2026-27 Service Funding Agreement

An agreement between the Minister for Health, Canberra Health Services and the Health and Community Services Directorate

1 July 2026 to 30 June 2027

ACT Government

Parties to the agreement

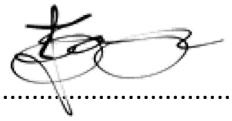
ACT Minister for Health & Mental Health

Marisa Paterson

Date 9 October 2026 Signed M. Paterson

Canberra Health Services

Janet Zagari, Chief Executive Officer

Date 07 October 2026 Signed 

Health and Community Services Directorate

Karrena Arthy, Director-General

Date 02 October 2026 Signed 

Effective Date: 1 July 2026 to 30 June 2027

Acknowledgement of Country

The parties to this agreement acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

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Executive Summary

This Service Funding Agreement (the Agreement) sets out the service, funding, performance, governance, and reporting requirements for the delivery of public health services within the ACT Local Hospital Network during the period 1 July 2026 to 30 June 2027.

The Agreement sets out the expectations of the Minister for Health and Mental Health (the Minister) as system leader, and defines the roles, responsibilities, and accountabilities of Canberra Health Services (CHS) and the Health and Community Service Directorate (the Directorate).

The purpose of this Agreement is to ensure the delivery of equitable, safe, high-quality, patient-centered and financially sustainable health services for the ACT community. This will be achieved through:

- Clear service delivery requirements, including volume, scope, and quality standards.
- Defined performance indicators and targets aligned to Government priorities.
- Transparent funding and activity arrangements.
- Strong governance, monitoring and accountability arrangements.

This Agreement also supports compliance with the National Health Reform Agreement (NHRA) 2026-2031 Addendum and associated accountability frameworks.

Strategic Priorities

Publicly funded health systems exist to improve population health while ensuring equitable, high-quality, and sustainable care within finite resources. Clear health system priorities provide a shared framework to guide investment, policy, and service delivery, focusing efforts on the areas of greatest need and impact.

The priorities are interconnected and span prevention, access, quality and safety, integration, workforce, digital transformation, and financial sustainability. The intention is to support coordinated action across the continuum of care and underpin accountability for better outcomes for individuals and communities.

This section sets a phased approach to health system strategic priorities to 2031 for the ACT health system.

Deliver High-Value, Sustainable Care

- Align service delivery with best practice and national pricing frameworks.
- Improve cost transparency at service and clinical unit level.
- Strengthen financial discipline through activity-based management.

Strengthen Integrated, Person-Centred Care Across the Continuum

- Expand integrated care pathways across hospital, primary care, and community services.
- Reduce fragmentation for high-needs cohorts, including people with chronic disease, mental health, and older people.
- Partner with Primary Health Networks (PHNs) and community sector partners, including Aboriginal controlled-community health organisations.

Improve Access and Patient Flow Across the Acute System

- Reduce emergency department waiting times and length of stay.
- Improve elective surgery throughput and reduce overdue patients.
- Strengthen whole-of-system patient flow across acute, subacute and community settings.

Advance Quality, Safety and Clinical Outcomes

- Reduce hospital-acquired complications and avoidable harm.
- Embed outcomes-focused performance measures.
- Strengthen clinical governance and accountability.

Embed Preventive Health and Demand Management Approaches

- Align hospital services with preventive and public health initiatives.
- Target avoidable hospitalisations through early intervention.
- Invest in chronic disease management models.
- Collaborate across government sectors addressing social determinants of health.

Strengthen Workforce Sustainability

- Improve workforce planning aligned to demand.

- Enhance retention, wellbeing, and engagement.
- Increase Aboriginal and Torres Strait Islanders workforce participation to 3%.

Cultural Safety

- Embed equity metrics into performance frameworks.
- Improve culturally safe services and partnerships with Aboriginal Community Controlled Health Organisations (ACCHOs).
- Expand targeted programs for vulnerable cohorts.
- Reduce disparities in access and outcomes.

Cultural safety is a core component of safe, high-quality healthcare delivery and is embedded across all aspects of this Agreement. CHS will:

- Integrate cultural safety into clinical governance, quality, and incident management systems.
- Develop and implement a system-wide cultural safety strategy.
- Deliver targeted workforce initiatives to improve patient experience, clinical outcomes and workforce wellbeing for Aboriginal and Torres Strait Islander staff.

