

COUNCIL OF AUSTRALIAN GOVERNMENTS' MEETING

CANBERRA

13 APRIL 2007

COMMUNIQUE

The Council of Australian Governments (COAG) held its 19th meeting today in Canberra. The Council, comprising the Prime Minister, Premiers, the Chief Ministers of the Australian Capital Territory and the Northern Territory and the President of the Australian Local Government Association, had detailed discussions on significant areas of national interest.

COAG considered a broad range of issues including: the National Reform Agenda; Climate Change; Infrastructure Reports; Health, Human Influenza Pandemic Prevention and Preparedness; Skills; Indigenous Issues; the Lockhart Review; Counter-terrorism Issues; Double Jeopardy Law Reform; Inter-Jurisdictional Exchange of Criminal History Information for People working with Children; Local Government Funding and Review of the Food Regulation Agreement and World Heritage Ministerial Councils. In addition to this communique, supplementary information, the intergovernmental agreements signed by the Heads of Government and related reports will be available on the COAG website – www.coag.gov.au.

1. COAG National Reform Agenda

COAG's decisions today demonstrate concrete progress in advancing the long-term National Reform Agenda to help underpin Australia's future prosperity.

Competition

COAG agreed a series of competition reforms to enhance productivity and the efficient functioning of markets. On energy, COAG has agreed to establish a National Energy Market Operator for both electricity and gas, encompassing a new national transmission planning function. COAG confirmed that the new arrangements would not bind transmission companies to specific investment decisions; that accountability for jurisdictional transmission investment, operation and performance will remain with transmission network service providers; and, where possible, the new regime must at a minimum be no slower than the present time taken to gain regulatory approval for transmission investment. New South Wales stressed that its agreement to the establishment of the national transmission planning function was conditional on the planner not impeding the State's significant investment in its transmission network.

COAG also endorsed a staged approach for the national mandated roll out of electricity smart meters to areas where benefits outweigh costs, as indicated by the results of the cost-benefit analysis which will be completed by the end of 2007.

These reforms will improve energy supply reliability, enable consumers to manage better their energy use and greenhouse gas emissions and help maintain Australia's relatively low energy prices.

On transport, COAG has agreed to a three-phased reform program to provide better price signals for transport freight infrastructure providers and users to enable Australia to meet more efficiently the forecast growth in the national freight task, in parallel with implementing road transport productivity enhancing reforms. COAG agreed that each jurisdiction implement its own specific responses to urban congestion, drawing on best-practice principles, and noted that AusLink will continue to consider contributions to future urban projects on AusLink corridors.

COAG has also agreed a series of timelines and milestones to meet previous COAG commitments to ensure a simpler and consistent national approach to the economic regulation of nationally-significant infrastructure, including specific measures to enhance regulatory outcomes for nationally significant ports and rail networks and the streamlining of third-party access regimes. This includes a commitment that each jurisdiction undertake public reviews of the regulation and effectiveness of competition in significant ports by the end of 2007.

Regulation Reform

Building on commitments made on 10 February 2006, COAG today agreed to the following actions to address various regulatory 'hot-spots', including:

- implementation of national rail safety legislation and a nationally-consistent rail safety regulatory framework;
- establishment of a national system of trade measurement funded and administered by the Commonwealth at an estimated cost of around \$29 million over four years;
- in-principle agreement to the establishment of a national system for registration of personal property securities by 2009, administered by the Commonwealth, subject to further consideration of financial arrangements;
- a timetable for achieving national occupational health and safety (OHS) standards and harmonising elements in principal OHS Acts, subject to there being no reduction or compromise in standards for legitimate safety concerns in current OHS standards. It was further noted that New South Wales could not agree that duty holders and the scope of their obligations are areas for prioritisation, as issues relating to these are subject to consideration of the independent review being conducted by the Hon Paul Stein QC;
- the Commonwealth Minister for the Environment and Water Resources will develop a proposal, in consultation with States and Territories, for a more harmonised and efficient system of environmental assessment and approval as soon as possible;
- ensuring best practice regulation making and review processes apply to the Building Code of Australia (BCA) and removing unnecessary state-based variations to the BCA; and
- a process for developing a model to deliver a seamless, single online registration system for Australian Business Numbers and business names, including trademark searching.

