

COUNCIL OF AUSTRALIAN GOVERNMENTS MEETING

CANBERRA

29 November 2008

COMMUNIQUE

Preamble

The Council of Australian Governments (COAG) held its 24th meeting today in Canberra. The Prime Minister, Premiers, Chief Ministers and the President of the Australian Local Government Association, were again joined by Commonwealth, State and Territory Treasurers.

The meeting was held against the backdrop of great uncertainty concerning the global economy and continuing turbulence in financial markets. Leaders and Treasurers resolved to meet the challenges of the global financial crisis head on.

COAG agreed to press forward with reforms necessary for Australia to weather the impact of the current international economic and financial difficulties, and to meet the longer term imperative for the nation of boosting productivity and workforce participation, and improving the delivery of services to the community. Many of the reforms that Leaders and Treasurers agreed upon today are about improving health and education and training outcomes. Significant additional resources have been allocated to these areas.

As well, a new era in federal financial relations was inaugurated with major reforms to specific purpose payments arrangements in particular. The Intergovernmental Agreement (IGA) and other documents giving effect to these new arrangements are to be finalised by COAG Senior Officials no later than 12 December 2008.

Global Financial Market Conditions

COAG discussed the most recent developments affecting the global economy, in particular the continued turbulence in financial and equity markets that has seen a sharp drop in global growth in both advanced and emerging economies that is expected to be deeper and more prolonged than previously thought.

COAG acknowledged that the global financial crisis will affect the Australian economy through trade and financial linkages and its effects on confidence, and noted that official

forecasts for Australian economic growth have been revised down significantly as a result of the crisis. Leaders noted that Australia stands well placed to weather the fallout from the crisis, recognising the support from the Commonwealth's Economic Security Strategy, recent easing in monetary policy and the continued strong capital position of Australia's banks and other financial institutions.

COAG commended the coordinated international efforts to address the crisis, and urged all policy makers to continue to work cooperatively to resolve the crisis.

Federal Financial Relations

Intergovernmental Agreement on Federal Financial Relations

COAG has reaffirmed its commitment to cooperative working arrangements through an historic new IGA that provides an overarching framework for the Commonwealth's financial relations with the States and Territories (the States).

The IGA represents the most significant reform of Australia's federal financial relations in decades. It is aimed at improving the quality and effectiveness of government services by reducing Commonwealth prescriptions on service delivery by the States, providing them with increased flexibility in the way they deliver services to the Australian people. In addition, it provides a clearer specification of roles and responsibilities of each level of government and an improved focus on accountability for better outcomes and better service delivery. This is accompanied by a major rationalisation of the number of payments to the States for Specific Purpose Payments (SPPs), reducing the number of such payments from over 90 to five.

Central to these reforms is a substantial financial package that provides an additional \$7.1 billion in SPP funding to the States over five years to improve services for all Australians. Commonwealth-State financial relations will be placed on a secure footing with the creation of five new national SPPs, including total funding of:

- \$60.5 billion in a National Healthcare SPP;
- \$18 billion in a National Schools SPP;
- \$6.7 billion in a National Skills and Workforce Development SPP;
- \$5.3 billion in a National Disability Services SPP; and
- \$6.2 billion in a National Affordable Housing SPP.

Each National Agreement/SPP contains the objectives, outcomes, outputs and performance indicators, and clarifies the roles and responsibilities that will guide the Commonwealth and States in the delivery of services across the relevant sectors. The performance of all governments in achieving mutually-agreed outcomes and benchmarks specified in each SPP

will be monitored and assessed by the independent COAG Reform Council and reported publicly on an annual basis. COAG agreed that the new SPPs are central to achieving service delivery improvements and reforms.

COAG has previously agreed to a new form of payment - National Partnership (NP) payments - to fund specific projects and to facilitate and/or reward States that deliver on nationally-significant reforms. The financial arrangements will include incentive payments to reward performance, funding for which will be decided at a later date.

The first wave of NPs will begin in 2009, including:

- Hospitals and Health Workforce Reform;
- Preventative Health;
- Taking Pressure off Public Hospitals;
- Smarter Schools - Quality Teaching;
- Smarter Schools - Low Socio-economic Status (SES) School Communities;
- Smarter Schools - Literacy and Numeracy;
- Productivity Places Program;
- Early Childhood Education;
- Fee Waiver for Childcare Places;
- Indigenous Remote Service Delivery;
- Indigenous Economic Development;
- Remote Indigenous Housing;
- Indigenous Health;
- Social Housing;
- Homelessness; and
- Seamless National Economy.

This new federal financial framework is the culmination of extensive joint work by all levels of government. It will begin on 1 January 2009 and provides a solid foundation for COAG to pursue economic and social reforms to underpin growth, prosperity and social cohesion into the future.

COAG also agreed that the new National SPPs would be distributed among the States on an equal per capita basis phased in over five years (with the exception of the schools SPP which is to be distributed according to full-time student enrolments in government schools).

COAG agreed that shared investments will be matched by strong accountability. Each Agreement has robust transparency measures to achieve this. Strong, fair transparency

measures applied consistently across all sectors are a non-negotiable feature of the new Agreements.

Health and Ageing

COAG today agreed to an historic package of reform to the health and hospital system. The measures agreed will mean that the Commonwealth will provide \$64.4 billion in funding over five years for the State health systems, an increase of \$22.4 billion over the previous Australian Health Care Agreements. This includes an increase to the SPPs base of \$4.8 billion over the forward estimates and a package of reforms under the new hospitals and health workforce reform NP of \$1.7 billion, including a \$1.1 billion health workforce package.

A further package to take the pressure off public hospitals has also been agreed. The package, which totals \$750 million in 2008-09, will support emergency departments by providing funding for 1.9 million emergency department services.

In addition, the Commonwealth has committed to a more generous indexation formula which delivers 7.3 per cent per year compared to 5.3 per cent under the previous agreement.

Further details are provided at Attachment A to the communiqué.

Reform of Roles and Responsibilities for Funding and Service Delivery between Governments

COAG agreed to consider in 2009 an ambitious program of reforms to roles and responsibilities for funding and delivery of services to the community. The goals of such reforms will be to deliver more integrated and responsive services for individuals and families, to clarify accountabilities between governments and to improve performance of service systems. COAG requested officials to bring back specific proposals in relation to community mental health, disability services and aged care in the first half of 2009 as part of this program.

Productivity Agenda

High-quality schooling supported by strong community engagement is central to Australia's future prosperity and social cohesion. COAG agreed to a package of reforms to enable our school education system to pursue high-quality schooling for all Australian students. The measures agreed will mean that the Commonwealth will provide an additional \$3.5 billion over five years in school funding.