Ministerial Direction

The Minister for Health and Mental Health are committed to supporting the health and wellbeing of all Canberrans and recognises the contribution effective health services make to wellbeing across the Territory.

Improving health outcomes across the Territory requires recognition of the interconnected impacts of physical and mental health and ensuring that people can access the services and support they need when they need them.

In 2026-27, the priorities for the health system are:

1. Safety and quality, including continuous improvement through effective operational and clinical governance, with culturally safe care embedded as a core component of safety and quality.
2. A skilled, engaged and respectful workforce supported by capability, capacity and positive workplace culture.
3. Improved health equity, with a focus on Aboriginal and Torres Strait Island health and wellbeing, access to care, discharge planning, and culturally safe services, and patient experience.
4. Financial sustainability, supported by the Health System Transformation Program and a balanced budget at year end.

Support System Innovation and Reform Leadership

The parties to this Agreement will identify and progress opportunities for innovation and reform, including pilots that can be scaled across the ACT system. this may include:

- hospital-in-the-home and rapid access clinics models;
- alternative funding approaches beyond ABF where appropriate;
- partnerships with research and academic institutions; and
- scaling successful innovations across the system.

Transformation Program

The Health System Transformation Program is a key driver of improved system performance, financial sustainability, and service delivery innovation.

In 2026-27, a targeted portfolio of initiatives will be progressed, designed to:

- improve hospital productivity and efficiency;
- optimise models of care;
- strengthen revenue integrity and own-source revenue performance; and
- enhance workforce utilisation and cost management.

Progress will be monitored through regular reporting to the LHN Assurance Committee, with emphasis on measurable improvements in productivity, financial performance, and patient outcomes.

Legislation and Governance

The *Health Act 1993* establishes the legislative framework for the ACT public health system, including its objectives and quality assurance arrangements.

The Health (National Funding Pool and Administration) Act 2013 provides for the ACT's participation in national funding arrangements through the national health funding pool and the establishment of a state managed fund.

The Addendum to the NHRA 2026-2031 is an agreement between the Australian Government and the states and territories that sets out the future direction and funding of Australia's public hospital and health system.

The NHRA requires state and territory governments, as system managers of public hospitals, to establish service agreements with local hospital networks for the commissioning of health services and to maintain performance and accountability framework, including processes for remediation of poor performance.

Roles and responsibilities

Minister for Health and Mental Health

The Minister is the system leader and is accountable for the overall stewardship, strategic direction, and performance oversight of the ACT public health system.

Health and Community Services Directorate (HCSD)

HCSD is the system coordinator responsible for:

- system-level planning, commissioning and performance monitoring;
- administration of this Agreement;
- management of commissioned non-government services; and
- leadership in cultural safety, Aboriginal and Torres Strait Islander health outcomes, and whole-of-system alignment with national agreements.

Canberra Health Service

Canberra Health Services (CHS) is the ACT Government's principal public healthcare provider, delivering integrated hospital and community-based services to the Australian Capital Territory (ACT) and surrounding regions of southern New South Wales.

CHS provides comprehensive, patient-centred care across the full health continuum, including acute, sub-acute, rehabilitation, and community health services, supporting a population of more than 500,000 people. The organisation operates a network of major facilities, including Canberra Hospital, North Canberra Hospital, the University of Canberra Hospital, and Clare Holland House, alongside community health and walk-in centres.

CHS also provides justice health services at the Alexander Maconochie Centre and Bimberi Youth Justice Centre.

Through its integrated service model, CHS delivers coordinated care spanning emergency, inpatient, outpatient, and community settings. Its services encompass a broad range of clinical areas, including medical and surgical specialties, mental health, maternity, paediatrics, rehabilitation, and preventative health programs.

CHS is committed to delivering safe, high-quality, and accessible healthcare, with a strong focus on patient-centred care, service integration, and continuous improvement to meet the evolving needs of the community

Arrangements for updating the Agreement

This Agreement requires transparent and accountable arrangements to support the delivery of high quality, safe and sustainable public health services.

Unless otherwise specified through the ACT Budget Process or other government instruments, the Minister for Health and Mental Health may approve changes to funding, activity, or priority metrics by written notice to the Chief Executive Officer of CHS, and the Director General of HCSD.

Monitoring and Reporting

CHS, alongside other providers listed in this Agreement are accountable for delivery of services, together with the responsible executives within the health service.

