



**Administrator**  
National Health  
Funding Pool

National Health Reform  
Public Hospital Funding

**National Report**  
**October 2014**

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# National Health Reform public hospital funding National report – October 2014

This report is issued by the Administrator of the National Health Funding Pool under section 240 of the *National Health Reform Act 2011*.

This report is prepared on a cash basis. It shows monthly and year-to-date (YTD) National Health Reform (NHR) funding and payments at an aggregated national level for October 2014.

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## Local hospital networks and National Health Reform

A local hospital network (LHN) is an organisation that provides public hospital services in accordance with the Agreement. An LHN can contain one or more hospitals, and is usually defined as a business group, geographical area or community. Every Australian public hospital is part of an LHN.

**Note:** The term 'local hospital network' is a national term. Some states and territories use their own local terminology to describe these networks, such as local health districts, health organisations, and hospital and health services.

Under the Agreement, LHNs receive funding in 2014-15 for the following public hospital services:

- All admitted and non-admitted services
- All emergency department services provided by a recognised emergency department
- Other outpatient, mental health, sub-acute services and other services that could reasonably be considered a public hospital service.

**Note:** LHNs also receive funding from other sources, including the Commonwealth, states and territories, and third parties for the provision of other specific functions and services outside the scope of the Agreement, for example dental services, primary care, home and community care, residential aged care and pharmaceuticals. For further information on total funding to a particular LHN, contact the Department of Health in the relevant state or territory to view the service agreement for that LHN.

**Note:** Amounts shown in the monthly reports do not include funding received by Victoria from New South Wales as contributions for Albury Wodonga Health.

## Reference information

The financial information outlined in the following report is categorised as:

- *NHR funding* – when the Commonwealth or state or territory government pays NHR funding into a state pool account or state managed fund.
- *NHR payments* – when NHR funding that has been deposited into a state pool account or state managed fund is paid out of the state pool account by the Administrator, or is paid out of the state managed fund by the state or territory.

For the basis of state and territory NHR payments, see *Basis for National Health Reform payments* explanation in the relevant state or territory report for October 2014, see [State or territory reports](#).

For the basis of the Commonwealth contribution to NHR funding, see [Basis of Commonwealth NHR funding, 2014-15](#).

# NHR funding and payments

**Table 1 – NHR funding and payments for each state and territory – October 2014**

This table shows NHR funding and payments for each state and territory for October 2014.

State/territory	NHR funding (\$)	NHR payments (\$)	NHR funding YTD (\$)	NHR payments YTD (\$)
NSW	828,986,024	828,986,024	4,023,730,951	4,023,730,951
VIC	662,980,396	662,980,396	3,311,934,507	3,311,934,507
QLD	766,187,254	766,132,275	3,087,649,053	3,087,478,387
WA	370,763,035	370,763,035	1,479,755,054	1,479,755,054
SA	155,261,484	266,389,667	1,219,507,067	1,120,580,988
TAS	69,300,393	69,300,393	307,169,855	307,169,853
ACT	68,702,447	68,702,447	297,095,788	297,095,788
NT	72,497,070	72,495,466	289,988,194	289,981,863
<b>Total</b>	<b>2,994,678,104</b>	<b>3,105,749,703</b>	<b>14,016,830,468</b>	<b>13,917,727,391</b>

Differences between NHR funding and NHR payments for a state or territory can occur for several reasons, such as having funds remaining in its state pool account at the end of the month, drawing down on available funds from previous months, or having an overdraft in its state pool account at the end of the month.

NHR funding and payments shown in this table include GST where applicable.

Commonwealth and state or territory NHR funding components are detailed in the following tables.

For more information, see [National Health Reform funding and payments](#).

## NHR funding by funding source

**Table 2a – NHR funding by funding source for each state and territory – October 2014**

This table shows NHR funding by the source of funds for each state and territory for October 2014.

Sources of NHR funding are separated into Commonwealth funding, Own state or territory funding (where a state or territory provides its own funding) and Funding from other state or territory (where other states or territories contribute cross-border funding towards the cost of their residents being treated in the provider state or territory).

