

Meeting of the Council of Australian Governments

12 February 2018

Background

The Council of Australian Governments (COAG) convened on Friday 9 February for its 45th meeting and discussed a number of issues relevant to VHA members.

The current national health funding agreement will lapse in 2020. The meeting was the first formal negotiation over a new health funding agreement between the Commonwealth Government and the states and territories.

In addition to the negotiation of health system funding, COAG's agenda also included the following items:

- Improving outcomes for Indigenous Australians
- Protecting Australia's children
- Education
- Supporting those affected by terrorism overseas
- Maximising efficiency and effectiveness in federal financial relations
- Promoting security and information in Australian elections; and
- Developing Northern Australia.

This bulletin will summarise the COAG outcomes for items relating to the health and human services portfolios.

The formal communique is available [here](#).

VHA response

The VHA recognises and welcomes the headline increase in spending on public hospitals proposed in the Heads of Agreement, but notes that the rigid cap on the growth of the Commonwealth Government's contribution at 6.5 per cent per year, and a cap on its share of public hospital funding at 45 per cent, is an ongoing departure from the original national health reform agreement.

The VHA contends that the lifespan of future national health funding agreements must be extended to give public hospitals greater confidence and an ability to plan and implement system reforms to improve quality and safety, and cost efficiency and effectiveness. This commitment must extend to all National Partnership Agreements, which in recent years have been critically undermined by unilateral changes to funding and timeline commitments.

In terms of the likelihood of the Commonwealth Government and all of the states and territories coming to a mutual agreement in the short term, the VHA notes the Commonwealth Government is required to hold a general election by no later than 18 May 2019, which introduces a degree of pressure to secure the agreement of the remaining states before it enters caretaker mode.



This is potentially complicated by the March election in South Australia, and Victoria's election in November.

The VHA will continue to update members as negotiations progress.

Reforming Australia's health system

At the meeting, leaders agreed to four strategic priorities for reform in the health system: improving efficiency and ensuring financial sustainability; delivering high-quality care in the right place at the right time; prioritising prevention and helping people manage their health across their lifetime; and driving best practice and performance using data and research.

The Commonwealth Government presented a Heads of Agreement for public hospital funding and health reform which would see a \$30 billion increase in hospital funding over the life of the new agreement, compared to the previous five-year period. Growth in Commonwealth funding would continue to be capped at 6.5 per cent for the duration of the agreement.

The New South Wales and West Australian governments signed the Heads of Agreement. The governments of South Australia, Victoria and Queensland did not sign the Heads of Agreement, nor did the Tasmanian Government which is in caretaker mode.

Improving outcomes for Indigenous Australians

The 45th COAG meeting coincided with the ten-year anniversary of former Prime Minister Kevin Rudd's apology to the Stolen Generations and the tenth anniversary of COAG's pledge to Closing the Gap in outcomes for Indigenous Australians.

All governments have committed to undertake community consultations on a refresh of the Closing the Gap strategy, ahead of COAG agreeing to a new Closing the Gap framework, national and state targets, performance indicators and accountabilities by 31 October 2018.

Protecting Australia's children

The Royal Commission into Institutional Responses to Child Sexual Abuse handed down its findings in December 2017. COAG noted the courage of survivors and the dedication of the people who worked on the Commission.

Leaders welcomed progress on the development of the National Statement of Principles for Child Safe Organisations, agreed the importance of creating organisations where children are safe from abuse and neglect, and acknowledged the work underway to establish a national redress scheme. First Ministers committed to responding to the recommendations of the Royal Commission's final report in June 2018.

Leaders also discussed the findings of the Royal Commission into the Protection and Detention of Children in the Northern Territory, and heard from the eSafety Commissioner on initiatives to combat cyberbullying.



Maximising efficiency and effectiveness in federal financial relations

First Ministers agreed to use the negotiation of a new national health agreement as a pilot for exploring improvements in efficiency and effectiveness in federal financial relations. This pilot will aim to incorporate Commonwealth-state health funding arrangements into a single health agreement and streamline terms and conditions to demonstrate citizen benefit, remove duplication and balance accountability and autonomy.

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