

MYEFO TAKES \$86 MILLION FROM TASMANIA'S HEALTH BUDGET

The Commonwealth Treasurer's Mid-Year Economic and Fiscal Outlook, released today, shows that Tasmania will receive almost \$86 million in health funding less over four years than was foreshadowed in the May budget.

This will provide a major challenge to the state government, and to all public hospitals and health services, in meeting the rapidly growing demand for services.

Under the restrictive fiscal policies being followed by both state and federal governments, it is very hard indeed to see how this demand can be met. More and more people will go untreated or under-treated. Almost certainly, waiting lists will be longer.

The comparative figures are:

	May Budget (\$m)	December MYEFO (\$m)	Difference (\$m)
2014-15	381,963	369,835	12,128
2015-16	443,347	418,637	24,710
2016-17	401,340	362,947	38,393
2017-18	405,006	394,425	10,581
Total	1,631,656	1,545,844	85,812

The figures in the MYEFO represent another major cost-shift from the Commonwealth to the states and to individual patients. It comes on top of large cuts already foreshadowed in the May Budget.

State and territory governments are now left with a dilemma – whether to top up their health budgets from their own resources, including by borrowing, or allowing services to deteriorate further. More patients will be forced to pay for care which will no longer be available in the public system. Less well-off people will, therefore, be disproportionately hit.

If Tasmanian hospitals and other health services even to maintain their current levels of service – let alone deal with the constant increase in demand – the state government will have to modify its rigid fiscal policy.

If it is not prepared to do so, the cost will be in the health, and in some cases the lives, of sick and vulnerable Tasmanians.

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