COAG today agreed to an additional \$635 million as part of the National Schools SPP to align historical Commonwealth funding rates between primary and secondary government schools. It was also agreed the government schools component of the National Schools SPP will be adjusted each year using a composite growth factor comprising growth in average school recurrent costs and growth in enrolments in government schools. This will provide an estimated additional \$412 million over the forward estimates period.

The government schools component of the National Schools SPP will be distributed among the States on the basis of full-time student enrolments in government schools.

The Agreement brings total SPP and funding for non-government schools to around \$42 billion from 2009 to 2012, compared to \$34.1 billion in the previous schools agreement (excluding Indigenous funding), an increase of more than \$7.9 billion or 23.1 per cent over 2005-2008 funding.

Schools funding in the future will be complemented by over \$2.2 billion comprising NPs for literacy and numeracy (\$540 million), improving principal leadership development and teacher quality (\$550 million), and improving educational outcomes in low SES school communities (\$1.1 billion).

Additional Commonwealth funding of \$807 million is provided for the legitimate additional costs of implementing the National Secondary Schools Computer Fund.

The Commonwealth has agreed to provide \$970 million over five years for an Early Childhood Education NP. This includes providing \$955 million to achieve universal access to early childhood education for all children in the year before school by 2013.

COAG agreed that the National Skills and Workforce Development Agreement would provide an estimated \$6.7 billion over the forward estimates from 1 January 2009 to increase the skill levels of Australians. In addition, COAG agreed to the delivery of training under the productivity places program NP.

The reforms agreed today for the productivity agenda will deliver:

- universal access to early learning programs to improve children's school readiness;
- evidence-based teaching to ensure all children attain sound literacy and numeracy skills;
- strong school leadership and high-quality principals and teachers in all our schools, particularly our most disadvantaged schools; and

- increases in Year 12 or equivalent attainment to ensure young people make a more successful transition to work or further study;
- reforms to the delivery of vocational education and training, at school, for jobseekers and to current workers to ensure our current and future skill needs are met.

Further details are available at Attachment B to the communiqué.

Affordable Housing

Today, COAG agreed to a significant package of investment for housing, a total commitment of nearly \$10 billion in the National Affordable Housing Agreement (NAHA) and its associated NPs. This includes additional funding towards:

- Homelessness - \$800 million over five years;
- Remote Indigenous Housing - \$1.94 billion over 10 years (\$834.6 million over five years); and
- Social Housing - \$400 million over two years;

These agreements commit governments to pursue reforms in social housing, homelessness and Indigenous housing. The package will provide relief for many Australians facing social housing stress or homelessness. Further details on the agreements are provided at Attachment C to the communiqué.

The Commonwealth and the States agreed to a new NAHA, commencing on 1 January 2009 and providing \$6.2 billion over five years from 2008-09, an increase of \$46 million over the current forward estimates. The NAHA will consolidate existing housing SPPs and fund a range of measures including social housing, assistance to people in the private rental market, support and accommodation for people who are homeless or at risk of homelessness, and home purchase assistance.

Disability

Under the new national disability agreement, the Commonwealth will provide approximately \$5.3 billion in funding over five years to the States for specialist disability services, an increase of \$408 million. Today, the States and Commonwealth committed to help people with a disability to achieve economic and social inclusion, enjoy choice, wellbeing and the opportunity to live as independently as possible, and to support their families and carers. To achieve these outcomes, States and the Commonwealth will support services that provide skills and support people with a disability to live as independently as possible. It will also provide services that assist people with disability to live in stable and sustainable living arrangements and assist families and their carers in their caring role.

In this National Agreement, the Commonwealth is giving the States an additional \$1.3 billion in funding over five years, including \$901 million from the Disability Assistance Package to be rolled into the base of the SPP, an additional \$408 million to help with reform, and providing the highest ever level of indexation - around six per cent - making a \$5.3 billion Commonwealth commitment over the next five years.

As part of the new disability reform, each State will improve access to disability care, including consideration of a single point of access. This, along with nationally-consistent assessment processes and a quality assurance system, will help to build end to end disability services systems within each State. A renewed focus on early intervention will be matched by more consistent access to disability aids and equipment. There will be greater flexibility in funding. Service providers will be better able to develop, train and employ care workers. Governments will also work together to measure better the level of unmet demand for disability services.

Indigenous Reform

COAG has previously agreed to six ambitious targets for closing the gap between Indigenous and non-Indigenous Australians across urban, rural and remote areas:

- to close the gap in life expectancy within a generation;
- to halve the gap in mortality rates for Indigenous children under five within a decade;
- to ensure all Indigenous four years olds in remote communities have access to early childhood education within five years;
- to halve the gap in reading, writing and numeracy achievements for Indigenous children within a decade;
- to halve the gap for Indigenous students in year 12 attainment or equivalent attainment rates by 2020; and
- to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

Since the targets were agreed in December 2007 and March 2008, all governments have been working together to develop fundamental reforms to address these targets. Governments have also acknowledged that this is an extremely significant undertaking that will require substantial investment. COAG has agreed this year to initiatives for Indigenous Australians of \$4.6 billion across early childhood development, health, housing, economic development and remote service delivery.

In giving effect to this commitment to closing the gap on Indigenous disadvantage, COAG agreed to the first ever NP agreement in October 2008. This agreement comprises

\$564 million of joint funding over six years to address the needs of Indigenous children in their early years. As part of the initiative, 35 Children and Family Centres are to be established across Australia in areas of high Indigenous population and disadvantage to deliver integrated services that offer early learning, child care and family support programs. The funding will also increase access to ante-natal care, teenage reproductive and sexual health services, and child and maternal health services.

This NP is now joined by a new National Agreement on Indigenous Reform and two new NPs which cover the areas of Economic Development (\$228.8 million - \$172.7 million Commonwealth funding and \$56.2 million State funding over five years) and Remote Service Delivery (\$291.2 million over six years). Further details are provided at Attachment D to the communiqué.

Taken together with the Indigenous Health NP and the Remote Indigenous Housing NP, these new agreements represent a fundamental response to COAG's commitment to closing the gap. Sustained improvement in outcomes for Indigenous people can only be achieved by systemic change. Through these agreements, all governments will be held publicly accountable for their performance in improving outcomes in these key areas.

National Indigenous Reform Agreement

COAG agreed to the National Indigenous Reform Agreement (NIRA) which captures the objectives, outcomes, outputs, performance measures and benchmarks that all governments have committed to achieving through their various National Agreements and NPs in order to close the gap in Indigenous disadvantage. The NIRA provides an overarching summary of action being taken against the closing the gap targets as well as the operation of the mainstream national agreements in health, schools, vocational education and training (VET), disability services and housing and several NPs. The NIRA will be a living document, refined over time based on the effectiveness of reforms in closing the gap on Indigenous disadvantage.

