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- 4 JUL 2007

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

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Dear Minister

We note with interest, and welcome, the announcements made this morning, 28 June 2007, with respect to the Commonwealth Government's \$1.8 billion package over five years for people with disability. We further note that the specialist disability services portion of this package will largely target older parents of adult children with disability.

We, all State and Territory Ministers, have similarly been preparing a program of responses to people with disability – of any age - with a focus on early intervention. In our correspondence of 7 June 2007, we advised of our intention to write to you again before the end of June 2007. Please find below, the key elements of our joint proposal, which would be entirely accommodated within a fourth Commonwealth State/Territory Disability Agreement (CSTDA).

MULTILATERAL AND BILATERAL FUNDING APPROACHES

We reiterate that your announcement of additional supported accommodation and respite funding to assist older parent carers is welcomed. However, we consider that a fourth CSTDA must include a strategic approach to investment that considers existing demand, demographic trends and factors that impact on the costs maintaining effort across all service types.

For a fourth CSTDA, State and Territory Governments therefore propose that the multilateral Agreement includes additional growth funding of \$3.4 billion over the life of the Agreement. These funds would build on the total national CSTDA expenditure for 2006-07 and form part of a new CSTDA base. We propose that the dollar-for-dollar matching arrangements that you previously offered for new CSTDA funds should be applied to this effort. Under this arrangement the total additional Australian Government effort within the new CSTDA Multilateral Agreement is estimated to be \$1.7 billion, inclusive of indexation. Jurisdictions with capacity to contribute funding to further address unmet demand for specialist disability services, could negotiate bilaterally with the Commonwealth Government

Ministers consider that this level of investment, of \$3.4 Billion of additional growth funding and \$ for \$ matching for specialist disability services over the life of the agreement, is essential to ensure that unmet demand for people of all ages with disability, does not continue to escalate, and that the viability of existing services is maintained. Significantly, it affords all jurisdictions the ability to make inroads to respond to individuals and families early on in their lives and/or changing circumstances. Such an early intervention focus will provide much needed relief to many people with disabilities and their families and carers, and will effectively result in more targeted funding approaches.

- Agreement to a methodology and populate with existing data;
- Development of a data development strategy to fill in any gaps and to improve quality and quantity of data returns; and
- Development of benchmarks for performance measurement.

key components be:
 It is our proposal that further work in this area be advanced as soon as possible as a key priority for a disability officials' Work Plan for the Fourth Agreement. We would be strongly supportive of this being a high-level strategic project, adequately resourced through the national research and development fund and propose that the

In this context we support your priority area and the development of a nationally consistent methodology. We understand that officer level work has commenced to build on the strengths of the AIHW methodology, expanding data sources including the CSTDA National Minimum Data Set, the ABS Survey of Disability, Ageing and Carers and Census disability data where possible, and going beyond waiting lists to more fully understand potential need for disability services.

As you would be aware, under the third Agreement there has been national support to examine the extent of unmet need and this has most recently resulted in the AIHW 2007 Report *Current and Future Demand for Specialist Disability Services*. States and Territories recognise the value of this work and the need to further improve the evidence base to produce more accurate and refined estimates of unmet need and future demand for specialist disability services.

Unmet Need

We turn now to your previous correspondence which has sought States and Territories' agreement to improve; responses to unmet need; transparency and accountability; quality services; and Indigenous access, you will note that these are items are on the agenda for detailed discussion at our Community and Disability Services Ministers Conference (CDSMC) next month. We would, however, like to make the following comments in advance of that meeting.

COMMONWEALTH AND STATE AND TERRITORY PRIORITY AREAS

To work effectively within the budget processes and maximise the collective capacity of governments to respond to demand for specialist disability services, State and Territory governments propose that a new CSTDA Multilateral agreement include an annual review mechanism. This would provide for matching of any future budget increases across the term of the fourth CSTDA by the States and Territories, and would provide an incentive for continued investment.

As you are aware, several jurisdictions have already publicly committed additional future funds to improve outcomes for people with a disability in advance of negotiating the new Agreement. We believe this early advice reflects effective forward planning and the willingness of our Governments to respond to the growing need for specialist disability services. It is therefore essential that these funds are recognised as part the new matching arrangements for both the Multilateral and Bilateral Agreements. This would be consistent with the approach taken in the negotiation of other intergovernmental agreements.

