

**COUNCIL OF AUSTRALIAN GOVERNMENTS  
COMMUNIQUÉ  
3 JUNE 2005**

The Council of Australian Governments (COAG) held its 15<sup>th</sup> meeting today in Canberra. The Council, comprising on this occasion the Prime Minister, Premiers, the Chief Minister of the Australian Capital Territory and the President of the Australian Local Government Association, had detailed discussions on significant areas of national interest. The Chief Minister of the Northern Territory did not attend due to the announcement on 31 May 2005 of an election to be held in the Northern Territory on 18 June 2005 and its government being in caretaker mode.

COAG had detailed discussions on, *inter alia*, vocational education and training, health care delivery, infrastructure provision and the Review of National Competition Policy. It also discussed workplace relations reform, the National Water Initiative, Native Vegetation and Biodiversity Regulations, Indigenous issues, measures to combat child pornography and climate change.

COAG noted the findings of the Productivity Commission's Research Report on the "*Economic Implications of an Ageing Australia*" which it had asked be undertaken at its December 2002 meeting. In particular, COAG also noted the budgetary pressures all levels of government will face in the decades ahead from the ageing of the population and the importance of measures to raise productivity and labour force participation to enhance income growth and the capacity to meet the costs of the ageing phenomenon.

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

**ADDRESSING SKILLS SHORTAGES THROUGH A NATIONAL APPROACH TO APPRENTICESHIPS, TRAINING AND SKILLS RECOGNITION**

COAG noted that a more responsive and flexible national apprenticeship, vocational education and training, and skills recognition system is vital to meeting both current and future skills needs. Raising and recognising the skill level of the Australian workforce will improve workplace participation and productivity and help address the challenge of an ageing population.

While there has been significant reform of the Vocational Education and Training (VET) system in recent years, COAG agreed that there is scope for further whole-of-government action. It agreed that the creation of a genuinely national approach to apprenticeships and training will help Australia respond to its skills shortages and provide more opportunities for young Australians.

COAG agreed to establish a joint Commonwealth-State working group to address the barriers across the VET system to achieving such a national approach. COAG agreed that this working group will examine:

- effective implementation of full mutual recognition of skills qualifications across Australia;
- an appropriate system for recognition of overseas qualifications;
- shortening the duration of apprenticeships where competencies are demonstrated and enabling school-based apprenticeships;
- ensuring maximum flexibility in training for employers and apprentices;
- effective competition between training providers;
- allowing intermediate or specialised qualifications as well as full apprenticeships;
- the impact of skills shortages on particular industries and regions; and
- the merits of a purchaser/provider split for apprenticeship funding.

The working group will provide its report to COAG on options and recommendations, including an implementation proposal, in December 2005. COAG also noted that discussions were continuing on the Commonwealth-State Funding Agreement for Skilling Australia's Workforce.

## **WORKPLACE RELATIONS**

The Commonwealth proposed that COAG agree to work towards achieving a uniform national system of workplace relations through referrals of the necessary constitutional power from the States to the Commonwealth. The States advised that they will not refer their powers.

## **AUSTRALIA'S HEALTH SYSTEM**

COAG agreed that Australia has one of the best health systems in the world. However, there is room for governments to discuss areas for improvement, particularly in areas where governments' responsibilities intersect.

Governments recognised that many Australians, including the elderly and people with disabilities, face problems at the interfaces of different parts of the health system. Further, governments recognised that the health system can be improved by clarifying roles and responsibilities, and by reducing duplication and gaps in services.

Ways in which the health system could be improved include:

- simplifying access to care services for the elderly, people with disabilities and people leaving hospital;
- helping public patients in hospital waiting for nursing home places;

- helping younger people with disabilities in nursing homes;
- improving the supply, flexibility and responsiveness of the health workforce;
- increasing the health system's focus on prevention and health promotion;
- accelerating work on a national electronic health records system;
- improving the integration of the health care system;
- continuing work on a National Health Call Centre Network; and
- addressing specific challenges of service delivery in rural and remote Australia.

COAG agreed that Senior Officials would consider these ways to improve Australia's health system and report back to it in December 2005 on a plan of action to progress these reforms. It was also agreed that where responsibilities between levels of government need to change, funding arrangements would be adjusted so that funds would follow function.

### **Health Workforce Study**

COAG noted that an issues paper has been prepared for public discussion by the Productivity Commission on the health workforce study. COAG will ask the Productivity Commission if it can report by December 2005, so that COAG can consider this report along with the action plan from COAG Senior Officials.

### **INFRASTRUCTURE**

COAG agreed, in principle, to a simpler and consistent national system of regulation for ports and export-related infrastructure and that this be considered in the COAG Review of National Competition Policy (NCP) to report in December 2005.

COAG noted the recommendations of the Exports and Infrastructure Taskforce and agreed there is no national infrastructure crisis. COAG noted that all governments are undertaking significant investment in infrastructure.

COAG also agreed in principle to:

- hasten the long-term planning being undertaken under Auslink;
- extend Auslink planning and coordination to ports and associated shipping channels;
- each jurisdiction providing a report to COAG every five years on infrastructure;
- the Commonwealth facilitating the establishment of groups to coordinate logistics chains of national importance;
- reinvigorate the agenda for harmonising road and rail regulations; and

- establish “one-stop shops” in each jurisdiction for project facilitation and approvals.

