

BOARD OF TREASURERS

Communiqué

Adelaide

Friday 22 November 2019

State and Territory Treasurers met in Adelaide on 22 November 2019 for the final Board of Treasurers meeting of the year. The Board continues to progress a range of productivity-enhancing reforms and reaffirms its desire to work collaboratively with the Australian Government on national reforms that improve national productivity and the wellbeing of Australian citizens as well as broader federal financial relations.

Presentations by the Governor of the RBA and the Chair of the NSW Review of Federal Financial Relations

Dr Philip Lowe, Governor of the Reserve Bank of Australia addressed the meeting on the national economic outlook and Mr David Thodey AO, Chair of the NSW Review of Federal Financial Relations discussed with Treasurers progress of the Review.

National health reform

The next five years represent an important opportunity for the states and the Australian Government to work together to alleviate fiscal pressures on the nation's health system, deliver better health outcomes for all Australians, and improve underlying productivity in the economy. In this context, the Board agreed to seek the incorporation of a number of specific productivity reforms into the National Health Reform Agreement (NHRA) as well as to pursue longer-term reforms which could be incorporated in future health agreements where appropriate in areas such as hospital funding, policy and regulation, the funding of health technology and private health insurance.

The Board calls for a genuine partnership between the states and the Australian Government on these key health issues. The Board's request to take action on these important reforms as part of the NHRA builds on its previous request to the Australian Government for the inclusion of key principles in the NHRA, including appropriately addressing demand pressures from Commonwealth interfaces of care, ensuring out-of-hospital services are treated consistently in the funding model and ensuring no retrospectivity for methodological updates.

Funding the National Disability Insurance Scheme (NDIS)

State Treasurers continue to be concerned about the lack of clarity around the Commonwealth's contributions to the NDIS. The Board discussed the limited progress to date on the design of a national Reserve Fund, which was committed by the Australian Government in bilateral agreements with the states. States are committed to ensuring the long-term sustainability of the NDIS. The Board will continue to advocate for measures to be in place to support an efficient and sustainable scheme,

to ensure that Australians with a disability are able to access the important services they require.

The Board also discussed the *Review of the NDIS Act and the new NDIS Participant Service Guarantee* and agreed to lodge a submission to the Review.

Heavy vehicle road reform

The Board discussed the heavy vehicle road reforms currently being considered by the Transport and Infrastructure Council and noted the need for clarity on the potential fiscal implications for the states. The Board welcomed the establishment of a Senior Officials' Working Group, under the auspices of the Council on Federal Financial Relations, to support treasuries' consideration of these implications.

Productivity-enhancing reforms

The Board is continuing to pursue reforms to improve the current arrangements for the mutual recognition of occupational licences, to make it easier for skilled Australians to carry out their occupations across state and territory (state) borders. The Board is seeking to work with the Australian Government, which administers the national mutual recognition legislation, on this productivity-enhancing reform.

The Board also discussed the progress of state reforms to payroll tax administration, recognising the different circumstances of each jurisdiction.

Chair handover and next meeting

The Treasurer of Victoria, Mr Tim Pallas MP, will chair the Board in 2020, taking over from the Treasurer of South Australia, the Hon Rob Lucas MLC.

The Board is scheduled to meet again early next year.

Board of Treasurers

www.boardoftreasurers.sa.gov.au