Closing the Gap COAG Meeting in 2009

In October 2008, COAG agreed to convene a dedicated meeting in 2009 on closing the gap on Indigenous disadvantage.

COAG has asked for advice on how the NPs and National Agreements will collectively lead to a closing of the gap and what further reforms are needed. In addition to this, COAG has asked for a Regional and Urban Strategy to coordinate the delivery of services to Indigenous Australians and examine the role that private and community sector initiatives in education, employment, health and housing can make to the success of the overall strategy.

COAG noted that it will work to develop a further reform proposal, including benchmarks and indicators for improvements in services and related outputs relevant to family and community safety, for consideration at the Closing the Gap COAG meeting to be held in 2009.

Revised Framework of the Overcoming Indigenous Disadvantage Report

In April 2002, COAG commissioned the Productivity Commission's Steering Committee for the Review of Government Service Provision to produce a regular report against key indicators of Indigenous disadvantage, with a focus on areas where governments can make a difference. The resulting Overcoming Indigenous Disadvantage (OID) Report has been published every two years since 2003.

COAG agreed to a new framework for the OID Report that is aligned with the closing the gap targets.

Seamless National Economy

COAG agreed to a new NP to deliver a seamless economy, with the Commonwealth committing to provide funding of \$550 million over five years to facilitate the implementation of and reward the delivery of reform priorities. This NP draws together 12 months of intense efforts to deliver regulatory reforms which will benefit businesses and strengthen the economy.

An ambitious reform agenda including 27 priority areas for reform to reduce the costs of regulation and enhance the productivity and workforce mobility in areas of shared Commonwealth and State responsibility was agreed by COAG in March 2008.

In July 2008, COAG identified eight competition reforms for inclusion in the Business Regulation Competition Working Group work program, in addition to the reform of regulation-making and review processes. Over the course of the last 12 months, governments have moved from general commitments to reform to specific actions across the 27 areas to make a real difference to the economy.

Today COAG committed to a number of reforms, building on its already extensive business regulation and competition reform agenda to deliver a seamless national economy.

COAG agreed to examine further planning and zoning policies and processes from a competition perspective as recommended in July by the Australian Competition and Consumer Commission's inquiry into grocery prices. This will ensure COAG can better understand whether competition issues are adequately incorporated into planning and zoning regulation.

Recognising the need for greater coordination and oversight in chemicals and plastics regulation, COAG agreed to a new governance structure for chemicals and plastics reform. COAG also responded to the recommendations of the Productivity Commission Research Report on Chemicals and Plastics Regulation, with further reforms to be considered in 2009.

To progress food regulation reforms, COAG agreed to examine reforms to the voting arrangements of the Australia and New Zealand Food Regulation Ministerial Council. COAG also agreed to consider options to improve national consistency in the monitoring and enforcement of food standards and options to improve food labelling law and policy in early 2009.

COAG agreed that a national electronic conveyancing system would be implemented, which will establish a single electronic system for completing real property transactions and lodging land title dealings.

COAG also agreed to increased harmonisation in relation to directors' liability and asked the Ministerial Council for Corporations to report back to COAG on further reforms by mid 2009.

COAG agreed there would be continued progress on regulatory reform with the objective of all jurisdictions improving the efficiency of regulation.

Infrastructure

The National Public-Private Partnerships (PPP) package endorsed by COAG today is an important element of the Commonwealth's commitment to a long-term infrastructure strategy. It offers major reform gains in terms of consistency and harmonisation of PPP policy and practices across jurisdictions. The package aims to encourage the consideration of PPPs, ensure consistent application of best practice across Australia and encourage private sector investment in public infrastructure in Australia. More effective use of PPPs can benefit the community through improved services and better value for money, provide savings to governments and make it easier and less expensive for business to bid for PPP projects.

Climate Change and Water

Climate Change

COAG agreed to a set of national principles to apply to new Feed-in Tariff schemes and to inform the reviews of existing schemes. These principles will promote national consistency of schemes across Australia.

COAG also agreed that the determination of streamlined roles and responsibilities under the National Energy Efficiency Strategy and a proposed single overarching framework for accelerating energy efficiency reforms should be deferred for consideration until early 2009 to allow for a more informed strategy in consultation with industry.

COAG endorsed a set of principles and a process for jurisdictions to review and streamline their existing climate change mitigation measures, with the aim of achieving a coherent and streamlined set of climate change measures in 2009.

COAG noted progress on the development of the national expanded Renewable Energy Target and agreed to consider the final design of the scheme at its first meeting in 2009.

Water

COAG agreed to a number of initiatives to improve the operation of water markets and trading through faster processing of temporary water trades, and to coordinate water information and research through the development of a national water modelling strategy. COAG also agreed to the adoption of the enhanced national urban water reform framework to improve the security of urban water.

COAG released a report on progress with environmental water recovery in the Murray-Darling Basin, which was commissioned at its October 2008 meeting and that is now to be updated every six months. The report shows that the Commonwealth and Basin jurisdictions collectively recovered water entitlements for an average of 177 gigalitres of water per annum, at a cost of nearly \$295 million.

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

Leaders agreed in principle at the April 2007 COAG meeting to a framework to improve access to inter-jurisdictional criminal history information by child-related employment screening schemes.

COAG at this meeting affirmed the importance of an inter-jurisdictional exchange being put in place as soon as possible, and endorsed a set of implementation actions, the establishment of a project implementation committee under the auspices of COAG and an implementation plan. The implementation plan includes that jurisdictions will prepare, introduce and seek passage of legislative amendments within nine months, to enable the information exchange to commence in 12 months. COAG noted that all jurisdictions, with the exception of Victoria and the Australian Capital Territory, would

exchange information on non-conviction charges for screening of people working with children.

Child Protection

The development of the National Framework for Protecting Australia's Children, noted by COAG at its meeting in July 2008, is being progressed by the Commonwealth in close consultation with the Community and Disability Services Ministers' Conference and will be released in early 2009.

Review of the Report on Government Services

As requested at its July 2008 meeting, COAG agreed to the terms of reference for a review of the Report on Government Services, to be undertaken by a combined Senior Officials and Heads of Treasuries Working Group, to take place in the first half of 2009. This review will coincide with the first stage of the review of existing data collection and quality processes, also agreed at the July 2008 meeting. The reviews are aimed at improving data quality so that transparency and accountability in relation to government service delivery are improved.

COAG Meetings in 2009

Apart from its earlier commitment to hold a specific closing the gap COAG meeting in 2009, COAG agreed that there would be an opportunity over the next year to consider further the broad allocation of responsibilities within the federation.

