

# COUNCIL OF AUSTRALIAN GOVERNMENTS' MEETING

25 JUNE 2004

## CANBERRA

The Council of Australian Governments (COAG) held its 14th meeting today in Canberra. The Council, comprising the Prime Minister, Premiers and Chief Ministers and the President of the Australian Local Government Association, had detailed discussions on significant areas of national interest.

This *Communique* sets out the agreed outcomes of the discussions.

### NATIONAL WATER INITIATIVE

COAG noted the continuing national imperative of increasing the productivity and efficiency of Australia's water use and to ensure the health of river and groundwater systems. This will require arrangements that provide greater certainty for investors in the water industry and for the environment, and which will allow Australia's water management regimes to adapt to future changes in water availability responsively and fairly in both rural and urban areas.

COAG agreed to a National Water Initiative (NWI) covering a range of areas in which greater compatibility and the adoption of best-practice approaches to water management nationally will bring substantial benefits. In particular, the NWI will result in:

- expansion of permanent trade in water bringing about more profitable use of water and more cost effective and flexible recovery of water to achieve environmental outcomes;
- more confidence for those investing in the water industry due to more secure water access entitlements, better and more compatible registry arrangements, better monitoring, reporting and accounting of water use, and improved public access to information;
- more sophisticated, transparent and comprehensive water planning that deals with key issues such as the major interception of water, the interaction between surface and groundwater systems, and the provision of water to meet specific environmental outcomes;
- a commitment to addressing overallocated systems as quickly as possible, in consultation with affected stakeholders, addressing significant adjustment issues where appropriate; and
- better and more efficient management of water in urban environments, for example through the increased use of recycled water and stormwater.

Key elements of the NWI include:

- water access entitlements to generally be defined as open-ended or perpetual access to a share of the water resource that is available for consumption as specified in a water plan (recognising that there are some cases where other forms of entitlement are more appropriate);
- improved specification of the environmental outcomes to be achieved for particular water systems, improved accountability arrangements for environmental managers and statutory recognition for water that is provided to ensure environmental outcomes are met;
- overallocated water systems to be returned to sustainable levels of use in order to meet environmental outcomes, with substantial progress by 2010;
- a framework that assigns the risk of future reductions in water availability as follows:-

- reductions arising from natural events such as climate change, drought or bushfire to be borne by water users,
- reductions arising from bona fide improvements in knowledge about water systems' capacity to sustain particular extraction levels to be borne by water users up to 2014. After 2014, water users to bear this risk for the first three per cent reduction in water allocation, State/Territory and the Australian Government would share (one-third and two-third shares respectively) the risk of reductions of between three per cent and six per cent; State/Territory and the Australian Government would share equally the risk of reductions above six per cent,
- reductions arising from changes in government policy not previously provided for would be borne by governments, and
- where there is voluntary agreement between relevant State or Territory Governments and key stakeholders, a different risk assignment model to the above may be implemented;
- more efficient administrative arrangements to facilitate water trade in connected systems;
- removal of institutional barriers to trade in water, including a phased removal of barriers to permanent trade out of water irrigation areas in the southern Murray-Darling Basin;
- regional assessments of the level of water intercepted by land use change activities and requiring new activities expected to intercept significant volumes of water to hold a water access entitlement if the catchment is at, or close to, its sustainable level of water allocation;
- continued implementation of full-cost recovery pricing for water in both urban and rural sectors;
- national standards for water accounting, reporting and metering; and
- actions to better manage the demand for water in urban areas, including a review of temporary water restrictions, minimum water efficiency standards and mandatory labelling of household appliances, and national guidelines for water sensitive urban design.

The Australian Government will discuss with signatories to the NWI Agreement the provision of assistance to affected regions on a case-by-case basis (including set up costs), and may also initiate on its own behalf projects which assist with implementation of the NWI.

COAG also agreed to establish a National Water Commission (NWC). The NWC will report to COAG. It will assess progress in implementing the NWI and advise on actions required to better realise the objectives of the Agreement. The Commission will be funded by the Australian Government, and be made up of seven members with relevant expertise, of whom four (including the Chair) will be appointed by the Commonwealth and three by the State/Territory Governments. The Commonwealth will consult State and Territory Governments on the appointment of the Chair. The Commission will also undertake the 2005 assessment of progress with implementing water reform commitments under the National Competition Policy.

Implementation of the NWI will be overseen by the Natural Resource Management Ministerial Council in line with detailed implementation plans to be developed by each State and Territory over the next 12 months. Further details of the NWI are at Attachment A.

Western Australia declined to sign the NWI Agreement because there was no real benefit for Western Australia. Tasmania is not able to sign the NWI Agreement at this stage, but will continue to seek productive discussions with the Australian Government on opportunities for cooperation on water reform.

