



Hon Lawrence Springborg MP  
Minister for Health

Mr Neil Laurie  
Clerk of the Parliament  
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21 MAR 2013

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Dear Mr Laurie

I write in response to your letter regarding petition number 2044-12, tabled in Parliament on 5 March 2013, in relation to the reduction in Commonwealth health funding to Queensland Health by \$103m in 12012-13 and its effect on health services and jobs in Townsville Hospital and Health Service.

The decision to apply a reduction of this significance mid financial year causes considerable issues for service delivery. It impacts on the time available for Hospital and Health Services to review budgets, plan and implement strategies to offset the reduction.

Following the announcement of the reduction in the Federal Government's Mid Year Economic and Fiscal Outlook (MYEFO), the Queensland Government and other state governments made extensive representations to the Federal Government on this issue. To date, the Federal Government has indicated that the reductions are not negotiable and has refused to review the methodology for calculating population growth which underpins the reductions.

On 7 February 2013, the Senate referred this issue to the Finance and Public Administration Reference Committee for inquiry. Queensland provided a submission to the inquiry outlining the impact reductions of this magnitude will have on the Hospital and Health Services. The submission also highlighted my concerns with the methodology for calculating population growth that the Federal Government had applied to the health reform funding.

The Committee released its finding in a report on 7 March 2013. This report recommends that the Federal Government reinstate health funding to the states and territories and supports the view that the basis on which the calculation of the funding cuts was made is flawed. I therefore look forward to the response from the Federal Government on the recommendations the Committee has made.

Changes to Commonwealth funding have resulted in a \$7.8 million budget reduction for the Townsville Hospital and Health Service (Townsville HHS).

I am advised that the Townsville HHS has developed an efficiency program to meet financial target while minimising the impact on patient services.

I trust this information is of assistance to the petitioners.

Yours sincerely

  
**LAWRENCE SPRINGBORG MP**  
**Minister for Health**