Schedule

Health Reform – Small State Additional Funding Support for Hospital and Related Health Services 2026-27 (Tasmania)

FEDERATION FUNDING AGREEMENT – HEALTH

Table 1: Formalities and operation of schedule	
Parties	Commonwealth and Tasmania.
Duration	This Schedule is expected to expire on 15 September 2027.
Purpose	This Schedule provides additional funding support to Tasmania in 2026-27 for public hospitals and related health services (including reform activities to support the equity of public health service provision). This Schedule implements the fixed funding arrangements for 2026-27 agreed by the Commonwealth and all states and territories (States) in the *Heads of Agreement on the National Health Reform Agreement, National Disability Insurance Scheme reforms and Foundational Supports*[1] to increase equity of health provision for small States – Tasmania; Australian Capital Territory; and the Northern Territory. Through the Heads of Agreement the Commonwealth has committed to provide an additional $0.2 billion for small States in 2026-27 ahead of advice from the Independent Health and Aged Care Pricing Authority (IHACPA) on a small jurisdiction weighting in the National Health Reform Agreement (NHRA)[2].
Estimated financial contributions	The Commonwealth will provide an estimated total financial contribution to Tasmania of $80,000,000.00 in respect of this Schedule. The profile for the total financial contribution is presented in Table 1.
Additional terms	*Relationship to National Health Reform Agreement* This Schedule is separate from, but complements, the National Health Reform Agreement (NHRA). The additional small State funding provided by this Schedule is in addition to State entitlements under the NHRA funding model as set out in Schedule A of the NHRA. The NHRA provides that the Commonwealth will not fund a service where the same service, or any part of the same service, is otherwise

[1] The *Heads of Agreement on the National Health Reform Agreement, National Disability Insurance Scheme reforms and Foundational Supports* is accessible on the Federation website (www.federation.gov.au).
[2] The *National Health Reform Agreement* is accessible from the Federal Financial Relations website (www.federalfinancialrelations.gov.au).

funded by the Commonwealth. Tasmania will ensure that any 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. Tasmania will ensure any agreement for the provision of services using funding under this agreement recognises the operation of the *Health Insurance Act* 1973.

Independent Health and Aged Care Pricing Authority (IHACPA) - small jurisdiction weighting

The Parties acknowledge that the additional funding provided under this Schedule constitutes an interim measure ahead of advice from IHACPA on a small jurisdiction weighting in the NHRA. The advice is to be provided as part of an IHACPA 'review of the national efficient price and national efficient cost price weights for funding calculations' (the IHAPCA Review) for which Terms of Reference have been agreed.

The Parties commit to actively engaging with the IHACPA Review and recognise that its conduct is dependent on the engagement of States and the transparent and timely sharing of data and other information to inform the review process. Tasmania commits to:

- Cooperating with the IHACPA to support the Review throughout its duration.
- The timely provision of data and information requested by IHACPA to support the review process.

The Parties agree that it is in the public interest for IHACPA's advice to be delivered as soon as practicable.

The Parties recognise that the *Heads of Agreement on the National Health Reform Agreement, National Disability Insurance Scheme reforms and Foundational Supports* provides that the Federation Funding Agreement arrangements will be extended if IHACPA's advice is not delivered before the end of 2026-27 to inform small state funding from 2027-28.

Reporting

Tasmania 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 1: Financial contributions to the state		
($)	**2026-27**	**Total**
Estimated total budget	**80,000,000.00**	**80,000,000.00**
Less estimated National Partnership Payments	80,000,000.00	80,000,000.00
Balance of non-Commonwealth contributions	-	-

