

# Press Release

## FOR IMMEDIATE RELEASE

### LATROBE WELCOMES LONG TERM SURETY OF MERSEY UNDER STATE GOVERNMENT

The Latrobe Council welcomes the much anticipated long term funding agreement announced by the Prime Minister today. "Our Council, along with Councils from across the region, has strongly advocated for a more appropriate funding and management regime for the Mersey and we are confident that today's announcement delivers on both fronts. This historic agreement finally provides some certainty for Mersey Community Hospital staff, clinicians, health system management and so many members of our community who are dependent on the Mersey for the provision of their health services.

The agreed return to State ownership will, in our opinion, remove the Mersey from the broader political agenda and ensure the hospital is firmly entrenched as a key component of the State's single health care system, delivering health care services for all Tasmanians no matter where they live.

The days of using the Mersey as a political football and as a plaything for those with self-interest as their priority are over. The bi-annual cycle of angst and community concern has been broken and Council is grateful that the focus will rightfully return to the provision of health care for our community.

Now our community needs to be united like never before and to work cohesively with current and future State Governments to ensure the Mersey's integral role in our region is both acknowledged and supported. The Mersey is rightfully back in Tasmanian hands and will again be, in every way, a key component of our State's one health system.

That said, advocacy for and on behalf of the Mersey will remain a priority for Latrobe Council. Our focus will be on working with the Minister and the elected members of both Lyons and Braddon, to ensure health care in the region is very much their priority as well. A return to ownership by Tasmanians comes with a massive responsibility for the government of the day.

Given today's announcement, the perception of management and provision of health services in our region could well decide future State elections and our elected members are now very much on notice. This is their chance to make a real difference and we expect them to grab the opportunity with both hands.

Our council is grateful for the advocacy and support provided by elected representatives of all persuasions, both at Local, State and Federal level. Personally and on behalf of our council, I take this opportunity to acknowledge and thank Minister Michael Ferguson and Senator Jonathan Duniam for their untiring efforts and their genuine attempts to bring about an appropriate conclusion to a saga that has, for too long, been about politics and personalities rather than the provision of health care services for the people we are elected to serve.

The Latrobe Council is proud to have played a role in achieving this historic agreement. It has been long in the making but well worth the wait,"" said Acting Mayor Rick Rockliff.

ENDS

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5 April 2017

Will Hodgman, Premier

Michael Ferguson, Minister for Health

## 10-YEAR, \$730 MILLION DEAL FOR THE MERSEY HOSPITAL

Tasmania will receive \$730.4 million following the successful conclusion of negotiations with the Federal Government for a new, fully funded, 10-year deal for the Mersey Community Hospital.

The new deal will also see ownership of the Mersey return to the Tasmanian Government, giving long-term security for the hospital's future and removing the uncertainty which surrounds it every federal election cycle.

"The \$730 million payment, which will be fully exempt from GST calculations, is the biggest single cash transfer from the Federal Government to the Tasmanian Government ever, and is more than twice the amount provided for the Royal Hobart Hospital Redevelopment," Premier Will Hodgman said.

"The Mersey is a crucial part of our health system and it is critical North West health infrastructure. It is important that we have been able to deliver the long-term certainty for the hospital the North West community deserves. This is what we promised to fight for and that is what we have delivered.

"This agreement demonstrates the ability of my Government to get the best possible deal by working with the Federal Government while always fighting hard for Tasmania's interests."

Health Minister Michael Ferguson said that the funds will be quarantined for use at the Mersey, with no ability for them to be siphoned off to other uses, or other parts of the state.

"These funds will be quarantined by the Government for use at the Mersey hospital, and invested through the Tasmanian Public Finance Corporation (Tascorp), with annual draw-downs by way of a special dividend to fund the operation of the Mersey hospital.

"Based on the calculations of the Treasury Department, the funds will provide for 10-years of operating costs of the Mersey on a low-return scenario (around 4 per cent per annum), and 12-years of operating costs under a high-return scenario (6.6 per cent).

"Once the funds are exhausted, the Mersey will be funded from a combination of Tasmania's annual health budget, and the national arrangements which provide activity based funding.

"I would like to thank all those who played a part in getting this successful outcome, including Latrobe Mayor Peter Freshney and the North West mayors, Senator Jonathan Duniam and the Tasmanian Liberal Senate team, and Federal Health Minister Greg Hunt. Many said this was an impossible task but we have delivered," Minister Ferguson concluded.

It is expected that arrangements to formalise the new agreement will be finalised over coming weeks, with the \$730.4 million to be paid to Tasmania prior to June 30 this year.

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## \$730 MILLION TO SECURE MERSEY HOSPITAL

<http://www.pm.gov.au/media/2017-04-05/730-million-secure-mersey-hospital>

**05 April 2017**

Prime Minister

Premier of Tasmania

The Turnbull Government will provide \$730 million to secure the Mersey Community Hospital's future, give certainty to 470 staff and deliver vital health services for the people of North-West Tasmania.

The Commonwealth and Tasmanian Governments have reached an agreement to ensure the Mersey Community Hospital, which has 100 beds, remains a key health service for Devonport and surrounding regions.

The Commonwealth purchased the Mersey in 2007 amid community concern about the downgrading of services and the hospital has had no long term funding agreement since.

Under the new agreement, ownership of the Mersey will transfer from the Commonwealth to Tasmania on 1 July 2017. The Commonwealth will provide \$730 million upfront so the Tasmanian Government can run the hospital for the next decade. The Mersey will then operate in the same way as other public hospitals.

Prime Minister Malcolm Turnbull said this provided valuable long-term certainty to the hospital's 470 staff and patients, and delivers on the Turnbull Government's determination to ensure all Australians have access to high quality, well-funded healthcare.

The terms of the agreement will ensure the continued delivery of the best possible health services to North-West Tasmanians.

Premier Will Hodgman said the \$730 million payment, which will be fully exempt from GST calculations, is the biggest single cash transfer from the Federal Government to the Tasmanian Government ever.

The Mersey is a crucial part of Tasmania's health system, and critical North-West health infrastructure, and it is important the two Governments have been able to deliver the long-term certainty for the hospital the community deserves.

The Tasmanian Government will now be able to manage its public hospital system as a whole, meeting the community's health needs in the years ahead.

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