

Appendix 3

COAG Communiqué

At its 42nd meeting, in Canberra, COAG increased hospital funding and made an historic commitment to explore fundamental changes to our federation that will drive economic reform and secure better outcomes for all Australians. We have sharpened our focus on improving Indigenous economic participation and received our final report on reducing violence against women and their children – an issue of ongoing concern for all of us. Treasurers joined First Ministers for the discussion on economic and federation reform.

Hospital funding and health reform

COAG reaffirmed that providing universal health care for all Australians is a shared priority.

Leaders agreed a Heads of Agreement for public hospitals funding from 1 July 2017 to 30 June 2020 ahead of consideration of longer-term arrangements. This will see the Commonwealth providing an estimated additional \$2.9 billion in funding for public hospital services, with growth in Commonwealth funding capped at 6.5 per cent a year.

This Agreement preserves important parts of the existing system, including activity based funding and the national efficient price, and focuses on improving patient safety and the quality of services, and reducing unnecessary hospitalisations.

As part of this Agreement, all jurisdictions agreed to take action to improve the quality of care in hospitals and reduce the number of avoidable admissions, by:

- reducing demand for hospital services through better coordinated care for people with complex and chronic disease – the current system does not always provide the care the chronically ill need – this means they are hospitalised more than is necessary;
- improving hospital pricing mechanisms to reflect the safety and quality of hospital services by reducing funding for unnecessary or unsafe care – reducing hospital-acquired complications will improve patient safety; and
- reducing the number of avoidable hospital readmissions – too many patients are readmitted to hospitals as a result of complications arising from the management of their original condition.

The Commonwealth will continue its focus on reforms in primary care that are designed to improve patient outcomes and reduce avoidable hospital admissions.

Schools

COAG recognised the positive contribution high quality schooling makes to both individuals and the economy. It noted that the Commonwealth's contribution to school education is funded through to the end of 2017, and agreed that discussions on new funding arrangements should be concluded by early 2017.

A more efficient federation for all Australians

COAG welcomed the Commonwealth's initiative to help resolve the longstanding problem of vertical fiscal imbalance and improve state autonomy.

There was not a consensus among states and territories (states) to support further consideration of the proposal to levy income tax on their own behalf.

Leaders agreed to consider proposals to share personal income tax revenue with the states to:

- provide them access to a broad revenue base that grows in line with the economy;
- reduce the number of tied Commonwealth grants to the states, providing them with greater autonomy and reducing administrative burden; and
- create flexibility for states to meet their ongoing expenditure needs.

COAG further agreed to continue pursuing initiatives that will enhance transparency by providing Australian citizens with a greater level of real time data on how government money is spent and on the outcomes and performance of government initiatives.

COAG agreed that this work, along with the work on broader opportunities for tax reform, including state tax reform, will be progressed by the Council on Federal Financial Relations, with a progress report to COAG at its next meeting.

Competition reform

COAG agreed that competition and productivity reforms are important to drive Australia's economic performance and living standards. Treasurers will develop a new competition and productivity enhancing reform agreement, for consideration at the next COAG meeting.

The draft agreement will incorporate:

- an updated set of Commonwealth-state competition principles drawing from, and expanding on, those recommended by the Harper Competition Policy Review report;
- shared national and state-specific competition and productivity reforms;
- independent evaluation and assessment mechanisms; and

- innovation payments, based on performance, including consideration of recent reforms.

COAG will look to build on these important economic reforms by collaborating to improve our cities, better target our infrastructure investment and lift productivity across the country, to deliver for all Australians, no matter where they live.

Indigenous economic development

COAG welcomed progress toward an Indigenous Economic Development Framework. Leaders agreed it is important to engage with Indigenous leaders and communities to support its further development.

COAG discussed and supported Indigenous procurement policies as they can provide better opportunities for Indigenous Australians to engage in the economy, increase employment prospects, and be less reliant on welfare.

Leaders will work in partnership to develop strategies to improve educational outcomes for Indigenous students. Leaders noted that if a further 640 Indigenous children, nation-wide, met the Year 3 reading national minimum standard, we could halve the gap.