State/territory	NHR funding by source			
	Commonwealth NHR funding (\$)	Own state/territory NHR funding (\$)	NHR funding from other state/territory (\$)	Total NHR funding (\$)
NSW	405,414,086	423,571,939	0	828,986,024
VIC	316,425,983	346,554,413	0	662,980,396
QLD	253,888,359	512,298,896	0	766,187,254
WA	145,431,856	225,331,179	0	370,763,035
SA	89,140,266	66,121,218	0	155,261,484
TAS	26,279,578	43,020,814	0	69,300,393
ACT	24,130,447	44,572,000	0	68,702,447
NT	13,070,716	59,426,355	0	72,497,070
<b>Total</b>	<b>1,273,781,291</b>	<b>1,720,896,814</b>	<b>0</b>	<b>2,994,678,104</b>

See explanatory notes following table 2b.

## Table 2b – NHR funding by funding source for each state and territory YTD – October 2014

Following on from table 2a, this table shows year-to-date (YTD) NHR funding by the source of funds for each state and territory as at October 2014.

State/territory	NHR funding by source			
	Commonwealth NHR funding YTD (\$)	Own state/territory NHR funding YTD (\$)	NHR funding from other state/territory YTD (\$)	Total NHR funding YTD (\$)
NSW	1,621,656,343	2,402,074,608	0	4,023,730,951
VIC	1,265,703,931	2,046,230,576	0	3,311,934,507
QLD	1,008,246,916	2,079,402,137	0	3,087,649,053
WA	581,727,424	898,027,630	0	1,479,755,054
SA	356,561,064	862,946,003	0	1,219,507,067
TAS	109,576,560	197,593,294	0	307,169,855
ACT	96,521,788	200,574,000	0	297,095,788
NT	52,282,863	237,705,331	0	289,988,194
<b>Total</b>	<b>5,092,276,890</b>	<b>8,924,553,579</b>	<b>0</b>	<b>14,016,830,468</b>

NHR funding shown in these tables includes GST where applicable.

For more information, see [National Health Reform funding and payments](#).

# NHR funding by funding type

**Table 3a – NHR funding by funding type for each state and territory – October 2014**

This table shows NHR funding for each state and territory by funding type and source for October 2014. NHR funding can be activity-based funding (ABF), block funding or other funding, such as public health funding, cross-border, interest or overdeposits.

Sources of NHR funding are separated into Commonwealth funding, Own state or territory funding (where a state or territory provides its own funding) and Funding from other state or territory (where other states or territories contribute cross-border funding towards the cost of their residents being treated in the provider state or territory).

State/ territory	NHR funding type	Commonwealth NHR funding (\$)	Own state/territory NHR funding (\$)	NHR funding from other state/territory (\$)	Total NHR funding (\$)
NSW	ABF	335,785,017	363,965,061	0	699,750,077
	Block	60,602,425	59,442,206	0	120,044,631
	Other	9,026,644	164,672	0	9,191,316
	<b>Total</b>	<b>405,414,086</b>	<b>423,571,939</b>	<b>0</b>	<b>828,986,024</b>
VIC	ABF	273,912,040	303,537,997	0	577,450,037
	Block	35,477,396	42,953,774	0	78,431,171
	Other	7,036,547	62,642	0	7,099,189
	<b>Total</b>	<b>316,425,983</b>	<b>346,554,413</b>	<b>0</b>	<b>662,980,396</b>
QLD	ABF	215,317,500	428,334,093	0	643,651,593
	Block	32,857,533	83,909,823	0	116,767,357
	Other	5,713,325	54,980	0	5,768,305
	<b>Total</b>	<b>253,888,359</b>	<b>512,298,896</b>	<b>0</b>	<b>766,187,254</b>
WA	ABF	119,690,596	178,212,419	0	297,903,015
	Block	22,593,467	47,118,761	0	69,712,228
	Other	3,147,793	0	0	3,147,793
	<b>Total</b>	<b>145,431,856</b>	<b>225,331,179</b>	<b>0</b>	<b>370,763,035</b>
SA	ABF	73,309,232	50,000,000	0	123,309,232
	Block	13,810,168	15,742,592	0	29,552,760
	Other	2,020,865	378,626	0	2,399,491
	<b>Total</b>	<b>89,140,266</b>	<b>66,121,218</b>	<b>0</b>	<b>155,261,484</b>
TAS	ABF	20,905,573	25,420,413	0	46,325,986
	Block	4,759,987	17,600,401	0	22,360,388
	Other	614,019	0	0	614,019
	<b>Total</b>	<b>26,279,578</b>	<b>43,020,814</b>	<b>0</b>	<b>69,300,393</b>
ACT	ABF	21,683,886	42,114,000	0	63,797,886
	Block	1,979,783	2,458,000	0	4,437,783
	Other	466,778	0	0	466,778
	<b>Total</b>	<b>24,130,447</b>	<b>44,572,000</b>	<b>0</b>	<b>68,702,447</b>
NT	ABF	11,385,571	23,742,083	0	35,127,654
	Block	1,391,377	35,682,667	0	37,074,044
	Other	293,767	1,605	0	295,372
	<b>Total</b>	<b>13,070,716</b>	<b>59,426,355</b>	<b>0</b>	<b>72,497,070</b>