COAG Funding Package

	2008-09 (\$m)	2009-10 (\$m)	2010-11 (\$m)	2011-12 (\$m)	2012-13 (\$m)	Total (\$m)
Healthcare Sector						
Healthcare SPP	500.0	674.5	913.5	1,190.9	1,500.1	4,779.0
Additional Base and Indexation	500.0	674.5	913.5	1,190.9	1,500.1	4,779.0
Healthcare NPs	1,286.5	212.4	401.2	566.0	593.9	3,059.9
Hospitals and Health Workforce Reform	536.5	166.1	294.9	379.8	375.7	1,753.0
Preventative Health	-	17.6	67.05	145.2	218.2	448.1
E-health (NEHTA)	-	28.7	39.2	41.0	-	108.9
Additional Investment in Emergency Departments	750.0	-	-	-	-	750.0
Productivity Agenda Sector						
Schools SPP	868.1	171.4	213.1	268.1	333.8	1,854.5
Additional Indexation	-	40.9	73.8	120.5	177.2	412.4
10 per cent AGSRC for Primary Schools	61.1	130.5	139.3	147.6	156.6	635.1
Upfront Payment including Digital Education Revolution	807.0	-	-	-	-	807.0
Productivity Agenda NPs	33.3	191.9	265.0	618.0	548.8	1,657.0
Smarter Schools - Quality Teaching	22.0	40.0	60.0	243.0	185.0	550.0
Smarter Schools - Literacy and Numeracy (a)	-	-	-	-	-	-
Smarter Schools - Low SES Schools	11.3	151.9	205.0	375.0	363.8	1,107.0
Universal Access (a)	-	-	-	-	-	-
Skills and Workforce Development Sector						
Skills and Workforce Development SPP	-	4.2	9.8	11.3	11.4	36.7
Additional Indexation	-	4.2	9.8	11.3	11.4	36.7
Skills and Workforce Development NP	-	-	-	-	-	-
Productivity Places Program (a)	-	-	-	-	-	-
Disability Services Sector						
Disability Services SPP	70.0	23.0	70.9	101.3	142.6	407.8
Additional SPP for Disability Reform	70.0	23.0	70.9	101.3	142.6	407.8
Affordable Housing Sector						
National Affordable Housing SPP	-	1.3	7.4	14.9	22.7	46.4
Additional Indexation	-	1.3	7.4	14.9	22.7	46.4
Affordable Housing NPs	200.0	275.0	105.0	110.0	110.0	800.0
Homelessness Recurrent	-	75.0	105.0	110.0	110.0	400.0
Social Housing	200.0	200.0	-	-	-	400.0
Indigenous Reform Sector						
Indigenous Reform NPs	439.5	213.7	245.2	494.1	574.2	1,966.8
Indigenous Economic Development	15.0	39.8	39.8	38.9	39.2	172.7
Indigenous Health	-	82.7	157.2	247.6	318.0	805.5
Indigenous Remote Service Delivery	24.5	31.2	32.4	33.4	32.5	154.0
Indigenous Housing	400.0	60.0	15.8	174.2	184.5	834.6
Other Sectors						
Business Regulation and Competition NP	100.0	-	-	200.0	250.0	550.0
Seamless National Economy	100.0	-	-	200.0	250.0	550.0
Total COAG Funding Package	3,497.4	1,767.5	2,231.2	3,574.6	4,087.5	15,158.1

(a) Funding already in Commonwealth forward estimates.

HEALTH AND AGEING

COAG agreed today to a landmark deal providing \$64.4 billion over five years, including an additional \$8.6 billion over current forward estimates. This includes \$60.5 billion over five years for the National Healthcare Agreement, which reverses the cuts of the previous Agreement and provides \$4.8 billion in additional base funding. In the fifth year of this Agreement, the base will increase by \$1.5 billion. This means that States are, on average, better off by nearly \$1 billion each year over the five years.

As part of this deal, the Commonwealth is offering a \$500 million recurrent boost in base funding from 2008-09, increasing the starting point for the National Healthcare Agreement from \$9.96 billion to \$10.46 billion. The Commonwealth is also delivering a more generous indexation formula, which currently delivers indexation of 7.3 per cent per annum to put public hospital funding on a more sustainable footing.

Additional Throughput in Hospitals

This funding will ensure that free public hospital services continue for the Australian community. This equates to increased throughput in public hospitals over and above 2008-09 levels over four years, of 2.5 million extra outpatient services, 350,000 additional Emergency Department presentations, 200,000 additional same-day separations and 170,000 additional overnight separations.

Additional Commonwealth funding of \$500 million in 2008-09 will provide the equivalent of an extra 1,600 sub-acute care beds (an increase in capacity of five per cent per year over four years). Sub-acute care services improve health outcomes, quality of life, productivity and reduce hospital readmission rates. This will enable many older people to leave hospital and help free up hospital beds.

Health Workforce

The Commonwealth and the States also committed to an unprecedented reform package of \$1.6 billion – the single largest investment in the health workforce ever made by Australian governments – comprising \$1.1 billion of Commonwealth funding and \$540 million in State funding.

This will meet the future challenges of the health system through workforce reform by providing \$500 million in additional Commonwealth funding for undergraduate clinical training, including increasing the clinical training subsidy to 30 per cent for all health

undergraduate places. The package also provides for an increase of 605 postgraduate training places, including 212 GP places, and the establishment of a national health workforce agency and health workforce statistical register to drive a more strategic long-term plan for the health workforce.

Investment of \$175.6 million over four years in capital infrastructure will also be provided to expand teaching and training, especially at major regional hospitals to improve clinical training in rural Australia. This is vital because students who train in rural areas are more likely to practice in rural Australia.

The 212 additional ongoing GP training places will boost the total number of GP training places to over 800 from 2011 onwards, and 73 additional specialist training places in the private sector. Funding will also be provided to train approximately 18,000 nurse supervisors, 5,000 allied health and other supervisors, and 7,000 medical supervisors.

Taking Pressure off Public Hospitals

The Commonwealth is also investing an additional \$750 million in 2008-09 to relieve pressure on public hospital emergency departments. This recognises that emergency departments are treating an increased number of patients who could otherwise be treated in the primary care sector. Treating primary care patients puts added pressure on emergency departments, resulting in longer waits for patients and adding avoidable costs to the public hospital system. This injection will fund the equivalent of 1.9 million emergency department presentations and relieve some of the pressure on public hospitals, while the primary care reforms the Commonwealth is undertaking are being implemented.

Shared Accountability and Better Performance Reporting

The Commonwealth and the States have also agreed to the following objectives and outcomes for the health and hospital system. These are:

- children are born and remain healthy;
- Australians manage the key risk factors that contribute to ill health;
- Australians have access to the support, care and education they need to make healthy choices;
- the primary health care needs of all Australians are met effectively through timely and quality care in the community;
- people with complex care needs can access comprehensive, integrated and coordinated services;
- Australians receive high-quality hospital and hospital related care;

- older Australians receive high-quality, affordable health and aged care services that are appropriate to their needs and enable choice and seamless, timely transitions within and across sectors;
- patient experience: Australians have positive health and aged care experiences which take account of individual circumstances and care needs;
- social inclusion and Indigenous health: Australia's health system promotes social inclusion and reduces disadvantage, especially for Indigenous Australians; and
- sustainability: Australians have a sustainable health system.

