

# Health Reform – Additional Funding Support for Hospital and Related Health Services 2025-26 (New South Wales)

## FEDERATION FUNDING AGREEMENT – HEALTH

Table 1: Formalities and operation of schedule																		
Parties	Commonwealth and New South Wales.																	
Duration	This Schedule is expected to expire on 15 September 2026.																	
Purpose	<p>This Schedule provides additional funding support to New South Wales in 2025-26 for public hospitals and related health services.</p> <p>This Schedule implements the one-time fixed funding arrangements for 2025-26 agreed by the Commonwealth and all states and territories in the Schedule K – Addendum to the National Health Reform Agreement<sup>1</sup>. Through Schedule K the Commonwealth has committed \$1.7 billion in additional funding nationally to support hospital and related health services in 2025-26.</p>																	
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to New South Wales of \$407.0 million in respect of this Schedule.</p> <table><tr><th colspan="3">Table 1</th></tr><tr><th>(\$ million)</th><th>2025-26</th><th>Total</th></tr><tr><td>Estimated total budget<sup>a</sup></td><td>407.0</td><td>407.0</td></tr><tr><td>Less estimated National Partnership Payments</td><td>407.0</td><td>407.0</td></tr><tr><td>Balance of non-Commonwealth contributions</td><td>-</td><td>-</td></tr></table> <p>Note:</p> <p><sup>a</sup> The Schedule K – Addendum to the National Health Reform Agreement provides that this one-time fixed funding amount is to be considered as a top up contribution.</p>			Table 1			(\$ million)	2025-26	Total	Estimated total budget <sup>a</sup>	407.0	407.0	Less estimated National Partnership Payments	407.0	407.0	Balance of non-Commonwealth contributions	-	-
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(\$ million)	2025-26	Total																
Estimated total budget <sup>a</sup>	407.0	407.0																
Less estimated National Partnership Payments	407.0	407.0																
Balance of non-Commonwealth contributions	-	-																
Additional terms	<p><i>Relationship to National Health Reform Agreement</i></p> <p>This Schedule is separate from, but complements, the National Health Reform Agreement (NHRA). The one-time fixed funding amount provided by this Schedule is in addition to state entitlements under the NHRA funding model as set out in Schedule A of the NHRA.</p> <p>The NHRA provides that the Commonwealth will not fund a service where the same service, or any part of the same service, is otherwise funded by the Commonwealth. New South Wales will ensure that any</p>																	

<sup>1</sup> The National Health Reform Agreement (and its Addendums) is published to the Federal Financial Relations website (<https://federalfinancialrelations.gov.au/agreements/national-health-reform-agreement>).

claim for funding under the NHRA is not funding services, or any part of a service, provided for under this agreement and will maintain appropriate records.

*Relationship to Medicare*

The *Health Insurance Act 1973* prohibits the payment of Medicare benefits where other government funding is provided for that service. New South Wales will ensure any agreement for the provision of services using funding under this agreement recognises the operation of the *Health Insurance Act 1973*.

*Reporting*

New South Wales will provide performance milestone reports at the times indicated in Table 2 addressing the matters specified in Table 2 and in Attachment A (Reporting – Additional Guidance and Arrangements).

The Parties acknowledge that payments under this Schedule are subject to performance reports demonstrating the relevant performance milestones have been met, consistent with Part 4 (Performance Monitoring and Reporting) of the Federation Funding Agreement – Health; and that the final reporting milestone is relevant to the Annual Adjustment (Final Reconciliation) of the NHRA as outlined in Attachment A (Reporting – Additional Guidance and Arrangements).

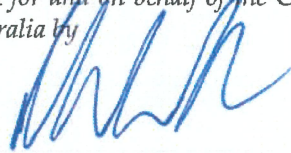


**Table 2: Performance requirements, reporting and payment summary**

<b>Output</b>	<b>Performance milestones</b>	<b>Report due</b>	<b>Payment</b>
Hospital and related health services	Provision of an overview (forecast) of the type of public hospital and related health services (services) expected to be supported by this Schedule (including any relevant targets or outcome objectives against which performance will be measured).	01/08/2025	\$101,750,000
	Provision of a status report outlining the progress of any forecast services and any changes to the services expected to be supported by this Schedule (including any relevant targets or outcome objectives against which performance will be measured).	01/11/2025	\$101,750,000
	Provision of a status report outlining the progress of any forecast services and any changes to the services expected to be supported by this Schedule (including any relevant targets or outcome objectives against which performance will be measured).	01/02/2026	\$101,750,000
	Provision of a status report outlining the progress of any forecast services and any changes to the services being supported by this Schedule (including any relevant targets or outcome objectives against which performance will be measured).	01/05/2026	\$101,750,000
	Final reporting, including: <ul style="list-style-type: none"><li>• an overview of the public hospital and related health services supported by this Schedule including consideration of their impact to relevant system performance parameters (see Additional Terms); and</li><li>• provision of relevant data to the Administrator of the National Health Funding Pool identifying hospital and related health services supported by this Schedule as distinct from services supported by the Commonwealth through the NHRA (see Additional Terms).</li></ul>	15/09/2026	Nil