The Local Hospital Network Assurance Committee, established by Government in 2025-26, oversees CHS delivery of this Agreement and the Health System Transformation Program. The Director General of the Directorate chairs the Committee, which includes representatives from CHS and Treasury, together with an independent advisor. The Committee reports to the Minister for Health.

Under the monitoring and reporting arrangements, HCSD is responsible for preparing reporting on the activity-based funding budget to support monitoring of progress against the shared objectives of quality and safety, access and timeliness, and financial sustainability in consultation with CHS. During 2026-27, HCSD will provide monthly reporting to the Minister for Health. Reporting will also support:

- a half-yearly report from the Minister to Government through the Expenditure Review Committee; and
- a year-end report from the Minister to Government through the Expenditure Review Committee.

Reporting will include oversight of performance relating to Aboriginal and Torres Strait Islander health outcomes and cultural safety across the health system.

Where services are delivered outside of the CHS network, these providers have agreements linked to contracts for services with data and key performance indicators, which are monitored.

Outpatient measures

All parties have a shared commitment to undertake the further development of outpatient measures in 2026-27, with an emphasis on waiting lists and seeing patients within clinically recommended timeframes.

Safety and quality

To provide assurance to LHNAC over safety and quality, in line with provisions under the NHRA, a safety and quality subcommittee will be established between appropriate clinical leads in both organisations. Terms of reference will be agreed during Q1 of 2026-27. Reporting to LHNAC, the group will be responsible for (at minimum):

- Strategic oversight of safety and quality as it relates to activity based funding under

the National Health Reform Agreement, as administered through LHNAC

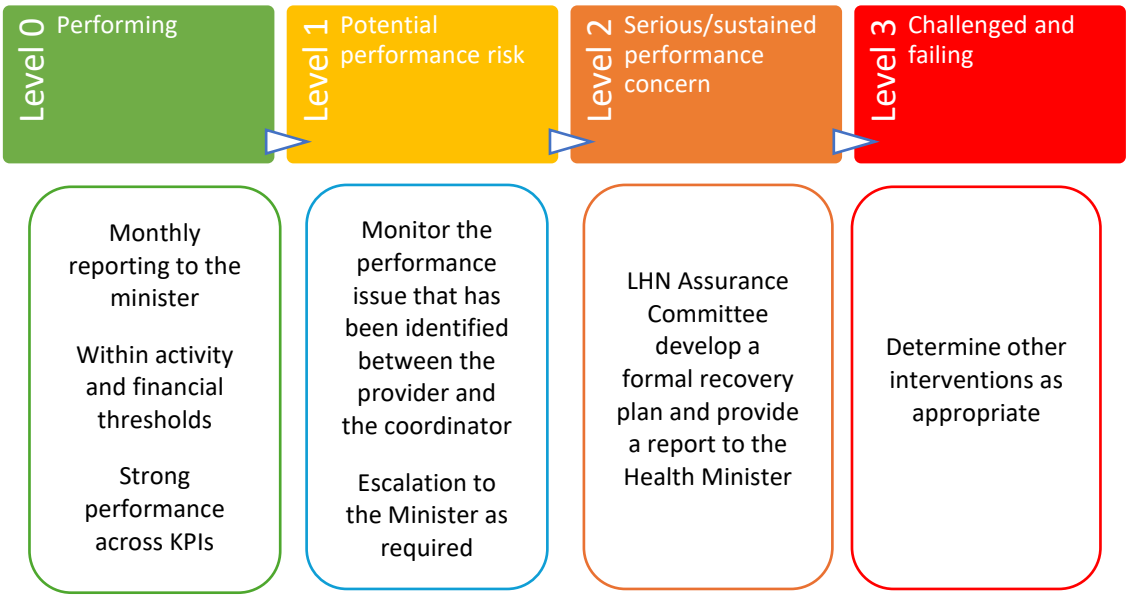
- Defining, monitoring and reporting on the full set of Hospital Acquired Complications.
- Defining, monitoring and reporting on the full set of unplanned Hospital Readmissions.
- Providing early advice to LHNAC where these measures are deteriorating.

CHS Reporting Thresholds

The following thresholds apply for immediate levels of escalation and de-escalation:

Measure	Lower bound	Upper bound
NWAUs	< –2.0% target	> 2.0% target
Expenditure against the budget	n/a	> 2.0% of available Budget
Own source revenue (exc. high-cost drugs)	< –5.0% to target	n/a

The parties acknowledge that NWAU results may vary due to changes in reporting arrangements and improvements in the quality of data collection. That variability will be taken into account when determining whether a threshold breach constitutes a performance concern.