The Commonwealth and the States have also agreed to report against a number of performance measures to address these outcomes including: preventable disease and injuries; timely access to GPs, dental and other primary health care professionals; life expectancy, including the gap between Indigenous and non-Indigenous Australians; waiting times for services; and net growth in the health workforce. The COAG Reform Council will report progress against these performance measures annually, commencing in 2009-10.

In addition, the COAG Reform Council will report performance against a range of measures, including:

- reduced incidence and prevalence of sexually-transmitted infections and sentinel blood borne viruses (for example, Hepatitis C, HIV) for Indigenous and non-Indigenous Australians;
- increased immunisation rates for vaccines in the national schedule;
- reduced waiting times for selected public hospital services;
- a reduction in selected adverse events in acute and sub-acute care settings compared to 2008-09 levels;
- a reduction in unplanned/unexpected readmissions within 28 days of selected surgical admissions compared to 2008-09 levels;
- increased rates of services provided by public hospitals per 1,000 weighted population by patient-type compared to 2008-09 levels;
- timely access to GPs, dental and primary health care professionals; and
- a reduction in selected potentially avoidable GP type presentations to emergency departments.

The Commonwealth and the States have also agreed to provide a basis for more efficient use of taxpayer funding of hospitals, and for increased transparency in the use of those funds through the introduction of Activity Based Funding. It will also allow comparisons of efficiency across public hospitals.

Health Prevention NP

The Commonwealth and the States have agreed to a Health Prevention NP, with the Commonwealth providing funding of \$448.1 million over four years, and \$872.1 million over six years starting from 2009-10 to improve the health of all Australians. This funding could support the following elements:

- increased access to services for children to increase physical activity and improved nutrition;
- provision of incentives for workplaces and local communities to provide physical activity and other risk modification and healthy living programs;
- increased public awareness of the risks associated with lifestyle behaviour and its links to chronic disease;
- a national social marketing campaign; and
- enabling infrastructure, including a national preventative health agency, surveillance program, workforce audit, eating disorders collaboration, partnerships with industry and a preventative health research fund, leading to better oversight and research into prevention, leading to improved outcomes.

This funding will lead to reductions in the proportion of people who smoke, are at unhealthy bodyweight, and/or do not meet national guidelines for physical activity and healthy eating.

Specifically, governments commit to:

- increase the proportion of adults and children with healthy body weight, reduce rates of obesity and avert new cases of diabetes in adults each year;
- increase the proportion of children and adults meeting national guidelines for physical activity and healthy eating; and
- reduce the proportion of adults smoking daily, averting premature deaths and ameliorating costs.

Indigenous Health NP

The Commonwealth and the States have agreed to an Indigenous Health NP worth \$1.6 billion over four years, with the Commonwealth contributing \$806 million and the States \$772 million. This proposal will contribute to addressing the COAG-agreed closing the gap targets for Indigenous Australians, closing the life expectancy gap within a generation and halving the mortality gap for children under five within a decade. The proposal includes expanded primary health care and targeted prevention activities to reduce the burden of chronic disease.

This NP is a down payment on the significant investment needed by both levels of government to close the unacceptable gap in health and other outcomes between Indigenous and non-Indigenous Australians.

The NP will lead to:

- reduced smoking rate among Aboriginal and Torres Strait Islander peoples;
- reduced burden of diseases for Aboriginal and Torres Strait Islander communities;
- increased uptake of Medicare Benefits Schedule-funded primary care services to Indigenous people with half of the adult population (15-65 years) receiving two adult health checks over the next four years;
- significantly improved coordination of care across the care continuum; and
- over time, a reduction in the average length of hospital stay and reduction in readmissions.

This means that over a five-year period, around 55 per cent of the adult Indigenous population (around 155,000 people) will receive a health check with about 600,000 chronic disease services delivered. More than 90,000 Indigenous people with a chronic disease will be provided with a self-management program, while around 74,500 Indigenous people will receive financial assistance to improve access to Pharmaceutical Benefits Scheme medicines.

E-Health

COAG noted the progress of the National E-Health Transition Authority and agreed to the continued funding of \$218 million (50:50 cost shared between the Commonwealth and the States) for the period July 2009 - June 2012 to enable it to continue its existing work program.

PRODUCTIVITY AGENDA

Reform in the way education and training is delivered is critical to driving our future productivity and increasing social inclusion. COAG agreed that every child needs access to high-quality education and training, starting from an early age.

The new Agreements for Education and Skills and Workforce Development set out reform directions, specific deliverables, and roles and responsibilities. Under these Agreements the Commonwealth and the States will work in partnership to lift the quality of education and training and target resources to where they are most needed.

National Education Agreement

This funding ensures that the States can allocate resources more flexibly, while providing a set of definitive and measurable targets to provide the basis for accountability by governments to the community. The National Agreement will contribute to the following outcomes:

- all children are engaged in, and benefiting from, schooling;
- young people are meeting basic literacy and numeracy standards, and overall levels of literacy and numeracy achievement are improving;
- Australian students excel by international standards;
- schooling promotes social inclusion and reduces the education disadvantage of children, especially Indigenous children; and
- young people make a successful transition from school to work and further study.

COAG agreed that the National Education Agreement is critical to achieving the targets set by them earlier this year, to lift the Year 12 or equivalent attainment rate to 90 per cent by 2020, to halve the gap for Indigenous students in reading, writing and numeracy within a decade, and to at least halve the gap for Indigenous students in Year 12 or equivalent attainment by 2020.

Today, the States also agreed to implement the National Curriculum.

The Commonwealth and the States agreed to pursue further policy and reform directions through the National Education Agreement and NPs, focussing on:

- improving school leader and teacher quality, including support for school principals;
- setting high standards and expectations for all students;

- boosting parental engagement in schooling;
- implementing integrated strategies for low SES school communities;
- implementing modern teaching and learning environments;
- ensuring better directed resources;
- providing support to students with additional needs; and
- reviewing funding and regulation across government and non-government school sectors.

Greater Transparency and Accountability

COAG agreed that greater transparency and accountability for the performance of our schools is essential to ensure that every Australian child receives the highest quality education and opportunity to achieve through participation in employment and society.

All jurisdictions agreed to a new performance reporting framework. COAG agreed that high-quality accountability and reporting is important for students, parents, carers and the community. It is also important for tracking the achievement of the COAG targets.