<b>State/ territory</b>	<b>NHR funding type</b>	<b>Commonwealth NHR funding</b>	<b>Own state/territory NHR funding</b>	<b>NHR funding from other state/territory</b>	<b>Total NHR funding</b>
		<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
<b>Total ABF funding</b>		<b>1,071,989,415</b>	<b>1,415,326,066</b>	<b>0</b>	<b>2,487,315,481</b>
<b>Total Block funding</b>		<b>173,472,138</b>	<b>304,908,224</b>	<b>0</b>	<b>478,380,361</b>
<b>Total Other funding</b>		<b>28,319,738</b>	<b>662,524</b>	<b>0</b>	<b>28,982,262</b>
<b>Grand Total</b>		<b>1,273,781,291</b>	<b>1,720,896,814</b>	<b>0</b>	<b>2,994,678,104</b>

See explanatory notes following table 3b.

**Table 3b – NHR funding by funding type for each state and territory YTD – October 2014**

Following on from table 3a, this table shows year-to-date (YTD) NHR funding for each state and territory by funding type and source for October 2014. NHR funding can be activity-based funding (ABF), block funding or other, such as public health funding, cross-border, interest or overdeposits.

State/ territory	NHR funding type	Commonwealth NHR funding YTD  (\$)	Own state/territory NHR funding YTD  (\$)	NHR funding from other state/territory YTD  (\$)	Total NHR funding YTD  (\$)
NSW	ABF	1,343,140,067	1,848,831,471	0	3,191,971,538
	Block	242,409,700	552,575,006	0	794,984,706
	Other	36,106,576	668,131	0	36,774,707
	<b>Total</b>	<b>1,621,656,343</b>	<b>2,402,074,608</b>	<b>0</b>	<b>4,023,730,951</b>
VIC	ABF	1,095,648,159	1,793,528,209	0	2,889,176,368
	Block	141,909,585	252,297,730	0	394,207,316
	Other	28,146,187	404,637	0	28,550,824
	<b>Total</b>	<b>1,265,703,931</b>	<b>2,046,230,576</b>	<b>0</b>	<b>3,311,934,507</b>
QLD	ABF	853,963,482	1,762,838,301	0	2,616,801,783
	Block	131,430,133	316,393,170	0	447,823,303
	Other	22,853,301	170,666	0	23,023,966
	<b>Total</b>	<b>1,008,246,916</b>	<b>2,079,402,137</b>	<b>0</b>	<b>3,087,649,053</b>
WA	ABF	478,762,384	741,302,587	0	1,220,064,971
	Block	90,373,868	156,725,043	0	247,098,911
	Other	12,591,172	0	0	12,591,172
	<b>Total</b>	<b>581,727,424</b>	<b>898,027,630</b>	<b>0</b>	<b>1,479,755,054</b>
SA	ABF	293,236,929	805,000,000	0	1,098,236,929
	Block	55,240,674	56,942,592	0	112,183,266
	Other	8,083,461	1,003,411	0	9,086,871
	<b>Total</b>	<b>356,561,064</b>	<b>862,946,003</b>	<b>0</b>	<b>1,219,507,067</b>
TAS	ABF	88,080,538	123,968,238	0	212,048,776
	Block	19,039,947	73,625,055	0	92,665,003
	Other	2,456,075	1	0	2,456,076
	<b>Total</b>	<b>109,576,560</b>	<b>197,593,294</b>	<b>0</b>	<b>307,169,855</b>
ACT	ABF	86,735,545	186,657,000	0	273,392,545
	Block	7,919,133	13,917,000	0	21,836,133
	Other	1,867,111	0	0	1,867,111
	<b>Total</b>	<b>96,521,788</b>	<b>200,574,000</b>	<b>0</b>	<b>297,095,788</b>
NT	ABF	45,542,284	94,968,333	0	140,510,617
	Block	5,565,510	142,730,667	0	148,296,176
	Other	1,175,069	6,331	0	1,181,400
	<b>Total</b>	<b>52,282,863</b>	<b>237,705,331</b>	<b>0</b>	<b>289,988,194</b>
<b>Total ABF funding</b>		<b>4,285,109,388</b>	<b>7,357,094,139</b>	<b>0</b>	<b>11,642,203,527</b>
<b>Total Block funding</b>		<b>693,888,550</b>	<b>1,565,206,263</b>	<b>0</b>	<b>2,259,094,813</b>
<b>Total Other funding</b>		<b>113,278,951</b>	<b>2,253,177</b>	<b>0</b>	<b>115,532,128</b>
<b>Grand Total</b>		<b>5,092,276,890</b>	<b>8,924,553,579</b>	<b>0</b>	<b>14,016,830,468</b>