The States and Territories agreed to develop a uniform approach to product safety within 12 months.

COAG further agreed to the Productivity Commission benchmarking compliance costs of regulations in targeted areas, with the Commonwealth fully funding the benchmarking exercise.

COAG agreed to refer the following proposals to the COAG Reform Council (CRC) initially for monitoring of progress and subsequently for assessment, consistent with the process set out below:

- transport pricing reform;
- electricity smart meters;
- the new National Energy Market Operator and new transmission planning function, and related reforms;
- infrastructure regulation;
- implementation of national rail safety legislation and a nationally consistent rail safety regulatory framework;
- establishment of a national system of trade measurement administered by the Commonwealth; and
- ensuring best practice regulation making and review processes apply to the Building Code of Australia (BCA) and removing unnecessary state-based variations to the BCA.

Human Capital

COAG has today agreed to a number of significant actions in the area of human capital. These actions cover type 2 diabetes, vocational education and training, literacy and numeracy, and early childhood and child care.

All State and Territory Governments presented their detailed action plans for each of early childhood education and care, literacy and numeracy, and type 2 diabetes. The Commonwealth agreed that these areas are high priorities and committed to producing its own action plans in these areas.

In the area of diabetes, COAG has agreed to a new cost-shared package of \$200 million to address the significant growth in type 2 diabetes. Details of this package drawing on jurisdictional plans will be developed by officials for consideration by COAG out-of-session as soon as possible. COAG has also agreed to develop by mid-2008 a nationally agreed risk assessment tool, program standards and accreditation arrangements for programs and/or providers to reduce the risk of developing type 2 diabetes and for people newly diagnosed with type 2 diabetes.

To assist Indigenous adults in regional and remote areas to access further education and training opportunities, COAG has agreed to the allocation of up to \$40 million over four years on a cost-shared basis to support the take up of the Commonwealth's Work Skills Vouchers in regional and remote communities in Queensland, Western Australia, South Australia and the Northern Territory.

To improve literacy and numeracy outcomes, COAG has agreed to develop a core set of nationally-consistent teacher standards for literacy and numeracy by the end of 2007, accredit university teacher education courses and register or accredit teachers to meet these national standards by 2009, implement on entry to school diagnostic assessment systems for children in their first year of school by 2010 and develop a core set of nationally agreed skills, knowledge and attributes for school principals by the end of 2007.

In relation to early childhood and child care, COAG also agreed today to develop by 2008 an intergovernmental agreement on a national approach to quality assurance and regulations for early childhood education and care. This agreement aims to improve standards in early childhood services, remove overlaps and duplication between State and Commonwealth regulations and reduce red tape for service providers.

Officials will also consider the plans prepared by jurisdictions on literacy and numeracy, diabetes and early childhood and childcare and develop COAG plans in these areas. The proposals from jurisdictions should contribute to major new developments and not be “business as usual”.

Implementing the National Reform Agenda

COAG today agreed the institutional arrangements that will support implementation of the National Reform Agenda.

COAG noted that the CRC has been established and comprises Mr Paul McClintock as chairman, Dr Geoff Gallop as deputy chairman, and as members Dr Doug McTaggart, Mr John Langoulant, Mr Peter Corish and, as agreed today, Ms Helen Silver.

COAG agreed that the CRC’s role will be to monitor progress in implementing NRA reforms and to assess the costs and benefits of reforms referred to it unanimously by COAG. COAG agreed that the National Competition Council will continue to undertake functions under Part IIIA of the *Trade Practices Act 1974* in relation to third-party access to infrastructure.