The reporting agreed by all governments includes:

- streamlined and consistent reports on national progress, including an annual national report on the outcomes of schooling in Australia;
- national reporting on performance of individual schools to inform parents and carers and for evaluation by governments of school performance; and
- provision by schools of plain language student reports to parents and carers and an annual report made publicly available to their school community on the school's achievements and other contextual information.

COAG agreed to a set of performance indicators to indicate progress towards achieving the agreed outcomes, with particular reporting on outcomes for Indigenous students and students from low socio-economic status communities.

COAG noted that funding for the non-government school sector is being appropriated through separate Commonwealth legislation – the *Schools Assistance Bill 2008* and that the accountability framework for non-government schools and school systems will be consistent with that of the new National Education Agreement.

COAG agreed that the new Australian Curriculum, Assessment and Reporting Authority will be supplied with the information necessary to enable it to publish relevant, nationally-comparable information on all schools to support accountability, school

evaluation, collaborative policy development and resource allocation. The Authority will provide the public with information on each school in Australia that includes data on each school's performance, including national testing results and school attainment rates, the indicators relevant to the needs of the student population and the school's capacity including the numbers and qualifications of its teaching staff and its resources. The publication of this information will allow comparison of like schools (that is, schools with similar student populations across the nation) and comparison of a school with other schools in their local community.

The National Secondary School Computer Fund

COAG has agreed that the Commonwealth will provide \$807 million to meet the additional costs incurred by the States in implementing the National Secondary School Computer Fund. The States agreed to report on their progress toward reaching a 1:1 student to computer ratio for Year 9 to 12 students; and to pass on the non-government sector share of these funds.

Low Socio-Economic Status School Communities

COAG agreed that addressing educational disadvantage arising from low socio-economic status (SES) requires sustained effort involving a suite of reforms to transform fundamentally the way schooling takes place.

This new low SES School Communities NP agreed by COAG directly addresses this challenge. Through this seven-year NP, the Commonwealth will provide \$1.1 billion over five years (and a total of \$1.5 billion over seven years) to address the needs of disadvantaged schools, while giving greater discretion to those school leaders and local school communities facing the greatest education disadvantage to employ strategies that address the particular issues they face.

The NP will fund a range of within school and out-of-school reforms that will support the educational and wellbeing needs of students and schools in low SES communities.

The States agreed that they will develop Implementation Plans, based on the reforms they propose to implement in identified schools within their jurisdictions, including non-government schools. The Commonwealth will negotiate a Bilateral Agreement and funding offer with each participating State, based on these plans.

The Implementation Plans may include:

- incentives to attract high-performing principals and teachers;

- adoption of best-practice performance management and staffing arrangements that articulate a clear role for principals;
- school operational arrangements which encourage innovation and flexibility;
- provision of innovative and tailored learning opportunities;
- strengthened school accountability; and
- external partnerships with parents, other schools, businesses and communities and provision of access to extended services (including through brokering arrangements).

COAG agreed that the Commonwealth funding of \$1.1 billion over the five years to 2012-13 (a total of \$1.5 billion over seven years) for the NP would be matched by State investment.

This level of funding will support significant reform initiatives in approximately 1,500 schools in low SES communities.

The States also agreed to invite non-government schools to participate in the NP and to support principals in participating schools in the development of whole-of-school plans. They will also provide regular reports to the Commonwealth on progress in implementing the agreed reforms.

Literacy and Numeracy NP

COAG agreed the necessity to deliver sustained improvement in literacy and numeracy outcomes for all students, especially those who are falling behind.

A new NP on Literacy and Numeracy will focus on:

- achieving sustainable improvements in literacy and numeracy, as a key indicator of the ability to go on and complete Year 12 for all students;
- improving literacy and numeracy for primary school students, especially Indigenous students; and
- developing a national understanding of what works and a shared accountability for the achievement of Australian students.

The Commonwealth has previously agreed to provide \$540 million to support this NP. Of this, \$150 million will facilitate reform initiatives and \$350 million will reward measurable and ambitious improvement in literacy and numeracy outcomes for the schools and students targeted through this NP. Some \$40 million will support research and data collection, including \$13 million for the National Schools Assessment and Data Centre.

The States agreed to match the facilitation funding, including by using existing or redirected funding.

Governments will continue to share best practice in the key areas of teaching, leadership and the effective use of student performance information to deliver sustained improvement in literacy and numeracy as a critical part of achieving national outcomes.

Smarter Schools - Quality Teaching NP

Teacher quality is the single greatest in-school influence on student engagement and results. Improving teacher quality requires both improved school leadership by principals and new approaches to teacher recruitment, retention and reward. To ensure every student throughout Australia receives high-quality schooling, COAG agrees that this NP will deliver ambitious, nationally-significant reforms to target critical points in the teacher 'lifecycle' to attract, train, place, develop and retain quality teachers and school leaders. COAG also agreed that this NP will deliver, through a specific commitment of \$50 million, world leading professional development and support which will empower principals to manage better their schools to achieve improved student results and higher quality to lead performance improvement at the local level.

The Commonwealth will commit \$550 million to the Smarter Schools – Quality Teaching NP. The \$200 million facilitation and \$350 million reward payments provide a balanced investment to achieve significant gains in school leadership and teacher quality.

COAG agreed that the NP would contribute to critical reforms on:

- new professional standards to underpin national reforms;
- recognition and reward for quality teaching;
- a framework to guide professional learning for teachers and school leaders;
- national accreditation of pre-service teacher education courses;
- national consistency in teacher registration;
- national consistency in accreditation/certification of Accomplished and Leading Teachers;
- improved mobility of the Australian teaching workforce;
- joint engagement with higher education to provide improved pre-service teacher education; new pathways into teaching; and, data collection to inform continuing reform action and workforce planning; and
- improved performance management in schools.

The reform will be delivered on the basis of Implementation Plans to be concluded between participating States and the Commonwealth. Bilateral Agreements will set out the agreed facilitation payments and State co-investments to be made in support of these reforms. The States will also be rewarded for reforms that improve teacher remuneration structures, increase school-based decision-making and improve support for teachers in ‘hard-to-staff’ and disadvantaged schools.

COAG agreed that an important element of this NP is to build professional pathways for Indigenous people and Indigenous education workers who wish to progress to teaching. It will also improve reward structures for teachers and leaders who work in disadvantaged, Indigenous, rural/remote and hard-to-staff schools and provide support for Indigenous teachers’ and school leaders’ engagement with community members.

COAG agreed that non-government school sectors would be invited to participate appropriately in this NP.

COAG further agreed to the development and implementation of a National Professional Teacher Standards Framework and certification/accreditation process for teachers and school leaders.

Early Childhood Education NP

As a demonstration of all governments’ commitment to increase children’s early education opportunities, particularly for children from disadvantaged backgrounds, leaders agreed to an NP to give all children the opportunity to access quality early childhood education.