Service levels

Service Delivery Obligations

CHS must deliver all services funded under this Agreement in accordance with the specified service levels, activity targets, and quality standards.

CHS must not cease delivery of a service without prior approval from the Minister and notification to HCSD. This does not include services that cease in connection with the expiry of Budget appropriation, or in respect of services that were otherwise time limited or discrete in the frequency of delivery.

Where temporary service disruption is unavoidable, CHS must:

- notify the Minister and HCSD as soon as practicable;
- provide details of the scope, duration and mitigation measures; and
    - take all reasonable steps to minimise clinical risk, public health impacts, and adverse patient and community outcomes.

Cross-border arrangements

Consistent with the Medicare principles, ACT public hospital services will be provided on the basis of clinical need and equitable access, regardless of the person's geographic location.

This applies for all services that receive Commonwealth funding under the NHRA or through other funding agreements, unless there is a specific exception included in the agreement.

The ACT may work with other jurisdictions through networking arrangements that promote care close to home and reduce unnecessary travel. This includes identifying patient inflows and working with relevant NSW local health districts to support local treatment options where appropriate.

Services that are entirely funded by the ACT Government, without Commonwealth funding, may be restricted to ACT residents.

Patient flow will be managed to support system efficiency, service sustainability, and optimal patient outcomes.

Funding parameters

Funding Parameter	Policy Direction	Context
Own Source Revenue	CHS will not receive additional funding for under delivery against the target.	The policy reflects equitable access principles, regardless of insurance status or funding source.
Under delivery of activity	Under delivery of activity will result in the return of unspent funds to Treasury.	Where activity is tracking below target during the year, service providers are to increase controllable activity where possible and agreed. If year-end targets are missed, ABF funds are to be returned.
Over delivery of activity	Over delivery of activity will not receive additional Commonwealth funding.	Additional NWAUs will not secure additional Commonwealth funding.

Financial penalties	Financial penalties for episodes of care, including HACs and sentinel events, will be passed through to CHS.	The ACT LHN funding envelope reflects these penalties.

Performance priorities

The *Financial Management Act 1996*, Section 12(1)(b), sets out the responsibilities of accountable parties in relation to performance criteria for outputs. Health services remain accountable for quality and safety, good governance and leadership, access and timeliness, and financial sustainability.

The performance priorities reflect Ministerial directions and ACT Government priorities.

No.	KPI measure	KPI Target	Not Performing	Under - performing	Performing
Aboriginal and Torres Strait Islander Peoples					
1	Inpatient self discharge – Aboriginal and Torres Strait Islander people	3.9%	> 4.7	4.0 - 4.7	≤ 3.9
2	Emergency Department Care not commenced – Aboriginal and Torres Strait Islander people	8.1%	> 9.5	8.2 – 9.5	≤ 8.1
3	First Nations Workforce –The number and percentage of Aboriginal and Torres Strait Islander staff to measure attraction and recruitment, retention and leadership roles	364 (WHoG has 3% target)	< 135	135 - 363	≥ 364
4	Cultural safety training – Development of CHS strategy to research and deliver high-quality, fit-for-purpose cultural safety training to its workforce (qualitative KPI)	Strategy completed and accepted by the Minister for Health before the end of 2026-27	**Qualitative Target**		
Access and timeliness of care					
Emergency Department					
5	Percentage of emergency patients with a length of stay of less than 4 hours	56.4%	< 50	50 - 56.3	≥ 56.4
6	Percentage of patients whose treatment started on time in the emergency department	56.7%	< 50	50 - 56.6	≥ 56.7
Planned Care					
7	Percentage of category 1 planned surgery performed within 30 days	82.3%	< 75	75 - 82.2	≥ 82.3
8	Number of Overdue patients waiting for their elective surgery at ACT public hospitals	1,821	> 2,000	1,820 - 2000	≤ 1,821
9	Number of removals from the elective surgery waiting list	17,500	< 16,500	16,500 - 17,499	≥ 17,500
System Integration of community, primary and home-based care					
10	Hospital in the Home admitted activity – the percentage of acute overnight episodes with all or part of the episode recorded in a HITH bed type	5.0%	3.7%	3.7 – 5.0%	≥ 5.0%
Length of Stay					
11	Percentage of elective surgeries completed with a same day admission	53.0%	< 50%	50 - 52.9%	≥ 53.0%