In relation to the Murray-Darling Basin (MDB), COAG noted that the MDB Water Agreement signed by the Prime Minister, the Premiers of New South Wales, Victoria and South Australia and the Chief Minister of the Australian Capital Territory, sets out the arrangements for investing

\$500 million over five years commencing in 2004-05, to reduce the level of water overallocation and to achieve specific environmental outcomes in the MDB.

The first priority for this investment will be water recovery for six significant ecological assets identified by the MDB Ministerial Council in November 2003: the Barmah-Millewa Forest, Gunbower and Koondrook-Perricoota Forests, Hattah Lakes, Chowilla floodplain (including Lindsay-Wallpolla), the Murray Mouth, Coorong and Lower Lakes, and the River Murray Channel. Water recovery measures to be funded under the MDB Water Agreement include investment in water infrastructure and behavioural change and purchase of water on the market, with recovered water to be set aside for environmental purposes.

Copies of both the NWI Agreement and the MDB Water Agreement as signed by First Ministers can be found at [www.coag.gov.au](http://www.coag.gov.au).

## **INDIGENOUS AFFAIRS**

COAG reaffirmed its continuing commitment to advance reconciliation and address the social and economic disadvantages experienced by many indigenous Australians.

### **Government Service Delivery**

COAG today committed at all levels of government to cooperative approaches on policy and service delivery between agencies and to maintaining and strengthening government effort to address indigenous disadvantage.

To underpin government effort to improve cooperation in addressing this disadvantage, COAG agreed to a National Framework of Principles for Government Service Delivery to Indigenous Australians (Attachment B). The principles address sharing responsibility, harnessing the mainstream, streamlining service delivery, establishing transparency and accountability, developing a learning framework and focussing on priority areas. They committed to indigenous participation at all levels and a willingness to engage with representatives, adopting flexible approaches and providing adequate resources to support capacity at the local and regional levels.

These principles will provide a common framework between governments that promotes maximum flexibility to ensure tailored responses and help to build stronger partnerships with indigenous communities. They also provide a framework to guide bi-lateral discussions between the Commonwealth and each State and Territory Government on the Commonwealth's new arrangements for indigenous affairs and on the best means of engaging with indigenous people at the local and regional levels. Governments will consult with Aboriginal and Torres Strait Islander people in their efforts to achieve this.

### **COAG Trials**

The principles also build on the promising early progress of the whole-of-government Trials of new ways of working with indigenous communities COAG commenced in partnership with local indigenous communities in eight sites across Australia following its April 2002 meeting. The Council reaffirmed its strong commitment to supporting the Trials and to supporting participating communities. It will continue to work through the processes agreed at each site and to improve cooperation between all levels of government. It will support adequately and resource community participation in the Trials and pursue innovation and flexibility in government policy, programmes and service delivery to be able to respond to community-identified issues and directions. The Trials

provide an important opportunity to identify what works, what does not work and to make those lessons available more broadly.

## **Family Violence and Child Protection**

The extent of family violence and child abuse among indigenous families continues to be a matter of grave concern for both governments and indigenous communities.

All governments agree that preventing family violence and child abuse in indigenous families is a priority for action that requires a national effort. Jurisdictions will work cooperatively to improve how they engage with each other and work in partnership with indigenous communities to tackle this issue under a new National Framework on Indigenous Family Violence and Child Protection (Attachment C). Bi-lateral arrangements to underpin this important work will be settled with all jurisdictions in coming months. The Commonwealth and Northern Territory Governments have already agreed to implement two new measures – community patrols and anti-violence education for indigenous young people – as part of their bi-lateral partnership commitment.

Negotiations between the Commonwealth and Victorian Government to trial family healing centres and men's time-out facilities, and between the Commonwealth and Queensland Government to test a "safe haven" approach to preventing indigenous family violence, are well advanced. Negotiations will continue with all jurisdictions.

## **Reconciliation Framework**

COAG also agreed that Senior Officials would report to it annually on progress in promoting reconciliation against the framework for reconciliation that it adopted at its November 2000 meeting. The framework identifies three priorities for governments' action: investment in community leadership initiatives; reviewing and re-engineering government programmes and services to ensure they deliver practical support to indigenous Australians; and the forging of closer links between the business sector and indigenous communities to help promote economic independence. A report on progress was received at this meeting.

## **COUNTER-TERRORISM**

COAG had constructive discussions on a number of significant counter-terrorism issues.

### **Review of Hazardous Materials – Ammonium Nitrate**

COAG agreed on a national approach to ban access to ammonium nitrate for other than specifically authorised users. The agreement will result in the establishment in each jurisdiction of a licensing regime for the use, manufacture, storage, transport, supply, import and export of ammonium nitrate. The licensing regime will ensure that ammonium nitrate is only accessible to persons who have a demonstrated legitimate need for the product, are not of security concern and will store and handle the product safely and securely. This arrangement will balance security considerations with the legitimate needs of industry and farmers. A national set of principles for regulating ammonium nitrate can be found at Attachment D.