**ABF funding** represents Acute admitted, Non-admitted, Emergency department, Sub-acute, and Admitted mental health service categories, which are funded through the National Health Funding Pool and subsequently paid to local hospital networks.

**Block funding** represents Non-admitted mental health, Small rural hospitals, Teaching, training and research, and Other non-admitted categories, which are funded through state managed funds and subsequently paid to local hospital networks.

**Other funding** represents other funding sources which are transacted through the National Health Funding Pool, such as public health funding, cross-border, interest or overdeposits, and subsequently paid to state or territory health departments (with the exception of cross-border funding which can be paid to state or territory health departments or to local hospital networks).

NHR funding shown in these tables includes GST where applicable.

For more information, see [National Health Reform funding and payments](#).

## Estimated monthly, YTD and annual activity

States and territories provide service volume *estimates* at the start of each financial year, and if required, can continue to refine these estimates during the course of the year. These *estimates* form the basis of monthly reporting of service volumes until *actual* service numbers become available. These estimates are expressed as National Weighted Activity Units (NWAU).

States and territories provide estimated annual NWAU to the Administrator as a basis for determining the Commonwealth activity-based funding. Current month NWAU estimates accumulate through the year-to-date NWAU, to be equal to the annual NWAU at the end of the financial year.

States and territories may also provide activity information relating to the delivery of other public hospital functions funded.

### Table 4 – Estimated monthly, YTD and annual NWAU by each state and territory – October 2014

This table shows estimated hospital activity for each state and territory for activity-based funding services expressed as NWAU for the current month, year-to-date (YTD) and total estimated annual NWAU.

State/territory	Estimated NWAU delivered/funded in current month	Estimated NWAU delivered/funded YTD	Estimated annual NWAU 2014-15
NSW	192,343	769,371	2,308,114
VIC	148,267	593,067	1,779,200
QLD	113,476	453,905	1,361,714
WA	59,188	242,601	749,831
SA	45,578	194,160	535,696
TAS	10,795	42,744	123,487
ACT	10,687	43,155	128,248
NT	11,087	39,402	118,336
<b>Total</b>	<b>591,421</b>	<b>2,378,405</b>	<b>7,104,626</b>

An NWAU is a measure of health service activity expressed as a common unit. It provides a way of comparing and valuing each public hospital service, whether they are admissions, emergency department presentations or outpatient episodes, weighted for clinical complexity. The average hospital service is worth one NWAU – the most intensive and expensive activities are worth multiple NWAU, the simplest and least expensive are worth fractions of an NWAU.

Monthly NHR payments relate to the cash needs of public hospitals and do not necessarily reflect the volume of services delivered in the month.

For more information on the NWAU calculation, see [Calculation of NWAU](#).