The Commonwealth has previously agreed to provide \$970 million over five years, including \$15 million for data development and evaluation, and \$955 million through a five-year NP to States that have committed to achieving universal access to early childhood education for all children in the year before school by 2013. The significant under-representation of Indigenous children in preschool programs, especially Indigenous children in remote communities will be an area of particular focus. Funding will be provided through a National Agreement after 2012-13.

The pre-school program will be delivered by a four-year university-qualified early childhood teacher, in accordance with a national early years learning framework for 15 hours a week and 40 weeks a year. States will ensure it will be accessible across a diversity of settings, in a form that meets the needs of parents and in a manner that ensures cost does not present a barrier to access.

The distribution of funding across the States in the first four years will have an emphasis on assisting those jurisdictions that are further behind in the delivery of pre-school services, but that also recognises the primary responsibility of States for pre-school provision and improving performance. Funding from the final year will be on a four year old population basis.

Bilateral agreements for implementing the reform are being finalised between each jurisdiction and the Commonwealth. States and the Commonwealth will have responsibility for implementing these bilateral agreements.

NATIONAL SKILLS AND WORKFORCE DEVELOPMENT

Vocational Education and Training – National Skills and Workforce Development Agreement

COAG agreed to a new National Skills and Workforce Development Agreement which sets out the commitment between the Commonwealth and the States to work towards increasing the skill levels of all Australians, including Indigenous Australians.

COAG agreed that, through this National Agreement, it would monitor progress towards achieving the following outcomes:

- the working age population have gaps in foundation skill levels reduced to enable effective educational, labour market and social participation;
- the working age population has the depth and breadth of skills and capabilities required for the 21st century labour market;
- the supply of skills provided by the national training system responds to meet changing labour market demand; and
- skills are used effectively to increase labour market efficiency, productivity, innovation and ensure increased utilisation of human capital.

COAG agreed that progress toward achieving these outcomes would be measured by:

- proportion of the working age population at literacy level 1, 2 and 3;
- proportion of 20-64 year olds who do not have a qualification at or above Certificate III;
- proportion of graduates employed after completing training, by previous employment status;
- percentage of graduates with improved employment status after training;
- the number of hard-to-fill vacancies; and
- the proportion of people employed at or above the level of their qualification, by field of study.

As part of this National Agreement, the States will ensure the effective operation of the training market, including in relation to market information. The Commonwealth agreed to provide national information to clients and potential clients in all jurisdictions.

Under the Skills and Workforce Development SPP, the Commonwealth will provide an estimated \$6.7 billion over the forward estimates from 1 January 2009 to 2012-13, including \$37 million in skills and workforce development funding. The States will deliver up to 1.15 million VET course completions nationally over this funding period.

The States acknowledged that the base funding provided includes the Commonwealth's contribution to capital development and maintenance in the training sector. In addition, the base funding will include funding previously provided to the States for VET through Indigenous-specific funding elements, and also include VET in Schools funding. To ensure that non-government schools are not disadvantaged by this change, the States agreed to ensure that VET in Schools funding levels for non-government schools is to be maintained.

COAG agreed that funding of \$47.4 million annually (plus indexation) for management of the National Training System be quarantined from the Agreement and that Training Ministers and Senior Officials monitor and advise on how this funding is allocated.

The Agreement also sets out agreed COAG targets to halve the proportion of 20-64 year olds without qualifications at Certificate III level by 2020, and to double the number of higher qualification completions by 2020.

Productivity Places Program NP

Today COAG agreed to an NP for the delivery of training under the Productivity Places Program that will target areas of current skill shortage and emerging skill needs. Delivery of these training places will help to make training more flexible and responsible to the needs of industry, employers and individuals. Through this Agreement (and a separate agreement with Victoria), the States agreed to deliver an additional 506,750 qualifications commencements for job seekers and existing workers over four years.

The Commonwealth agreed to fund 100 per cent of places for job seekers and 50 per cent of places for existing workers. The States agree to fund 40 per cent of places for existing workers, with the remaining 10 per cent to be funded by private contributions. The Commonwealth has previously committed \$1.2 billion over four years for this NP.

The NP will commence on 1 January 2009 and expire on 30 June 2012. States entering into the NP will be required to develop implementation plans which demonstrate how they will manage and implement the training places and meet the conditions of the NP.

Implementation plans are to be provided to the Commonwealth for approval by 12 December 2008.

To support the NP, the Commonwealth agreed to provide data and information to Skills Australia to assist it in identifying industries, occupation and regions that are experiencing skill shortages, and to establish a national priority list based on advice, including from Skills Australia. Further, it was agreed to ensure a role for Industry Skills Councils in the brokerage of training.

COAG also agreed to the development of a national data portal by 2012 for all government funded training delivery, encompassing the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) reporting requirements and allows for the tracking of individual students. Prior to this, reporting will occur through AVETMISS.

The States have agreed to provide details of when the additional training will be delivered on an annual and monthly basis.

The States also agreed that all training delivered under this Agreement will be in addition to their current training effort.

The Commonwealth extended an offer to the States that move to an entitlement-based student demand-driven training system, so that Productivity Places Program funding could be treated in a similar way as base funding for the purposes of accountability and reporting. This is similar to an offer already in place between the Commonwealth and Victoria.

TAFE Fee Waivers for Childcare Qualification NP

COAG today agreed to support delivery of the Commonwealth commitment to fund States to remove fees for the Diplomas and Advanced Diplomas of children's services courses delivered at Technical and Further Education institutions and other government training providers. The estimated funding is \$8.5 million for 2009.

A longer term arrangement will be negotiated by the parties to this agreement for the period 2010-12.

The Commonwealth funding is part of its Early Childhood Education Workforce Strategy.

AFFORDABLE HOUSING

The National Affordable Housing Agreement (NAHA) agreed today will be complemented by a commitment to three significant NPs to address homelessness, social housing and Indigenous housing.

The NAHA will provide a framework for governments to work together to improve housing affordability, reduce homelessness and reduce Indigenous housing disadvantage. It will include consideration of taxes and charges relating to housing as well as the planning, urban development and regulatory environment.

As part of the new Agreement, governments have committed to undertake reforms in the housing sector, including to improve integration between the homelessness service system and mainstream services, to reduce concentrations of disadvantage that exist in some social housing estates, improve access by Indigenous people to mainstream housing, including home ownership, enhancing the capacity and growth of the not-for-profit housing sector, and planning reforms for greater efficiency in the supply of housing.

Homelessness NP

The Commonwealth and the States have agreed to an additional \$800 million for an NP on homelessness. The Commonwealth will provide an additional \$400 million over four years from 2009-10, and the States will match this with a \$400 million commitment, recognising efforts of the States in their most recent Budget. The Homelessness NP provides a significant first step to achieve a 50 per cent reduction in homelessness, an end to rough sleeping by 2020, and implementing a policy of 'no exits into homelessness' from statutory or custodial care for those at risk of homelessness.

