# SCHEDULE K – ADDENDUM TO THE NATIONAL HEALTH REFORM AGREEMENT: REVISED PUBLIC HOSPITAL FUNDING AND HEALTH REFORM ARRANGEMENTS

## Preliminaries

1. In applying Clauses 19 and 20 of the National Health Reform Agreement (the Agreement), the Parties agree to amend the Agreement with this Schedule.
2. This Schedule is divided into two parts:
   1. Part A (clause K3) outlines the enduring amendments to the Agreement.
   2. Part B (clauses K4 – K9) outlines time limited arrangements in relation to the period 1 July 2025 to 30 June 2026.

## Part A: Variations to the Agreement

1. Parties agree to amend the Agreement as follows:

|  |  |
| --- | --- |
| **Former clause** | **Varied clause** |
| **Clause 1** | **Clause 1 – addition of:**  l. is subject to Schedule K, which sets out an extension to the whole of Part B of Schedule J for the period 1 July 2025 to 30 June 2026. In the event of inconsistency between Part B of Schedule K and the remainder of this Agreement or Schedule J during this period, Part B of Schedule K will take precedence. |

## Part B: Revised arrangements for 2025-26

## Scope

1. This Part extends the arrangements set out in the whole of Part B of Schedule J for the period 1 July 2025 to 30 June 2026.

## Time limited variations to the Agreement

1. Parties agree to amend Part B of Schedule J as follows:
   1. every reference to the calendar year 2025, or to the financial year 2024-25, shall instead be read as calendar year 2026, or financial year 2025-26, respectively in line with the varied clauses in the table below:

|  |  |
| --- | --- |
| **Former clause** | **Varied clause** |
| 1(d) | Amends the National Health Reform Agreement (NHRA) for the period 1 July 2020 to 30 June 2026; |
| 2 | The Commonwealth and the States agree the following four strategic priorities will guide further reform of our health system between 2020 and 2026: |
| 17(b) | the COAG Health Council (CHC) will take responsibility for implementing this Addendum and further developing the six long-term reforms outlined in Schedule C, which will guide further reform of our national health system between 2020 and 2026; |
| Schedule A – Sustainability of funding for public hospital services | |
| A1 | This Schedule details public hospital funding arrangements between the Parties from 1 July 2020 to 30 June 2026. |
| A102 | Parties agree to, at a minimum for the period of 2020-21 to 2025-26, maintain 2018-19 levels of funding for Public Hospital Services through the National Health Funding Pool, while having regard to new, appropriate models of care that may change the setting in which care is delivered. |

* 1. the Commonwealth contribution rate for the Northern Territory will be raised. Clauses relating to the calculation of the funding cap and Commonwealth funding entitlement for the Northern Territory for 2025-26 will now be read in line with the new subclauses in the table below:

|  |  |
| --- | --- |
| **New subclause** | **Varied clause** |
| A34(a)(i) | An exception will be made for the Northern Territory for the 2025-26 financial year, in which the previous year amount will be as if the Northern Territory had received a Commonwealth contribution rate in 2024-25 equal to the second lowest amount received by a state, multiplied by the volume of weighted ABF services provided in the previous year, multiplied by the national efficient price in the previous year. |
| A56(f) | In calculating the funding cap for the Northern Territory for 2025-26, the previous year entitlement amount for ABF for the Northern Territory will be the adjusted amount calculated at A34(a)(i). |
| A59(a)(i) | In calculating the estimated Commonwealth funding entitlement for the Northern Territory for 2025-26 at A59, the previous year entitlement amount for ABF for the Northern Territory will be the adjusted amount calculated at A34(a)(i). |

## One-time fixed funding for 2025-26

1. The Commonwealth will provide states an additional one-time fixed funding amount of $1.7 billion in 2025-26 to be considered as a top up contribution.
2. This one-time fixed funding amount will be:
   1. Provided in addition to state entitlements under the NHRA funding model as set out in Schedule A of the 2020-2025 NHRA Addendum.
   2. Distributed via bilateral Federation Funding Agreement Schedules delegated to Health Ministers. The payments will be made quarterly as Treasury-to-Treasury National Partnership Payments during 2025-26.
   3. Distributed to states in 2025-26 as detailed in the following table:

|  |  |
| --- | --- |
| **Jurisdiction** | **Additional funding in 2025-26, $ billion** |
| New South Wales | 0.407 |
| Victoria | 0.402 |
| Queensland | 0.414 |
| Western Australia | 0.158 |
| South Australia | 0.169 |
| Tasmania | 0.050 |
| Australian Capital Territory | 0.050 |
| Northern Territory | 0.051 |
| **National** | **1.700** |

1. States must use this one-time fixed funding to fund hospital and related health services.
2. No state will be financially disadvantaged in 2025-26 by agreeing to this Schedule K as compared to any subsequent multi-year NHRA which may be applied in 2025-26.

## Closing the Gap

1. In line with clause (g) of the 2020-2025 NHRA Addendum, Parties agree to strengthen their shared commitment to the National Agreement on Closing the Gap during the period 1 July 2025 – 30 June 2026.

The Parties have confirmed their commitment to this schedule as follows:

|  |  |  |
| --- | --- | --- |
| Signed for and on behalf of the Commonwealth of Australia by    The Hon Anthony Albanese MP  Prime Minister of the Commonwealth of Australia *Date:* |  |  |
| Signed for and on behalf of the  State of New South Wales by    The Hon Chris Minns MP  Premier of the State of New South Wales  Date: |  | Signed for and on behalf of the  State of Victoria by    The Hon Jacinta Allan MP  Premier of the State of Victoria  Date: |
| Signed for and on behalf of the  State of Queensland by    The Hon David Crisafulli MP  Premier of the State of Queensland  Date: |  | Signed for and on behalf of the  State of Western Australia by    The Hon Roger Cook MLA  Premier of the State of Western Australia  Date: |
| Signed for and on behalf of the  State of South Australia by    The Hon Peter Malinauskas MP  Premier of the State of South Australia  Date: |  | Signed for and on behalf of the  State of Tasmania by    The Hon Jeremy Rockliff MP  Premier of the State of Tasmania  Date: |
| Signed for and on behalf of the Australian Capital Territory by    Andrew Barr MLA  Chief Minister of the Australian Capital Territory  Date: |  | Signed for and on behalf of the Northern Territory by    The Hon Lia Finocchiaro MLA  Chief Minister of the Northern Territory of Australia  Date: |