COAG confirmed that once consolidated, new, national reform initiatives are agreed by COAG, COAG will consider referring them to the CRC. COAG would determine what represented a new reform initiative. The CRC will monitor the implementation of those reforms referred to it by COAG and provide COAG with annual reports on progress. As reforms are implemented and economic, fiscal and other benefits are being realised, the CRC will provide COAG with a broad ex-post assessment of the costs and benefits of individual reform packages, giving consideration to the differences between jurisdictions.

Following receipt of the CRC’s assessment of a specific reform, the Commonwealth, State and Territory Governments will consider if any ‘fair-sharing’ payments are required by any government, given the relative costs and benefits of the reforms.

The Commonwealth confirmed its commitment to provide funding to the States and Territories on a case-by-case basis, if funding is needed to ensure a fair sharing of the costs and benefits of reform. Any Commonwealth funding:

- could take the form of either:-
 - Commonwealth or shared funding towards specific new initiatives undertaken by the Commonwealth, States and Territories, at the time COAG agrees a reform proposal, or
 - "fair sharing" outcome payments linked to achieving tangible results down the track;
- would not include generic up-front payments;
- would be in addition to other Commonwealth funding; and

- would be decided on by the Commonwealth.

2. Climate Change

Adaptation and Technology

COAG endorsed a National Adaptation Framework as the basis for jurisdictional actions on adaptation over the next five to seven years. The framework includes possible actions to assist the most vulnerable sectors and regions, such as agriculture, biodiversity, fisheries, forestry, settlements and infrastructure, coastal, water resources, tourism and health to adapt to the impacts of climate change.

COAG welcomed the Commonwealth's commitment of up to \$26 million to establish and manage the Australian Centre for Climate Change Adaptation and \$100 million program funding for the Centre over five years. The work will assist particularly affected sectors and regions, planning bodies, farmers, businesses and local government to understand better the impacts of climate change and to develop responses.

The adaptation centre will be managed by the Commonwealth but will work closely with the States and related bodies to ensure a coordinated national approach as envisaged by the National Adaptation Framework.

COAG also welcomed the Commonwealth's separate announcement of a new CSIRO Adaptation Flagship with funding of \$44 million. The Flagship will provide more accurate information on localised climate changes.

The new Australian Centre for Climate Change Adaptation will commission scientific work, including from the new Adaptation Flagship, to develop tangible responses to climate change. Examples of the types of activities that could be funded include:

- a. identification of how to protect coastal infrastructure from likely changes in storm surge using well designed sea walls and flood barriers;
- b. work towards the design of a heat wave warning system and proposing ways to modify facilities to cater for those most at risk (the elderly);
- c. helping to plan for expanding the use of feedlots by farmers to reduce the exposure of their valuable stock to variation in pasture availability and heat stress; and
- d. identifying areas in national parks that will provide the best areas for recolonisation of plants and animals that have been displaced by climatic changes from their natural locations.

COAG has also agreed that four technology road maps will be developed with funding provided by the Commonwealth, New South Wales, Victorian and Queensland Governments. The roadmaps will cover the following technologies: hydrogen (Commonwealth, \$405,000); geothermal (Commonwealth, \$205,000); solar thermal (New South Wales, \$50,000 and Victoria, \$50,000); and coal gasification (Victoria, \$50,000 and Queensland, \$50,000).

Greenhouse Gas Emissions and Energy Reporting

COAG has agreed to establish a mandatory national greenhouse gas emissions and energy reporting system, with the detailed design to be settled after the Prime Minister's Task Group on Emissions Trading reports at the end of May.

3. Five-Yearly Infrastructure Reports to COAG

In June 2005 COAG members agreed to prepare five-yearly infrastructure reports to provide an overview of existing infrastructure and a forward looking assessment of infrastructure demand and future needs. COAG released today each jurisdiction's report, as well as a national overview. Importantly, the reports demonstrate that current and planned investments by governments and the private sector have increased markedly in recent years and that governments are working constructively through COAG to develop national policy, planning and regulatory frameworks to meet Australia's future infrastructure challenges.

4. Health

Health Workforce

COAG is pleased to announce that it has today agreed on the arrangements for a new national system for the registration of health professionals and the accreditation of their training and education programs for implementation by July 2008.

