

BOARD OF TREASURERS

Communiqué

Adelaide

Friday 9 August 2019

The Board of Treasurers (Board) held its second meeting for the year on 9 August 2019, in Adelaide. The Board comprises Treasurers from all Australian state and territory (state) governments.

Throughout the first half of this year the Board has been considering a range of important items including federal financial relations issues and productivity enhancing reforms.

Commitment to Key National Partnership Agreements

The Board will be providing the Commonwealth Treasurer with a submission outlining its view on the future funding of several key National Partnership Agreements that are due to expire over the next couple of years. National Partnership Agreements facilitate the provision of a range of essential services in areas such as health, education and legal services. The unilateral termination of funding for some of these essential programs with little or limited notice has in the past resulted in an unacceptable transfer of service delivery requirements to the states. In addition, some services have only been funded by the Commonwealth on a short term basis which can result in inefficient service delivery outcomes. The Board is therefore seeking the Commonwealth Government's commitment to continue to fund these important community services into the future on an ongoing basis, for more than one year at a time, as is the intention of National Partnership Agreements.

Health Reform

The lack of progress in finalising a new National Health Reform Agreement was discussed at the meeting. The Board will write to the Commonwealth Treasurer as a matter of priority seeking the negotiation process be reconvened and that several guiding principles be incorporated into the agreement. These guiding principles include improved funding certainty, a fairer allocation of costs related to hospital patients awaiting a suitable disability or aged care placement and a greater focus on prevention and early intervention.

Funding the NDIS

The Board also considered the current funding arrangements for the NDIS. The Board considered it a priority that the NDIS scheme is effectively run and that people with a disability are able to have access to the services they require. States have committed to providing significant funding to ensure the success of the scheme. In contrast, the Commonwealth's funding contribution lacks transparency on how it is calculated and adjusted for actual costs over time. The Board is also concerned about the level of

under-utilisation of NDIS packages and the asymmetry in funding commitments between the states and the Commonwealth. The Board is calling for greater transparency on the Commonwealth Government's contribution to funding the NDIS and a clear and consistent calculation methodology for Commonwealth and state contributions to the scheme.

Commonwealth Funding Commitment

As part of GST distribution changes enacted in late 2018, the Commonwealth committed to provide additional funding to the GST pool to help ensure states and territories were no worse-off from the new equalisation arrangements. At that time, the Commonwealth Treasurer agreed that other forms of Commonwealth financial transfers to states would not be adversely impacted. The Board has agreed to a framework to monitor Commonwealth payments to the states to ensure that funding levels are not reduced, and that exclusions are not made on an arbitrary basis.

Productivity reforms

Treasurers noted progress and agreed to continue working on mutual recognition of occupational licences, harmonisation of payroll tax administration, heavy vehicle road reform and improved practices to efficiently deliver states' substantial capital programs, while continuing to recognise individual state circumstances and priorities.

Board Secretariat

The Board has also agreed to changes to its Terms of Reference that will see the establishment of a permanent secretariat based in Adelaide. This will allow the Board to take a more active reform role and provide stronger and more consistent joint positions in negotiations with the Commonwealth.

The Board is scheduled to meet again later this year.

State and Territory attendees: The Hon Dominic Perrottet, NSW Treasurer; Tim Pallas, VIC Treasurer; The Hon Jackie Trad, QLD Treasurer; The Hon Ben Wyatt, WA Treasurer; The Hon Rob Lucas, SA Treasurer; The Hon Peter Gutwein, TAS Treasurer and The Hon Nicole Manison, NT Treasurer. Due to a COAG meeting being held on the same day, Mr Andrew Barr, ACT Chief Minister & Treasurer was unable to attend.

Board of Treasurers' webpage: www.treasury.nsw.gov.au/board-treasurers