People and Culture					
12	Staff survey – Number of completed surveys and percentage of staff that would recommend CHS as a place to work	61.0%	< 55	55 - 60.9	≥ 61
13	Patient experience survey – Patients who received care at ACT public hospitals and rated their care as good or very good (%)	92.0%	< 86	86 - 91	≥ 92.0
Financial Sustainability					
14	CHS expenditure ($M) (excluding depreciation)	$2.60 billion	> $2.65B	$2.60B - $2.65B	≤ $2.60B
15	Proportion of separations with private health insurance funding	1.40%	< 1.0%	1.0 - 1.3%	≥ 1.4%
16	Cost per Weighted Activity Unit	$8,645	$8,991	> $8,645	≤ $8,645
Safe and Effective Care					
17	Hospital Acquired Complications (rate per 1,000 eligible episodes)	25.4	> 27	25.5 - 26	≤ 25.4
18	Rate of unplanned Hospital Readmissions: (%) - definition as per ACSQHC framework	TBD	**Target TBD**		
19	Notifiable incidents reported within 2 business days (sentinel events only)	100%	**N/A**		
Mental health					
20	Proportion of mental health clients contacted by a Canberra Health Service's community facility within 7 days post discharge from inpatient service	75%	**N/A**		
21	Mental health patients who are subject to a seclusion event while being an admitted patient in ACT public mental health inpatient unit (seclusion events per 1,000 days)	7 per 1,000 patient days	**N/A**		
Data					
22	Clinical coding of patient data completed within 1, 2 and 3 months	Nil – Monitor over 2026-27	**For development over 2026-27**		

ACT Local Hospital Network – activity and funding

This section sets out the commissioned activity and funding arrangements for the ACT Local Hospital Network.

The ACT Local Hospital Network funding arrangements are described in terms of the Commonwealth and the ACT share of funding, based on the National Efficient Price, with supplementary funding described separately as required.

For 2026-27, the Commonwealth has established a Federation Funding Agreement with the ACT Government that recognises the challenges that smaller jurisdictions face in delivering health services. The Federation Funding Agreement provides the ACT with $75 million in 2026-27. The ACT Government will direct this funding to NWAUs that exceed the Commonwealth's funding cap. Accordingly the funding table for the Local Hospital Network describes the level of NWAUs that will be funded by this Agreement.

ACT Local Hospital Network providers

CHS is the main provider for the ACT Local Hospital Network. However the ACT Local Hospital Network also includes services that are managed by HCSD and delivered by Non-Government Organisations.

- Tresillian provides early parenting services for families with a baby at the Queen Elizabeth II Family Centre in Curtin.
- Marie Stopes provides abortion and reproductive health services for the Canberra community.
- Stride, Wellways Australia and Marymead Catholic Care provide residential mental health and outreach services.

The Queen Elizabeth II Family Centre and the residential mental health services are block funded services that are in-scope for Commonwealth funding under the NHRA. The abortion services provided by Marie Stopes will be treated as admitted patient activity.

The table below describes the commissioned WAUs for 2026-27 across CHS and Marie Stopes. Marie Stopes is include in the ACT Local Hospital Network and is not part of the commissioning of services from CHS.

Table 1: LHN commissioned Activity Based Funding activity

Delivery Organisation	NWAUs	Out of Scope	Total WAUs
Canberra Health Service	241,669	23,452	265,121
Marie Stopes	381	Nil	381
All service Streams	**242,050**	**23,452**	**265,502**

The section below sets out the funding arrangements for the ACT Local Hospital Network.