Under the NP, the Commonwealth and the States will work together to reduce significantly homelessness by 2013, through a national strategic approach focused on prevention and early intervention, breaking the cycle of homelessness and creating a new outcomes-focussed service model. This will be achieved by improving the service response to homelessness, with the aim to end homelessness by driving integration between mainstream and homeless specific services and improving service quality.

The NP aims to address individual and structural causes of homelessness, provide people at risk of experiencing homelessness with sustainable housing and improve the social and economic participation of people experiencing homelessness. In addition, governments are committed to a genuine reduction in the number of people who experience multiple periods of homelessness.

The NP and relevant implementation plans will be finalised by 1 April 2009.

Social Housing NP

The Commonwealth and the States have agreed to a Social Housing NP, commencing 1 January 2009, with the Commonwealth providing \$400 million over two years, \$200 million in 2008-09 and \$200 million in 2009-10 for capital investment for social housing and homelessness.

Under this NP, the States will increase the supply of social housing through new construction, providing approximately 1600 to 2100 additional dwellings by 2009-10. Implementation plans will be finalised by 1 April 2009. Governments have also agreed to consider further social housing reforms, supply shortfalls and possible payment of Commonwealth funding assistance through a per dwelling subsidy, such as Commonwealth Rent Assistance.

Remote Indigenous Housing

All States and the Northern Territory have agreed to a new 10-year NP on remote Indigenous housing, in which the Commonwealth will provide an additional \$1.94 billion over 10 years (\$834.6 million over five years) to address significant overcrowding, homelessness, poor housing conditions and the severe housing shortage in remote Indigenous communities. Improving housing conditions will provide the foundation for lasting improvements in health, education and employment and make a major contribution towards closing the gap in Indigenous disadvantage.

The total package of \$1.94 billion over 10 years will provide:

- up to 4,200 new houses to be built in remote Indigenous communities; and
- upgrades to around 4,800 existing houses with a program of major repairs commencing in 2008-09.

The NP also clarifies the responsibilities of the Commonwealth, the States and the Northern Territory, with the States the main deliverer of housing in remote Indigenous communities, providing standardised tenancy management and support consistent with public housing tenancy management.

The States and the Commonwealth will work towards clearer roles and responsibilities and funding with respect to municipal services and ongoing maintenance of infrastructure and essential services in remote areas.

The NP will commence on 1 January 2009 with implementation plans to be finalised by 1 April 2009.

INDIGENOUS REFORM

To progress the targets for closing the gap between Indigenous and non-Indigenous Australians, all governments have been developing fundamental reforms recognising that substantial investment is required.

Governments will develop Implementation Plans in consultation with Indigenous people.

COAG has agreed this year to targeted initiatives for Indigenous Australians of \$4.6 billion across early childhood development, health, housing, economic participation and remote service delivery.

This major investment is supported by a strong focus on better Indigenous outcomes through the new National Agreements and general NPs, aimed at assisting disadvantaged groups, including in education, health and housing.

In this way, COAG is ensuring that the closing the gap targets are being supported across the range of reformed financial arrangements between the Commonwealth and the States.

Indigenous Economic Development NP

COAG agreed to a new five year NP on Indigenous Economic Development. The Commonwealth and the States will invest \$228.8 million (\$172.7 million Commonwealth funding and \$56.2 million State funding over five years) to assist up to 13,000 Indigenous Australians into employment.

Being employed leads to improved wealth and asset creation for Indigenous families and communities, which in turn has a positive influence on health and the education of children. It also enhances self-esteem, increases opportunities for self development, influences interaction at the family and community levels and reduces social alienation.

In a tangible contribution to COAG's commitment to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade, COAG agreed on an NP for Indigenous Economic Development. Plans to implement the agreement will be developed cooperatively by all jurisdictions within three months.

As part of the initiative, jobs will be created in areas of government service delivery that have previously relied on subsidies through the Community Development Employment Projects program. Public-sector Indigenous employment and career development strategies

will also be reviewed to increase Indigenous public sector employment to reflect Indigenous working age population share by 2015, and governments will also strengthen current procurement policies to maximise Indigenous employment, skills development and business creation.

The Commonwealth and the States are investing significantly in capital development, procurement and service delivery through the full range of COAG reforms. Indigenous workforce strategies will be built into implementation plans for all reforms contributing to the closing the gap targets.

Indigenous Remote Service Delivery NP

COAG agreed to a new NP on Indigenous Remote Service Delivery to improve the delivery of services in 26 remote Indigenous locations. Through this NP the Commonwealth and States will provide a total of \$291.2 million over six years in joint funding to improve access to services by Indigenous Australians in remote areas.

The 26 remote Indigenous locations are comprised of 15 communities in the Northern Territory, four locations in the Cape York and Gulf regions in Queensland, three in Western Australia (at least two would be in the Kimberley), two in the Anangu Pitjantjatjara Yankunytjatjara Lands in South Australia and two remote locations in the Murdi Paaki region in western New South Wales.

Benefits will include:

- improved outcomes through improved access to health, education, employment and other services in remote areas;
- revitalised Indigenous organisations with capacity to assist individuals and families to engage with all the opportunities associated with a better serviced region;
- greater economic opportunities (business investment and home ownership) as a result of resolution of land tenure and land administration issues; and
- over time, a reduced reliance on government transfer payments by individuals in remote communities.

Wider Reforms

The National Agreements and NPs on health, education and housing will also make a significant contribution to closing the gap. The National Healthcare Agreement commits to Indigenous Australians achieving better health outcomes, comparable to the broader population, with the Indigenous Health NP providing an additional \$1.6 billion over four

years to expand primary health care and targeted prevention activities to reduce the burden of chronic disease on Indigenous Australians.

The National Education Agreement includes a focus on outcomes for Indigenous students, with a particular focus on improving literacy and numeracy and Year 12 or equivalent attainment. The literacy and numeracy NP has a particular focus on Indigenous students. The NP on improved teacher quality will also have an emphasis on building professional pathways for Indigenous people and Indigenous education workers who wish to progress to teaching. Many Indigenous students will also benefit from implementation of the NP directed to low-socio-economic communities. These build on commitments to achieve universal action to early childhood education, especially for Indigenous children in remote communities and the \$564 million previously committed in October 2008 for the Indigenous Early Childhood Development NP.

The NAHA has as a key outcome improving housing amenities for Indigenous people and reducing overcrowding. In addition, the NP on Remote Indigenous Housing will provide an additional \$2 billion over 10 years for major reforms to Indigenous housing and essential services in remote Australia.