

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

Preliminaries

- K1. In applying Clauses 19 and 20 of the National Health Reform Agreement (the Agreement), the Parties agree to amend the Agreement with this Schedule.
- K2. This Schedule is divided into two parts:
- a. Part A (clause K3) outlines the enduring amendments to the Agreement.
 - b. 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

- K3. 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

- K4. 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

K5. Parties agree to amend Part B of Schedule J as follows:

- a. 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.

- b. 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

- K6. 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.

K7. This one-time fixed funding amount will be:

- a. Provided in addition to state entitlements under the NHRA funding model as set out in Schedule A of the 2020-2025 NHRA Addendum.
- b. 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.
- c. 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

K8. States must use this one-time fixed funding to fund hospital and related health services.

K9. 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

K10. 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: 31/1/25

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 Queensland by

The Hon David Crisafulli MP
Premier of the State of Queensland

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 Australian Capital Territory by

Andrew Barr MLA
Chief Minister of the Australian Capital Territory

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 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 Tasmania by

The Hon Jeremy Rockliff MP
Premier of the State of Tasmania

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:

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

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Date: 31/1/25

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Date:

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Date:

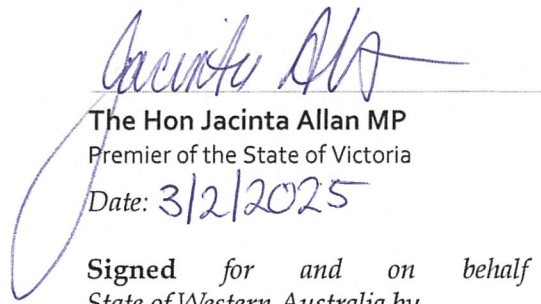
Signed for and on behalf of the State of South Australia by

The Hon Peter Malinauskas MP
Premier of the State of South Australia
Date:

Signed for and on behalf of the Australian Capital Territory by

Andrew Barr MLA
Chief Minister of the Australian Capital Territory
Date:

Signed for and on behalf of the State of Victoria by



The Hon Jacinta Allan MP
Premier of the State of Victoria
Date: 3/2/2025

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 Tasmania by


The Hon Jeremy Rockliff MP
Premier of the State of Tasmania
Date:

Signed for and on behalf of the Northern Territory by

The Hon Lia Finocchiaro MLA
Chief Minister of the Northern Territory of Australia
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The Hon Chris Minns MP
Premier of the State of New South Wales
Date:

Signed for and on behalf of the State of Queensland by



The Hon David Crisafulli MP
Premier of the State of Queensland
Date: 04/02/2025

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:

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Andrew Barr MLA
Chief Minister of the Australian Capital Territory
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The Hon Roger Cook MLA
Premier of the State of Western Australia

Date: 4/2/25

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Premier of the State of South Australia

Date: 5/02/2025

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Premier of the State of Tasmania

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Signed for and on behalf of the Australian Capital Territory by

Signed for and on behalf of the Northern Territory by



Andrew Barr MLA
Chief Minister of the Australian Capital Territory
Date: 5.2.2025

The Hon Lia Finocchiaro MLA
Chief Minister of the Northern Territory of Australia
Date:

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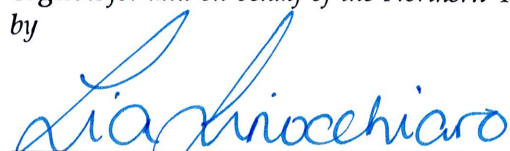
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The Hon Jeremy Rockliff MP
Premier of the State of Tasmania

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: - 4 FEB 2025