While your offer of in-kind support for the enhancement of quality systems is welcomed, the development and operation of such systems requires significant resources. In an environment of limited funding this will mean the diversion of resources from service provision to administration, particularly in the establishment phase. We would therefore propose joint financial support for the period of transition

The State and Territory position is to build on existing effort through the establishment of National Disability Services Standards under the new Multilateral Agreement. This would allow for increased national consistency without duplicating effort. Jurisdictions would commit to any necessary modifications to their current approaches through their Bilateral Agreement. That Agreement would contain sufficient specificity to give the Australian Government confidence about the form and timing of changes to quality assurance systems to meet the nationally agreed requirements.

It is our view that the application of a national approach to quality would need to be sufficiently flexible to accommodate differing circumstances in each jurisdiction and also take account of those quality systems already in place. For example, most State and Territory disability departments also have responsibility for other programs and have developed portfolio-wide quality systems to meet their local needs.

With regard to demonstrated service quality, States and Territories affirm their commitment to the provision of mechanisms to monitor the quality of disability services.

Quality Services

Work currently being undertaken by the Australian Institute of Health and Welfare is contributing to the establishment of an outcomes-based performance reporting framework for CSTDA 4 by the Disability Policy and Research Working Group (DPRWG). This includes the development of key performance indicators to be specified in the new Agreement. We understand that this work is substantially complete and will be considered at the July Ministers' Conference.

Accountability requirements should apply to all effort under the CSTDA including that of the Departments of Families, Community Services and Indigenous Affairs and Employment and Workplace Relations. The form of monitoring and reporting should also, however, be appropriate to levels of expenditure, focus on outputs and outcomes and not be onerous for service providers.

State and Territory Ministers are supportive of improved accountability and transparency by all parties as a means of demonstrating the effectiveness and efficiency of disability service provision.

Transparency and Accountability

Given the work to date, it is envisaged that the first two stages could be completed in 2007-08 and the third over the first two years of the new Agreement. As Ministers would ask for regular briefings on its progress and request that a review mechanism be built into the next CSTDA to accommodate any findings.

28 June 2007

Yours sincerely

and carers.
 significant improvements will be delivered to people with disabilities, their families
 and Territories to provide additional funding over the life of the fourth CSTDA.
 We believe that with the Australian Government matching the commitment of States
 additional investment would be provided.
 CSTDA. Subject to agreement being reached, jurisdictional plans in support of the
 particularly for older Australians, will enable all parties to commit to a strengthened
 approaches outlined above, together with your announced package of improvements –
 Thank you for your consideration of this proposal. We are confident that the

We understand that officials are drafting a National Framework for the new
 Multilateral Agreement which will incorporate both the Australian and State and
 Territory priority areas within an outcomes hierarchy. There will therefore be an
 opportunity to discuss each of these at the CDSMC meeting.

The States and Territories are also of the view that a fourth CSTDA must include an
 equal commitment to the additional national priority areas we have identified as
 critical to a sustainable service system. These include: support for families in need,
 including those living in rural, regional and remote areas of Australia; a greater focus
 on early intervention; improved interfaces with other service systems; and workforce
 capacity building.

In summary, we can advise that we offer in-principle support for each of the four
 priority areas you have nominated, subject to their implementation being cognisant of
 broader work occurring in States and Territories.

To assist in addressing the disparity in health and well-being outcomes experienced
 by Indigenous people, all State and Territory Ministers affirm their commitment to
 improve access for Indigenous people to CSTDA services, both through Indigenous-
 specific services and by making mainstream services more accessible. It is
 appropriate that this commitment be reflected in the Multilateral Agreement and its
 performance measures.

Indigenous Access

We also understand that departmental officials have been discussing the possibility of
 a Consumer Satisfaction Survey to contribute to the outcomes focus proposed for
 CSTDA 4. While this proposal needs further development we are certainly in
 agreement to its consideration as a possible mechanism for measuring service quality.

to a nationally consistent system. One potential model we ask you to consider is that
 introduced in the new Home and Community Care Agreement whereby the Australian
 Government has established a \$30 million 'bonus pool' to support State and Territory
 implementation of national arrangements.

