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# Funding the RHH redevelopment

## The facts

After the 2010 Federal Election Andrew Wilkie secured \$340m from Canberra for the redevelopment of the Royal Hobart Hospital. The rebuild is urgently needed, regardless of the State Government's decision to temporarily cut the RHH's operating budget.

The State Government is responsible for public health planning in Tasmania and the RHH redevelopment on the current site is the State Government's plan. Andrew's job was to try and help fund it and this he's done by securing the \$340m.

The impact of the \$340m on future GST payments to Tasmania will be modest and spread across a number of years. Federal Treasury figures indicate only about 10 per cent of historic Commonwealth specific purpose grants are recovered by the Federal Government through small reductions in subsequent GST disbursements.

The misleading claim that the \$340m Andrew secured for the RHH will be clawed back by Canberra fails to consider Commonwealth funding for infrastructure projects in other states which offsets the impact of RHH funding on Tasmania's GST share.

The RHH funding arrangement is identical to most Commonwealth payments for specific purposes in Tasmania. For example the Kingston Bypass, BER improvements to numerous schools, the upgrades to the Burnie and Launceston hospitals and affordable housing programs all have a small impact on GST to Tasmania.

The Tasmanian Government, in a recent response to the Grants Commission, accepted that there is no argument for exceptional GST treatment of the RHH money.

- The Royal Hobart Hospital desperately needs fixing.
- Andrew Wilkie secured \$340m to help make it happen.
- Despite what you may have heard, virtually all of this is NEW money - money that the state would not have otherwise received.
- As a result, Tasmania is getting much more money and a rebuilt hospital.
- The \$340m has had NO negative impact on the state budget and has not caused the recent health cuts.

ANDREW WILKIE

YOUR INDEPENDENT MP IN CANBERRA

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