The Hon. Nick McKim MP, Tasmanian Greens Leader

Senator Christine Milne, Australian Greens Leader