Leaders also agreed to work in partnership with Indigenous leaders and communities, consistent with the principles of empowering communities. This is important to securing better informed decisions and transparency around government efforts to improve community outcomes.

There are still disproportionately high incarceration and re-offending rates for Indigenous Australians. COAG further agreed to develop ways to address barriers to employment on release and to support Indigenous people as they transition from incarceration to employment. The Commonwealth will undertake initiatives with states, drawing on existing programs.

Reducing violence against women and their children

COAG discussed the importance of ensuring female representation in leadership positions.

COAG agreed that, while not all disrespect of women leads to violence against women, all violence against women begins with disrespect of women.

As such, COAG welcomed the final report from the COAG Advisory Panel on Reducing Violence against Women and their Children (the Panel), thanking the Panel, guided by Mr Ken Lay APM, Ms Rosie Batty and Ms Heather Nancarrow, for its commitment in this area. All COAG members remain committed to making sure that women and their children live free from violence in safe communities.

The final report notes that, despite current efforts, rates of violence against women remain unacceptably high and negative gender-based attitudes continue largely unchallenged. In its final report, the Panel advises COAG of the need for collective,

long-term action and leadership in order to address gender inequality and to achieve lasting change in community attitudes which underpin and enable violence.

COAG supports, in-principle, the six areas identified by the Panel for further joint action:

- national leadership to challenge gender inequality and transform community attitudes;
- empowering women who experience violence to make informed choices;
- recognising children and young people as victims of violence against women;
- holding perpetrators to account for their actions and supporting them to change;
- providing trauma-informed responses to violence for Aboriginal and Torres Strait Islander communities; and
- providing integrated responses to keep women and their children safe.

Jurisdictions will consider the recommendations in each of these areas in developing the Third Action Plan of the *National Plan to Reduce Violence against Women and their Children 2010-2022* this year.

COAG noted the outcomes of the Victorian Royal Commission into Family Violence released this week.

COAG also noted the COAG Summit on Reducing Violence against Women and their Children would be held in Brisbane at the end of October 2016.

Counter-terrorism

COAG noted the progress that had been made on the countering violent extremism initiatives agreed at the 11 December 2015 COAG meeting. First Ministers supported the development of a nationally consistent post sentence preventative detention scheme, with appropriate protections, that covers high risk terrorist offenders. They agreed that the Commonwealth would draft legislation, to be introduced as soon as practicable, following consultation with states.

COAG agreed, in-principle, to the NSW model as the basis for a strengthened nationally consistent pre-charge detention scheme for terrorism suspects, with the ACT reserving its position. NSW will introduce the legislation and consult with other jurisdictions.

National Disability Insurance Scheme (NDIS)

COAG discussed the timing of access to the DisabilityCare Australia Fund (DCAF), and potential changes to governance to simplify and streamline NDIS decision-making and rule-making. COAG requested Senior Officials to provide further advice.

Medicinal cannabis

COAG noted the progress in all jurisdictions to facilitate patient access to medicinal cannabis. The passage of Commonwealth legislation to establish a national licensing scheme for cultivation of medicinal cannabis will provide patients with a safe, legal and reliable supply. Jurisdictions will continue working together to implement the scheme, with a view to Australian-grown products being available for use in 2017.

COAG noted health ministers are already considering options to expedite patient access to medicinal cannabis.

COAG also noted NSW has commenced trials of medicinal cannabis and other jurisdictions are invited to participate.

Northern Territory statehood

COAG welcomed Chief Minister Giles's update on progress towards statehood and noted the Northern Territory would bring forward a proposal to the next COAG meeting.

Reportable conduct scheme

COAG welcomed Chief Minister Barr's proposal for nationally harmonised reportable conduct schemes to improve oversight of responses to allegations of child abuse and neglect. COAG agreed, in-principle, to harmonise reportable conduct schemes, similar to the current model in operation in NSW and announced in the ACT and Victoria.

Redress

COAG discussed the importance of providing redress for survivors of institutional child sexual abuse. The Commonwealth will engage with all jurisdictions on next steps.

1 April 2016