

Hon Lawrence Springborg MP Minister for Health

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Dr Mary Corbett Chair West Moreton Hospital and Health Board PO Box 73 IPSWICH QLD 4305 Level 19 147-163 Charlotte Street Brisbane 4000 GPO Box 48 Brisbane Queensland 4001 Australia

1.8 JAN 2013

Dear Dr Corbett

I am writing to seek your advice regarding the implications of the recently announced Commonwealth Government funding cuts on your Hospital and Health Service.

As you are aware, the Director-General, Department of Health, wrote to you on 2 November 2012, alerting you to a potential reduction in funding for your Hospital and Health Service for 2012-2013, as a result of reduced National Health Reform funding from the Commonwealth Government.

In that letter, the Director-General confirmed that under the Commonwealth's 2012-2013 Mid Year Economic and Fiscal Outlook that had then been recently released, proposed National Health Reform funding to Queensland in 2012-2013 was to be \$63.3 million less than expected at the time of the 2012-2013 Commonwealth budget. This reduction was to be in addition to a retrospective reduction of \$40 million to payments already received in 2011-2012 under the National Health Care Specific Purpose Payment. Overall, the total impact across the Queensland public health system was set to be more than \$103 million.

Significant negotiations have continued since the announcement was made by the Commonwealth Government and the Queensland Government has vigorously opposed the basis for the reductions. Unfortunately, the Commonwealth Government has continued with its plan to reduce this funding to the health sector.

Accordingly, at our most recent teleconference, I indicated to you that I would write to each Hospital and Health Board to seek advice about what specific cuts to programs, reductions in services or other strategies are being considered to cater for the reduction in funding. To that end, I would appreciate if you would provide me with advice in this regard no later than 1 February 2013.

Should your officers require further information in relation to this matter, I have arranged for Ms Susanne LeBoutillier, Senior Director, Governance, Relationships, Improvements and Priorities Branch, System Policy and Performance Division, Department of Health, on telephone to be available to assist them.

Yours sincerely

LAWRENCE SPRINGBORG MP <u>Minister for Health</u>