The new scheme will deliver many benefits to the Australian community including health consumers. National standards in each profession will mean stronger safety guarantees for the community. Patients will know that wherever the health professional is from, they are registered against the same, high-quality national professional standards.

COAG agreed that the new scheme should support workforce responsiveness, flexibility, sustainability and innovation. National registration will also mean that doctors, nurses and other health professionals will be able to practise across State and Territory borders without having to re-register. This will improve workforce mobility, allowing health practitioners to move easily to a new State or to serve in times of emergency or provide locum services.

The new system will initially cover nine health professions: medical practitioners, nurses and midwives, pharmacists, physiotherapists, psychologists, osteopaths, chiropractors, optometrists and dentists (including dental hygienists, dental prosthetists and dental therapists).

Key features of the new arrangements include a continuing role for Health Ministers, a single, consolidated scheme and a new national professional board for each of the nine professions. Each profession will develop standards for its profession for approval by Health Ministers. Individual registration and accreditation decisions will remain the responsibility of the professions. Community representatives will play a key role in the new scheme. Health Ministers will be assisted by an independent Advisory Council which will provide transparent policy advice to Ministers. COAG agreed to consider further the membership of the Advisory Council.

National Health Security Legislation

COAG endorsed the approach to health surveillance and laboratory regulation recommended by the Australian Health Ministers' Conference for inclusion in National Health Security Legislation. COAG further agreed that Senior Officials should consider the need for an additional element of the legislation to respond to health emergencies or mass casualty situations and report back to it at its next meeting.

5. Human Influenza Pandemic Prevention and Preparedness

COAG agreed to a series of national desktop exercises commencing in 2007-08 to test further national preparedness to respond to an influenza pandemic.

6. Skills

Skills Recognition

COAG noted that new arrangements for mutual recognition of occupational licences had come into effect on 22 February 2007 for 22 occupations within the six priority trades, four months ahead of schedule. COAG agreed to a new protocol for new and major revisions to occupational registration and to further work on arrangements for on-shore skills assessment processes for people with overseas qualifications. COAG noted that the new mutual recognition arrangements will be extended to the remaining vocationally trained licensed occupations by December 2008. COAG also noted that a new offshore skills assessment service providing a single assessment for both visa and licensing purposes for skilled migrants is to commence from 1 July 2007 for key trades in the major source countries.

7. Indigenous Issues

Indigenous Generational Reform

COAG reaffirmed its commitment to closing the outcomes gap between Indigenous people and other Australians over a generation and resolved that the initial priority for joint action should be on ensuring that young Indigenous children get a good start in life.

COAG requested that the Indigenous Generational Reform Working Group prepare a detailed set of specific, practical proposals for the first stage of cumulative generational reform for consideration by COAG as soon as practicable in December 2007. National initiatives will be supported by additional bi-lateral and jurisdiction specific initiatives as required to improve the life outcomes of young Indigenous Australians and their families.

COAG also agreed that urgent action was required to address data gaps to enable reliable evaluation of progress and transparent national and jurisdictional reporting on outcomes. COAG also agreed to establish a jointly-funded clearing house for reliable evidence and information about best practice and success factors.

COAG requested that arrangements be made as soon as possible for consultation with jurisdictional Indigenous advisory bodies and relevant Indigenous peak organisations.

Reports to COAG on Indigenous Issues – Progress Report on the Outcomes from the Summit on Violence and Child Abuse in Indigenous Communities

COAG noted progress on actions arising from COAG's July 2006 agreement on tackling violence and child abuse in Indigenous communities and requested that a further progress report be provided to it by December 2007. Achievements include the launch of a National Indigenous Violence and Child Abuse Intelligence Taskforce, establishment of a Joint Strike Team in the Northern Territory, and the accelerated roll-out of the Indigenous Child Health Check. COAG noted amendments to the Commonwealth Crimes Act regarding customary law and bail determinations, and the recent establishment of a National Student Attendance Unit.