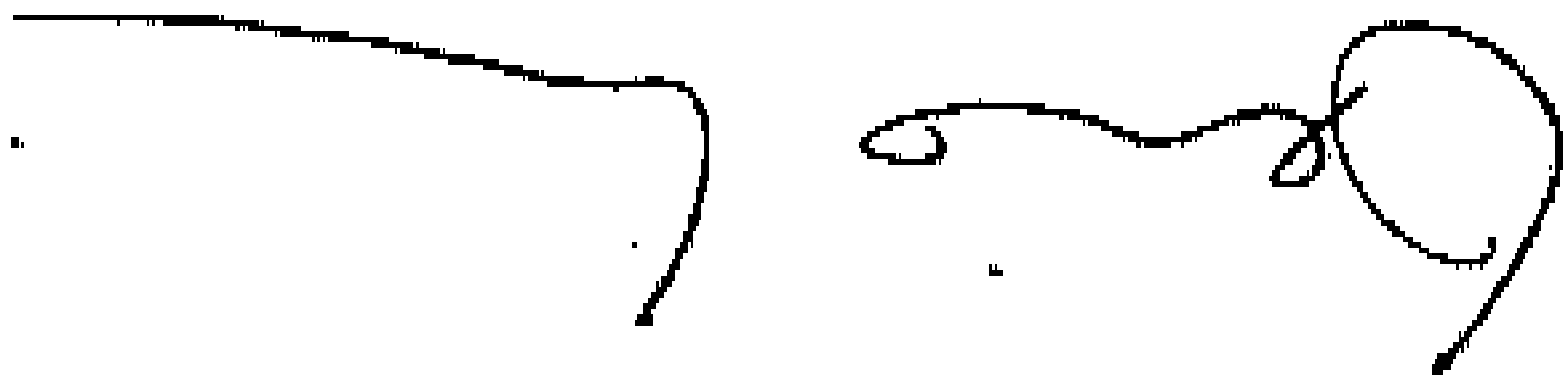
Katy Gallagher MLA
Deputy Chief Minister
Minister for Health
Minister for Children and Young People
Minister for Disability and Community
Services
Minister for Women
Australian Capital Territory



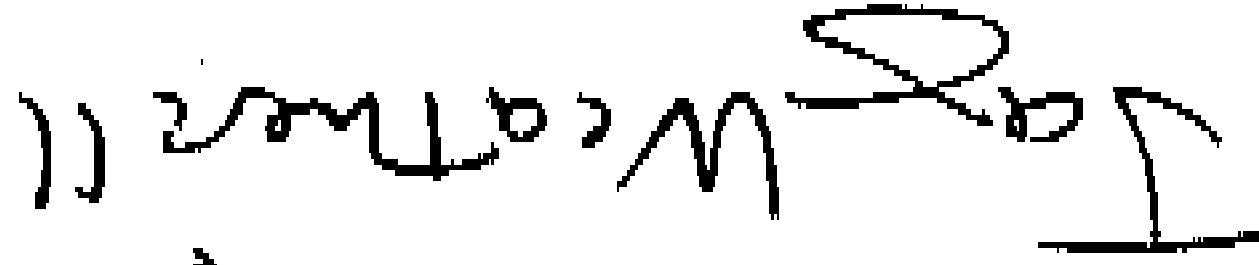
The Hon Warren Pitt MP
Minister for Communities
Minister for Disability Services
Minister for Aboriginal and Torres Strait
Islander Partnerships
Minister for Seniors and Youth
Queensland



The Hon Della Lawrie MLA
Minister for Families & Community Services
Northern Territory



