TERRITORY HEALTH AND EDUCATION FUNDING UNDER THREAT

18 May 2014

Talks between First Ministers in Sydney have wrapped-up with calls for an urgent meeting with the Prime Minister to address grave concerns over immediate and long term funding cuts for the States and Territories.

“First Ministers have united today to reject these funding cuts which amount to $80 billion to health and education nationwide. As a jurisdiction, the Northern Territory simply cannot afford to absorb the kinds of cuts the Commonwealth is planning,” Chief Minister Adam Giles said.

“The implications for the Territory’s long term fiscal position are serious and must be addressed by the Prime Minister at an urgent Council of Australian Governments meeting.

“The Territory stands to lose $652.2 million in health funding and $312.3 million in education funding over the next decade, throughout the forward estimates and outer years modelling.

“This health funding shortfall alone is equivalent to 60 hospital beds or a Palmerston Hospital.

“Contrary to comments made by the Prime Minister today, the pain from these front line service cuts will start being felt by the States and Territories from July 1, 2014.

“Let’s look at two examples. In 43 days time, the Territory stands to lose $1.4 million in Federal funding for pensioner concessions and health funding will be cut by $33.8 million or the equivalent of a minimum of ten hospital beds.

“These funding decisions will have a real and immediate impact on the front line services offered to Territorians. When the Country Liberals started fixing Labor’s $5.5 billion worth of debt we didn’t cut front line services.

“The Northern Territory has worked hard to repair its budget. Territorians have already done their heavy lifting. If Canberra wants to fix its budget, it also needs to look for internal efficiencies, instead of shifting its problems to the States and Territories.

“You only need to look at staffing levels in the Federal Health Department to see my point. The Commonwealth health bureaucracy has 5251 staff which is almost the same number of employees as the Territory Health Department which has 5986. The difference is that we run 63 hospitals and clinics with that workforce, the Commonwealth runs just one in Tasmania.

“The Commonwealth’s unilateral termination of a range of inter-governmental funding agreements, which we signed in good faith, is also unacceptable. It will have a significant impact on Territorians, especially Indigenous Territorians for whom many programs are funded in this way.

“I look forward to State and Territory leaders having an opportunity to raise these serious financial concerns with the Prime Minister at a COAG meeting in the coming weeks.”

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