



Katy Gallagher MLA

DEPUTY CHIEF MINISTER

MINISTER FOR HEALTH

MINISTER FOR CHILDREN AND YOUNG PEOPLE

MINISTER FOR DISABILITY AND COMMUNITY SERVICES

MINISTER FOR WOMEN

MEMBER FOR MOLONGLO

The Hon Mal Brough MP
Minister for Families, Community
Services and Indigenous Affairs
Parliament House
CANBERRA ACT 2600

Dear Minister *Mal*

I am writing to inform you of the ACT Government's latest commitment to Disability Services in the upcoming ACT Budget 2007-08.

In the 2007-08 budget the Chief Minister has announced the single largest 4 year commitment to disability services since self government. This commitment is an additional \$15.7m over four years of the budget and represents an increase, in ACT Government, of 6% in year one, growing to 8% in the forward estimates. I have attached an outline of what the increase in funding is expected to deliver for the ACT community.

In your letter of 11 April 2007 you refer to plans being based on new money, over and above the relevant current forward estimates, I would like to confirm my understanding that plans incorporated in the 2007-08 budget and forward estimates will be included in the negotiations.

I would also like your consideration of how future funding increases can be incorporated into CSTDA 4 as my department is currently working with the Department of Treasury on a funding model that will more accurately reflect the growth requirements for disability services, with a view to this being incorporated into the 2008-09 budget.

Officers from my department have provided your department with a précis of the funding model, which includes estimates of unmet demand, I would be happy for my officials to provide a more detailed briefing on the funding model should your department wish.

The ACT Government has indicated on many occasions over the past five years its commitment to support people with disabilities in the ACT Community including through providing a significant level of funding (\$47m) over the requirements of the CSTDA. I strongly urge you to seriously consider the request from the State and Territories for a significant increase in funding from the Australian Government for CSTDA 4.

As you are aware one of the key issues that the States and Territories have been seeking to address is the issue of equity in funding terms. I am particularly concerned about this issue as the ACT receives the second lowest level of funding from the Australian Government on a matched funding basis.

ACT LEGISLATIVE ASSEMBLY

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This is a matter that we are seeking to have addressed in CSTDA 4, where as a minimum we would be seeking to have matched funding equal across all jurisdictions. I am advised that for the ACT to be brought into line with the State receiving the highest level of Australian Government contribution to the total funding, the increase in funding from the Australian Government would be in the order of \$12m per year.

In seeking this equity I believe that this is consistent with a number of specific purpose payments administered by your department. However, I would like to reiterate my position that I do not wish to see this equity issue being addressed by having other states and Territories lose funding and also reiterate my commitment for CSTDA 4 to be negotiated as a multi lateral agreement.

In looking at the basis of CSTDA 4 there are a number of other issues that I believe need to be considered and addressed. One of these issues is the basis of the split between the States and Territories. Currently the ACT receives approximately 1.39% of the pool while the ACT has 1.6% of the total population.

This position contrasts markedly with the position in SAAP V where the ACT receives approximately 3.37% of the total funding pool. I am advised that the basis for this allocation is both small state capacity issues and also the impacts of being a regional centre where clients are attracted from the surrounding region. I believe that both of these factors should be taken into account in finalising the CSTDA 4. I am advised that if a similar arrangement were in place for CSTDA the increase in funding to the ACT from the Australian Government would be in the order of \$13m per year.

On a further matter I am concerned about your offer excluding funding already identified in the forward estimates. I would urge you to reconsider this approach, recognizing that the Australian Government in negotiating the SAAP V final agreement did recognise the existing State and Territory funding to homelessness services.

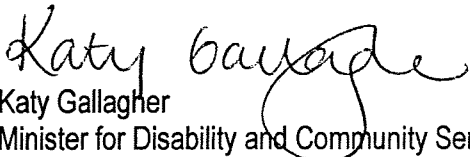
In relation to the issue of indexation I understand that this is a figure determined by the Department of Treasury I am concerned that this figure differs so markedly from the very real experience of the States and Territories of what the actual level of indexation required is, noting the national average indexation is in the order of 3.3%, with the ACT providing indexation of 3.7%. I would appreciate your advice on whether there is an appropriate forum where this issue could be raised.

In relation to the other issues identified in your letters I understand that negotiations are on going at officer level and I look forward to the successful negotiation of these matters.

Given the proximity to 30 June 2007 I too believe it would be appropriate to rollover CSTDA 3. Accordingly I have signed the attached instrument noting that it was not received in my office until the afternoon of 4 June 2007.

I would be happy to discuss any aspect of this letter should you wish. My office can be contacted on 6205 0840.

Yours sincerely


Katy Gallagher
Minister for Disability and Community Services
5 June 2007