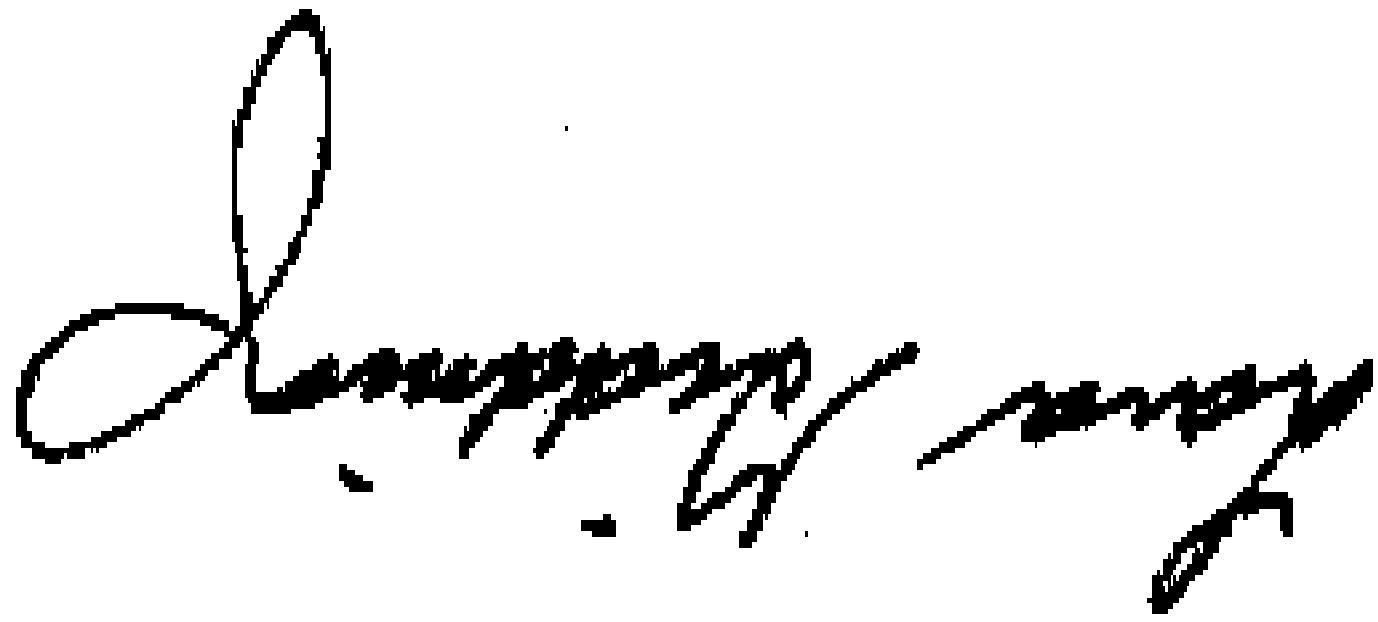
The Hon Jay Weatherill MLC
Minister for Families and Communities
Minister for Aboriginal Affairs &
Reconciliation
Minister for Housing
Minister for Ageing
Minister for Disability
South Australia



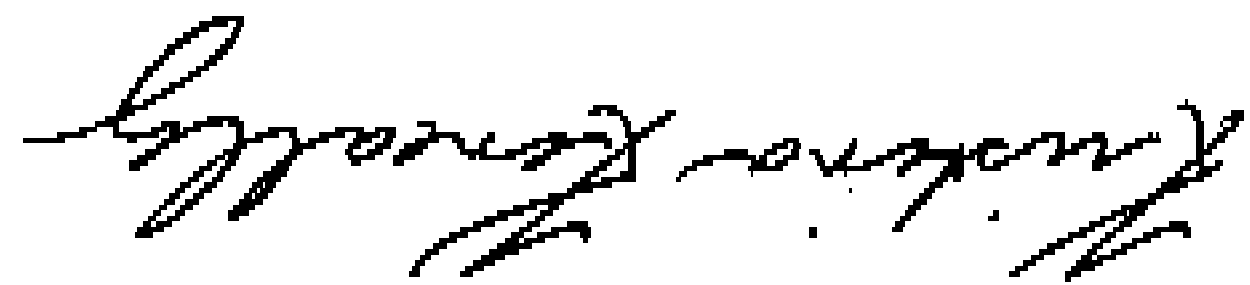
The Hon Sheila McHale MLA
Minister for Disability Services
Minister for Tourism
Minister for Culture and the Arts
Minister for Consumer Protection
Western Australia



The Hon Lara Giddings
Minister for Health
Minister for Human Services
Tasmania



The Hon Kristina Kenally MP
Minister for Ageing
Minister for Disability Services
New South Wales



The Hon Gavin Jennings MLC
Minister for Community Services
Minister for Aboriginal Affairs
Victoria