8. Lockhart Review

The Commonwealth, States and the Australian Capital Territory have today signed a notice of variation to the intergovernmental agreement to renew their commitment to nationally-consistent arrangements for the prohibition of human cloning for reproduction and the regulation of human embryo research. This commitment follows amendments enacted by the *Prohibition of Human Cloning for Reproduction and the Regulation of Human Embryo Research Amendment Act 2006 (Cth)* to the *Prohibition of Human Cloning Act 2002 (Cth)* and the *Research Involving Human Embryos Act 2002 (Cth)*. These changes give effect to the majority of the recommendations of the Lockhart Review report released in December 2005. The States and the Australian Capital Territory have undertaken to use their best endeavours to introduce corresponding legislation into their legislatures by 12 June 2008 and for all parties to maintain nationally-consistent arrangements over time.

9. Counter-terrorism

Chemical, Biological, Radiological and Nuclear Security (CBRN)

COAG has agreed to a National CBRN Security Strategy, to provide a framework to strengthen and enhance Australia's existing national counter-terrorism arrangements for Chemical, Biological, Radiological and Nuclear security. In addressing the threat of biological and radiological materials being used for the purpose of terrorism, COAG also agreed to the establishment of a national regulatory scheme for biological agents of security concern as well as arrangements to regulate the secure storage, possession, use and transport of certain radiological materials to minimise the risk that such material can be misused by terrorists.

The Regulation of the Private Security Industry

COAG considered a proposal for a nationally-consistent approach to the regulation of the private security industry that focuses on improving the probity, skills and mobility of industry personnel across jurisdictions. However, COAG was unable to agree on a nationally-consistent approach at this time.

The National Identity Security Strategy

Leaders signed an intergovernmental agreement that underpins the National Identity Security Strategy and provides a framework for intergovernmental cooperation to strengthen Australia's personal identification processes.

COAG further noted the progress made to date in giving effect to the six elements of the Strategy and acknowledged the value of this work in providing guidance to government.

10. Double Jeopardy Law Reform

COAG agreed that jurisdictions will implement the recommendations of the Double Jeopardy Law Reform COAG Working Group on double jeopardy law reform, prosecution appeals against acquittals, and prosecution appeals against sentence, noting that the scope of reforms will vary amongst jurisdictions reflecting differences in the particular structure of each jurisdiction's criminal law. Victoria and the Australian Capital Territory reserved their positions in relation to the recommendations.

11. Inter-Jurisdictional Exchange of Criminal History Information for People working with Children

COAG agreed in-principle to a framework to improve access to a consistent and expanded range of inter-jurisdictional criminal history information by child related employment screening schemes to improve the safety and protection of children. Further work is to be done to develop an implementation plan (due to be considered by COAG in February 2008), identifying potential costs, financial arrangements, key stages and transitional arrangements to implement the framework across Australia.

12. Local Government Funding

COAG discussed a paper prepared by the Australian Local Government Association, in consultation with Commonwealth and State officials, on local government funding arrangements. COAG noted work currently being undertaken by the Local Government and Planning Ministers' Council on local government financial sustainability, and the recently commissioned Productivity Commission review of local government's own source revenue raising capacity. COAG agreed that the Ministerial Council discuss broader local government funding issues, noting it is not a forum for deciding funding to local government. COAG also agreed to discuss the issue further following the outcome of the Productivity Commission's study.

13. Review of the Food Regulation Agreement

Good progress has been made in developing a national approach to food regulation. COAG agreed that the Australia and New Zealand Food Regulation Ministerial Council should commence work on re-drafting the Food Regulation Agreement following the outcome of a review of the Agreement conducted under the auspices of the Council in 2006. The Council will report to COAG by December 2007.

14. World Heritage Ministerial Councils

COAG noted the Environment Protection and Heritage Council's capacity to develop policies and strategies for national approaches to the protection of World Heritage places that are part of Australia's heritage. It has therefore decided to subsume the functions of nine property-specific or jurisdiction-specific World Heritage Ministerial Councils into the Environment Protection and Heritage Council which will become the body that manages World Heritage issues at the national level.