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

**Signed** for and on behalf of the Commonwealth  
of Australia by

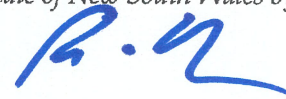


**The Honourable Mark Butler MP**  
Minister for Health and Aged Care

[Day] [Month] 2025

19 03

**Signed** for and on behalf of the  
State of New South Wales by



**The Honourable Ryan Park MP**  
Minister for Health, Minister for Regional Health, and  
Minister for the Illawarra and the South Coast

[Day] [Month] 2025

26 / 03 / 25

## Reporting – Additional Guidance and Arrangements

### *Status Reports*

Performance reports addressing the expected (forecast) public hospital and related health services (services) under the Health Reform – Additional Funding Support for Hospital and Related Health Services 2025-26 (New South Wales) Schedule (the Schedule) and the subsequent status report obligations (see Table 2 of the Schedule) will be provided in writing and will include a summary overview of the type of public hospital and related health services expected to be supported, or being supported, by the Schedule and any relevant updates on their progress. Where relevant the reports will identify the targets or outcome objectives, against which performance (impact) will be measured.

Status reporting will describe the overall performance observed, or anticipated impact, of the public hospital and related health services being supported by the Schedule in the context of relevant targets (where available) as applicable to the broader health system but, for efficiency (recognising the relationship to the NHRA), are not expected to be supported by the provision of data. Status update reports are not expected to identify how funding under the Schedule is or has been prioritised to the public hospital and related health services being undertaken.

### *Final Reporting*

Reporting against the final performance milestone (due 15 September 2026 – see Table 2) will include the provision of appropriate data to the Administrator of the National Health Funding Pool<sup>2</sup> (see below); and a written report providing an overview of the public hospital and related health services supported by this Schedule.

The written overview report will consider the overall impact of the public hospital and related health services to relevant system performance parameters in the context of relevant targets (where applicable) and be supported by reference to appropriate data, which may include whole of system data (where applicable), utilising existing State reporting mechanisms. For transparency and to demonstrate Clause K8 of the Schedule K – Addendum to the National Health Reform Agreement has been satisfied, the report will outline broadly how the funding received under this Schedule was targeted to fund hospital and health related services.

### *Appropriate Data – Administrator of the National Health Funding Pool*

New South Wales will provide the Administrator of the National Health Funding Pool with appropriate data delineating services for which a Commonwealth funding contribution is sought or provided under the NHRA and services funded under this Schedule at the time information is provided to inform the Annual Adjustment (Final Reconciliation) of the NHRA, as described in clauses A71 to A76 of the NHRA.

Hospital and related health services funded under this Schedule that would otherwise be in scope under the NHRA must be identified in the data to ensure the Commonwealth does not fund the same service, or any part of the same service through both the NHRA and this Schedule.

Hospital and related health services funded under this Schedule that would not otherwise be in scope for the NHRA must be identified in the data and/or other information provided to demonstrate how the full Commonwealth funding contribution (See Table 1 of the Schedule) was expended.

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<sup>2</sup> The Administrator of the National Health Funding Pool (the Administrator) is an independent statutory office holder, distinct from Commonwealth and State and Territory governments and established by the *National Health Reform Act 2011*.

The format of the data is to align with existing reporting frameworks where relevant and to be agreed between the Parties and the National Health Funding Body<sup>3</sup> by 1 July 2025.

New South Wales will provide the Administrator with a statement of assurance for the data set.

The Parties acknowledge that:

- the delineated data will inform the Administrator's regard to the matters described in clause A76 of the NHRA, which include amongst other things the exclusion of services paid for by the Commonwealth via other funding streams from the Commonwealth funding contribution under the NHRA.
- as the data are relevant to the Administrator's regard to the matters described in clause A76 of the NHRA, the Administrator will not be able to finalise the Annual Adjustment (Final Reconciliation) of the NHRA until all States have provided the required data.
- the hospital and health related services supported by this Schedule will be identified in the Administrator's preliminary report on funding entitlements and reconciliation adjustments provided for clause A80 of the NHRA; and in the Administrator's advice on the annual entitlements and adjustments to the Commonwealth Treasurer provided for clause A83 of the NHRA; for the purpose of documenting the volume of public hospital services provided by Local Hospital Networks (as required by clause B42(g)(vii) of the NHRA).

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<sup>3</sup> The National Health Funding Body means the body established under the *National Health Reform Act 2011* to assist the Administrator in carrying out his or her functions under Commonwealth and State legislation.