Table 2: Performance requirements, reporting and payment summary			
Output	**Performance milestones** **Note:** Performance milestones should be read in conjunction with Attachment A: Reporting – Additional Guidance and Arrangements	**Report due**	**Payment**
Hospital and related health services (including engagement with IHACPA to inform advice on a small jurisdiction weighting in the NHRA)	Provision of: • an overview (forecast) of the type of public hospital and related health services (services), or reform activities to support the equity of public health service provision (reform activities), expected to be supported by this Schedule (including any relevant targets or outcome objectives against which performance will be measured); and • a status report outlining the progress of the forecast services and reform activities; and • information about engagement with IHACPA to inform advice on a small jurisdiction weighting in the NHRA, including the dates on which information requests were received and addressed, and a brief commentary on the work effort and time involved.	01/11/2026	$40,000,000.00
	Provision of: • a status report outlining the progress of any forecast services or reform activities and any changes to the services or reform activities expected to be supported by this Schedule (including any relevant targets or outcome objectives against which performance will be measured); and • information about engagement with IHACPA to inform advice on a small jurisdiction weighting in the NHRA, including the dates on which information requests were received and addressed, and a brief commentary on the work effort and time involved.	01/05/2027	$40,000,000.00
	Final reporting, including: • an overview of the public hospital and related health services and reform activities supported by this Schedule including consideration of their impact to relevant system performance parameters (see Additional Terms); and • 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); and • a high-level analysis of the engagement with IHACPA to inform advice on a small jurisdiction weighting in the NHRA, including any lessons learned.	15/09/2027	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 Ageing
Minister for Disability and the National Insurance Disability Scheme

[Day] [Month] [Year]
25 June 2026

Signed *for and on behalf of the State of Tasmania by*

Bridget Archer

The Honourable Bridget Archer MP
Minister for Health, Mental Health and Wellbeing; Minister for Ageing; Minister for Aboriginal Affairs

[Day] [Month] [Year]

17 July 2026

ATTACHMENT A

Reporting – Additional Guidance and Arrangements

Status Reports

Performance milestone reports (see Table 2 of the Schedule) will be provided in writing. They will include a summary of the type of services and reform activities expected to be supported, or being supported, by the Schedule and provide 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 services and reform activities 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 services and reform activities being undertaken.

IHACPA engagement - small jurisdiction weighting

Where performance reports require information about engagement with IHACPA to inform advice on a small jurisdiction weighting in the NHRA, the reporting will include information about the dates on which information requests were received and addressed, summary information about the nature of each request (dot-point form), and a brief commentary on the work effort and time involved. Performance reports addressing this requirement are not expected to provide a comprehensive analysis of the work effort and time involved. Instead the reports should outline the complexity of the request and any challenges experienced in addressing the request for the purpose of making transparent the time required between the request being received and addressed.

Final Reporting

Reporting against the final performance milestone (due 15 September 2027 – see Table 2) will include the provision of appropriate data to the Administrator of the National Health Funding Pool[3] (see below); and a written report providing an overview of services and reform activities supported by this Schedule and a high-level reflection on the engagement with IHACPA to inform advice on a small jurisdiction weighting in the NHRA, including any lessons learned.

The written overview report will consider the overall impact of the services and reform activities 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 the report will outline broadly how the funding received under this Schedule was targeted to fund services and reform activities.

The high-level analysis of the engagement with IHACPA to inform advice on a small jurisdiction weighting in the NHRA, will reflect on the nature and type of data and other information requested and provided. If appropriate and relevant it will also consider options

[3] 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*.

to improve data collection and sharing to enhance or streamline consideration of the national efficient price, as well as any other lessons learned or observations though the process.

Appropriate Data – Administrator of the National Health Funding Pool

Tasmania 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 A124 to A133 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.

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[4] by 3 September 2026.

Tasmania 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 A129 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 A129 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 A135 of the NHRA; and in the Administrator's advice on the annual entitlements and adjustments to the Commonwealth Treasurer provided for clause A138 of the NHRA; for the purpose of documenting the volume of public hospital services provided by Local Hospital Networks (as required by clause I52(g)(vii) of the NHRA).

[4] 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.