COAG agreed that the States and Territories would use their best endeavours to ensure the legislative arrangements for the licensing regime would be in place by 1 November 2004, with administrative arrangements to be finalised as soon as possible thereafter. COAG also noted that the Australian Government would continue to undertake investigations on the viability of

completely banning ammonium nitrate fertilizers of security concern as a matter of priority, taking into account whether effective, non-detonable, alternatives can be developed, and provide information on any alternatives to the States and Territories.

### **Critical Infrastructure Protection**

COAG endorsed the 23 recommendations of the National Counter-Terrorism Committee on protecting national critical infrastructure. The recommendations include undertaking specific threat assessments for infrastructure identified as vital to the nation and encouraging businesses to have up-to-date security and business continuity plans in place. COAG also agreed that industry should be consulted as soon as possible on draft National Guidelines for Protecting Critical Infrastructure from Terrorism before their final endorsement by Heads of Government.

### **Intergovernmental Agreement on Counter-Terrorism Laws**

Leaders signed the Intergovernmental Agreement on Counter-Terrorism Laws, which is the final step in implementing the April 2002 Leaders' Summit agreement on constitutional references to support terrorism offences of national application. The Intergovernmental Agreement provides for consultation between the Commonwealth and State and Territory Governments on amendments to federal terrorism offences and on the proscription of terrorist organisations. A copy of the Agreement can be found at [www.cog.gov.au](http://www.cog.gov.au).

### **Proposed Intergovernmental Agreement on Land Transport Security**

Substantial measures are now in place in relation to aviation and maritime security. Following the Madrid terrorist attacks in March 2004, all Australian governments have agreed to strengthen security policy and planning for land transport through an Intergovernmental Agreement. The Intergovernmental Agreement is to be finalised by 30 November 2004.

### **Money Laundering**

Leaders considered progress on their earlier resolution to reform money laundering laws to create effective offences, including a reference of powers to the Australian Government if necessary. COAG agreed to further consider the issue and will seek to reach agreement out-of-session on arrangements for comprehensive money laundering offences to ensure there are no gaps in governments' powers to prosecute money launderers.

## **REVIEW OF MINISTERIAL COUNCILS**

COAG agreed to a number of changes to the *Broad Protocols* and *General Principles for the Operation of Ministerial Councils* (Attachments E and F) which will increase the efficiency of the operation of Ministerial Councils. This will result in:

- Ministerial Council agendas having a greater focus on strategic issues;
- improved reporting and information flows by Ministerial Councils on key issues and outcomes; and
- regular reviews by Ministerial Councils of their own functions.

There are also changes to the *COAG Principles and Guidelines for National Standard Setting and Regulatory Action by Ministerial Councils and Standard-Setting Bodies*. These changes will further enhance the application of the principles of good regulatory practice to decisions of COAG,

Ministerial Councils, intergovernmental standard-setting bodies, and bodies established by government to deal with national regulatory problems. The amended principles and guidelines can be found at [www.coag.gov.au](http://www.coag.gov.au).

Implementation of these changes will ensure greater clarification for the operation of Regulatory Impact Statements (RIS) in Australia and New Zealand. Clarifying the process for consulting with New Zealand on RIS is a major step to improving links between the Australian Office of Regulatory Review and its New Zealand counterpart.

It was also agreed that the Industry and Technology Ministers Council undertake, no later than September 2004, a review of its operations as contained in the *General Principles for the Operation of Ministerial Councils*, and report back to COAG.

## **HEALTH**

COAG today discussed the issue of health and reiterated the importance of moving ahead on improving health services.

COAG agreed to commission a paper on health workforce issues, including supply and demand pressures over the next 10 years. The paper will take a broad, whole-of-government perspective, including health and education considerations, and will cover the full range of health workforce professionals. In considering these issues, the paper will look at the particular health workforce needs of rural areas.

It was also agreed that the paper will address the issue of general practitioners in or near hospitals on weekends and after hours.

This paper will be considered by COAG within 12 months. Within coming weeks governments will agree and announce who will undertake this work and set out the detailed terms of reference for this paper.

## **OTHER BUSINESS – GRANDPARENTS AS FOSTER CARERS**

COAG agreed that there needs to be a better coordinated approach across jurisdictions to support grandparents who are providing full-time care to their grandchildren. It was recognised that these grandparents play a highly valued role.

It commissioned the Community and Disability Services Ministers' Conference to report back to COAG this year, providing detail on the nature and extent of the needs of the grandparents and what measures could be taken to address them.

## **NEXT MEETING**

The next meeting will be in 2005.

*Council of Australian Governments*