ACT LHN Funding Table

Table 2 – ACT LHN Total Funding Allocation

ACT Local Hospital Network 2026-27	In-scope services (NWAU)	Out-of-scope services (WAU)	Total services (WAU)	NEP ($)	Total Funding ($)	In-scope total funding ($)	In-scope CW Funding ($)	In-scope ACT Funding ($)	Out of scope funding ($)
Activity Funding									
Emergency department	27,580	1,446	29,026	7,418	210,078,073	204,586,338	76,051,420	128,534,918	5,491,736
Admitted acute*	134,765	5,313	140,078	7,418	1,019,868,447	999,688,965	381,812,528	617,876,437	20,179,481
Admitted mental health	11,884	322	12,206	7,418	89,379,146	88,155,843	29,996,968	58,158,875	1,223,303
Community Mental Health	7,200	82	7,282	7,418	53,722,202	53,410,960	19,671,446	33,739,514	311,242
Admitted sub-acute and non-acute	20,128	662	20,790	7,418	151,822,727	149,306,502	52,912,285	96,394,217	2,516,224
Non-admitted	30,383	15,641	46,023	7,418	284,782,713	225,377,486	85,774,452	139,603,034	59,405,227
Other state funded block grants			-	7,418	130,727,705	-	-	-	130,727,705
Activity Funding at NEP	**231,939**	**23,466**	**255,406**		**1,940,381,013**	**1,720,526,095**	**646,219,100**	**1,074,306,996**	**219,854,918**
Emergency department	1,202				8,918,188		8,918,188		
Admitted acute	5,875				43,577,760		43,577,760		
Admitted mental health	518				3,842,829		3,842,829		
Community mental health	877				6,508,467		6,508,467		
Admitted sub-acute and non-acute	1,324				9,824,502		9,824,502		
Non-admitted care	314				2,328,254		2,328,254		
Activity funded by small state FFA**	**10,111**				**75,000,000**		**75,000,000**		
Funding adjustment (State Supplementary Grant)									
Emergency dept. supplementation					10,033,505	10,033,505	-	10,033,505	-
Admitted acute supplementation					49,027,636	49,027,636	-	49,027,636	-
Admitted mental health supp.					4,323,417	4,323,417	-	4,323,417	-
Community Mental Health supp.					2,815,874	2,815,874	-	2,815,874	-
Admitted sub and non-acute supp.					7,478,257	7,478,257	-	7,478,257	-
Non-admitted supplementation					10,700,882	10,700,882	-	10,700,882	-
Total Funding adjustment					**84,379,572**	**84,379,572**	**-**	**84,379,572**	**-**

ACT Local Hospital Network 2026-27	In-scope services (NWAU)	Out-of-scope services (WAU)	Total services (WAU)	NEP ($)	Total Funding ($)	In-scope total funding ($)	In-scope CW Funding ($)	In-scope ACT Funding ($)	Out of scope funding ($)
Block Allocation									
Queen Elizabeth II Hospital					4,437,044	4,437,044	1,797,003	2,640,041	-
Non-Admitted Home Ventilation					2,164,736	2,164,736	876,718	1,288,018	-
Teaching, Training and Research***					131,679,852	131,679,852	31,010,850	100,669,002	-
Residential MH (SUSD)					7,440,379	7,440,379	3,013,353	4,427,026	
Total Block Allocation					**145,722,011**	**145,722,011**	**36,697,924**	**109,024,087**	**-**
Other allocation - NHRA in-scope									
Cross Border Payments					48,235,000	48,235,000	-	48,235,000	-
Public Health - ACTHD					11,068,885	11,068,885	11,068,885	-	-
Public Health - CHS					3,069,519	3,069,519	-	3,069,519	-
Total In scope other Allocation					**62,373,404**	**62,373,404**	**11,068,885**	**51,304,519**	**-**
TOTAL NHRA In-Scope	**242,050**		-			**2,088,001,082**	**768,985,909**	**1,319,015,173**	**-**
TOTAL ACT LHN Allocation			**265,516**		**2,307,856,000**	**2,088,001,082**	**768,985,909**	**1,319,015,173**	**219,854,918**

Notes

* Includes Marie Stopes MSI estimates

** The funding table reflects the activity funded by the small state FFA of $75 million in 2026-27

*** The block allocation for Teaching, Training and Research has been updated to reflect the National Hospital Cost Data Collection (NHCDC) for 2024-25. This was based on a CHS survey of relevant areas.

The table below describes the ACT Government's funding that is out of scope for Commonwealth funding under the NHRA.

Table 3: Out of Scope Funding – Other State Funded Grants

ACT Local Hospital Network 2026-27	Total Funding ($)
Out of Scope Funding	
Leases	2,047,182
Primary Health (Mental Health and Justice Health)	44,242,637
Interstate Patient Travel Assistance Scheme	1,337,314
Blood and Blood Products	23,377,340
Directorate Functions	22,949,228
Public dental services	19,770,766
Supplementation for Aged Care and NDIS	17,003,238
Total out of scope funding	**130,727,705**

Canberra Health Services – activity and funding

In 2026-27, the Government will commission CHS for 265,121 Weighted Activity Units. This comprises 241,669 Weighted Activity Units for public patients, or NWAUs, and 23,452 Weighted Activity Units that are out of scope for funding under the NHRA (ie private patients).

