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Senator Jenny McAllister
Chair, Senate Finance and Public Administration References Committee
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Dear Senator McAllister

Thank you for your letter of 20 April 2016 inviting me to provide a submission on the Committee's Inquiry into the Outcomes of the 42nd meeting of the Council of Australian Governments held on 1 April 2016. I am pleased to make a submission on behalf of the ACT Government.

Along with all other States and Territories, at the April COAG meeting the ACT Government sought to remedy the funding cuts from the 2014-15 Federal Budget, in which a range of national partnership and specific purpose payments were severely impacted. In that Budget, Commonwealth health funding guarantee payments were abolished and indexation was reduced resulting in the Commonwealth's share of funding for health expenses markedly declining from 2017-18 onwards.

For the ACT, that cut translated to approximately \$600 million over 10 years – the equivalent of 58,000 elective surgery procedures. By 2026, that funding could have delivered a further 1,200 nurses, or 80 intensive care unit beds, or 340 general inpatient beds in the Territory. Clearly, the Federal Budget cuts meant a severe reduction in health services for Canberrans over the coming decade.

The issue of long-term certainty for health and hospital funding is critical for the jurisdictions, given our service delivery responsibilities. It was therefore disappointing that the health funding offer made by the Prime Minister at the April COAG meeting is a

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short-term, interim arrangement only. The ACT, along with other jurisdictions, accepted this proposal on the grounds that we needed to maintain service provision for the immediate future, but will continue to argue for a longer-term, equitable solution. However, securing \$50 million for the ACT health system only partly ameliorates the cuts by the Federal Government in the 2014 Budget.

The ACT Government places a strong emphasis on developing methods to most efficiently use of health funding, to drive better patient outcomes. To do that we need a sustainable funding model for the longer term to enable the appropriate infrastructure and resourcing investment to facilitate improved models of care and innovative service delivery.

In relation to education, I was deeply concerned by the Federal proposal, released very shortly before the COAG meeting, that the Commonwealth withdraw entirely from public school responsibilities and funding. As the New South Wales Education Minister, Adrian Piccoli, labelled the proposal, splitting public and private school funding "would be the biggest mistake in the history of Australian education policy".

Separating public and private school responsibilities between the States and Commonwealth would principally serve to entrench educational disadvantage in regional and poorer areas.

From the ACT's perspective, effectively abolishing the federal Education Department would also lead to the sacking of significant numbers of hard working public servants, on top of the thousands of jobs lost from Canberra due to recent Federal Government public sector cuts.

Given my concerns, I therefore welcomed COAG's decision that the Commonwealth maintain responsibility for public schools. However, the ACT will continue to actively argue, at COAG and other forums, that long term funding improvements through the 'Gonski' recommended model is essential to ensure Australian children receive the best education, from the best-trained teachers, over the coming generation.

For the benefit of the Committee, I also used the April COAG meeting to propose national harmonisation of reportable conduct schemes, to better protect children under the care of organisations such as schools, dance teaching bodies, sports clubs and religious institutions. The ACT will be introducing legislation shortly to ensure an independent overseer can examine organisations' responses to allegations of child abuse. I was pleased that COAG agreed with my proposal to pursue this important national reform.

Thank you again for the opportunity to provide this submission to the Inquiry.

Yours sincerely

Andrew Barr MLA
Chief Minister

26 APR 2016