Table 4: LHN commissioned Activity Based Funding activity

Service Stream	NWAUs	Out of Scope	Total WAUs
Emergency Department	28,782	1,446	30,228
Acute admitted	140,259	5,299	145,558
Mental health admitted	12,402	322	12,724
Sub/acute admitted	21,005	662	21,667
Non-admitted	31,707	15,641	47,348
Community mental health	7,514	82	7,596
All service streams	**241,669**	**23,452**	**265,121**

Budget commitments

The Government's budget initiatives for CHS for 2026-27 (excluding capital) include:

- High risk breast cancer screening at North Canberra Hospital – expanding the clinic to increase access to specialist screening, treatment and support services for people at high risk of developing breast cancer.
- Lung cancer specialist services – increasing the capacity of the Rapid Access Clinic to improve early detection and integrated care.
- Acute Palliative Care Unit – operationalising the new unit to provide specialised medical care to improve quality of lift for people with life-limiting illness.
- Opening the South Tuggeranong Health Centre – operationalising the new centre when it opens in late 2026. The centre will deliver a range of services including paediatrics, diabetes clinics, falls injury prevention, community nursing, multidisciplinary group exercise sessions, and virtual care.
- Paediatric Orthopaedic Service and Fracture Clinic – increasing capacity at the new clinic and establishing a dedicated elective paediatric orthopaedic service to provide care for children closer to home.
- Insourcing cleaning and food services – to take place at Canberra Hospital and community health sites from October 2026.
- Ongoing Junior Medical Officer supports – measures to improve Junior Medical Officer wellbeing, permanently increasing positions, supporting career development, increasing pastoral care and promoting CHS as an employer of choice.

CHS Activity and Funding Table

Table 4 – CHS Total Funding Allocation

	Weighted Activity Unit {26} 2026-27	ABF Budget ($) 2026-27
ACTIVITY BASED FUNDING (ABF)* - Applicable Price	**8,645**	
NHRA in-scope services (NHRA funded)		
Emergency Department care	28,782	248,826,875
Admitted acute care	140,259	1,212,571,719
Admitted mental health care	12,402	107,219,002
Admitted sub/non-acute care	21,005	181,593,115
Non-admitted care	31,707	274,113,981
Community mental health	7,514	64,960,752
Total NHRA in-scope ABF services	**241,669**	**2,089,285,445**
NHRA out-of-scope services		
Emergency Department care	1,446	12,500,355
Admitted acute care	5,299	45,808,343
Admitted mental health care	322	2,784,497
Admitted sub/non-acute care	662	5,727,460
Non-admitted care	15,641	135,218,889
Community mental health	82	708,453
Total NHRA out-of-scope ABF services	**23,452**	**202,747,997**
ABF Adjustments - Patient care costs not covered by the NEP		
High-Cost Drugs		28,808,000
Blood and blood products		23,377,340
Leases		2,047,182
Total ABF adjustments		**54,232,522**
TOTAL ACTIVITY BASED FUNDING	**265,121**	**2,346,265,964**

BLOCK FUNDING	
Public health - CHS	3,069,519
Teaching, Training and Research	131,679,852
Non-admitted home ventilation	2,164,736
Primary Health Care	44,242,637
Public Dental Services	19,770,766
CHS Directorate Functions	22,949,228
Interstate Patient Travel Assistance Scheme	1,337,314
Aged Care	16,835,698
NDIS	7,861,711
Retail & Commercial services	6,313,576
TOTAL BLOCK FUNDING	**256,225,036**
TOTAL COST OF PURCHASED SERVICES (ABF AND BLOCK)	**2,602,491,000**

Table 5 - Funding Sources

Sources of funds	ABF Budget 2026-27 ($)
Cash funding	
Contribution from the LHN to CHS	2,243,934,000
Own Source Revenue - Target	146,351,000
High-Cost Drugs revenue	28,808,000
Non-cash funding	
Resources Received Free of Charge	149,232,000
Estimated non-cash expenses (e.g. employee entitlements, bad debts)	-
Other	
Other Funding (cash on hand/receivables)	34,166,000
TOTAL ALL FUNDING SOURCES	**2,602,491,000**