COAG further agreed that Senior Officials advise, by the end of August 2005, on the implementation of the agreed measures.

## **COAG REVIEW OF NATIONAL COMPETITION POLICY**

### **Governments Working Together**

Australia has been transformed over the past 20 years as governments have pursued sustained economic and social policy reform.

The COAG agreement of 10 years ago to implement NCP was a key part of this reform. These measures were pivotal in boosting the competitiveness and growth of the Australian economy and the living standards of all Australians. That agreement shows what can happen when Commonwealth, State and Territory Governments have a common purpose and collaborate to implement major reforms.

However, these improvements in our quality of life are at risk as national demographic trends begin to bite and global competition intensifies.

Our future prosperity will depend on the ability of all governments - Commonwealth, State, Territory and local - to embrace reform that addresses the key areas of participation and productivity.

The challenges facing Australia over the next decade are significant. They are structurally based and a sustained and cooperative effort is again required to meet them.

### **The Achievements of National Competition Policy**

A collaborative national approach was the cornerstone of successful implementation of the NCP reform agenda. It drew together the reform priorities of the Commonwealth, States and Territories, to improve Australia’s overall competitiveness and raise living standards – with Australian income per head rising from 16<sup>th</sup> in the OECD in 1990 to 8<sup>th</sup> in 2004.

While the benefits of NCP reforms are significant, gains from a broader economic reform agenda have the capacity to deliver much more to the community. Collaborative action on issues of national importance is again required, as a fragmented reform agenda will not achieve the momentum and commitment required for sustainable reform.

## Reforms must continue

It is important not to be complacent about the continued performance of the Australian economy. Resting on the achievements of the last decade will cost the Australian community opportunities for greater prosperity.

Australia's productivity performance is under threat, with further reform essential if the economic expansion of the last 14 years is to continue. The Australian economy is operating in an intensely competitive international environment. As a small trading nation, Australia will drive its economic growth by minimising barriers to trade and maximising its business flexibility.

The case for continuing reforms on a collaborative basis is clear.

COAG agreed:

- that continuing reform is needed to sustain and enhance Australian living standards in light of an ageing population and there are significant potential gains from further reform;
- to proceed immediately with a review of NCP with the review to report to COAG by the end of 2005;
- to COAG Senior Officials undertaking the review and producing the review report;
- that the review assess the effectiveness of the existing NCP arrangements, but focus on a possible new national reform agenda;
- that the review identify practical options for the implementation, monitoring and assessment of any new reform agenda;
- that the review draw from, but not be limited by, the recommendations of the Productivity Commission report on the *Review of National Competition Policy Reforms*; and
- that the Australian Local Government Association participate in relevant elements of the Review.

## NATIONAL WATER INITIATIVE

Participating jurisdictions at COAG reaffirmed their commitment to the National Water Initiative (NWI) and agreed that effective implementation of the NWI agreement is a high priority.

COAG noted that progress with the implementation of the NWI by the relevant jurisdictions has been positive and that significant effort has been made to implement actions within the timeframes specified in the NWI. COAG agreed that, consistent with the NWI, joint effort will be required to deliver the outcomes agreed in the NWI requiring national compatibility or consistency and all reasonable efforts will be made to meet the 2005 and subsequent implementation timelines in the NWI agreement.

COAG further noted that priority work for the National Water Commission (NWC) over the remainder of 2005 includes:

- assisting jurisdictions with the development of implementation plans as required by the NWI, and accrediting those plans;
- undertaking the 2005 NCP assessment of State and Territory progress in implementing the 1994 water reforms;
- developing (out of the NCP assessment) a baseline assessment of Australia's water resource governance arrangements as required by the NWI;
- working with, and assessing, project proposals which come forward under the Commonwealth's \$1.6 billion Water Smart Australia programme; and
- finalising programme guidelines for the Commonwealth's \$200 million Raising National Water Standards programme.

COAG also noted the Prime Minister recently announced three projects in Queensland under the \$2 billion Australian Government Water Fund, and would announce further projects with other signatories of the NWI in the near future.

## **NATIVE VEGETATION**

COAG notes the work of the State and Territory Governments in the area of management of native vegetation and biodiversity and encourages their continued examination of appropriate regulation.

## **INDIGENOUS ISSUES**

In receiving reports on the Indigenous Communities Coordination Trials and the National Framework for Reconciliation, members of COAG reaffirmed their commitment to work together in an ongoing partnership to improve outcomes for Aboriginal and Torres Strait Islander Australians. In particular, COAG noted the importance of governments working together with local indigenous communities on the basis of shared responsibility.

## **CHILD PORNOGRAPHY**

COAG is concerned to ensure that Australia's laws and law enforcement arrangements provide strong and effective responses to the evils of production, use and distribution of child pornography.

The Australasian Police Ministers' Council (APMC) has endorsed a National Strategy to Counter Online Child Sex Abuse, which will formalise and strengthen cross-jurisdictional law enforcement arrangements.

COAG asked the Standing Committee of Attorneys-General (SCAG), in consultation with APMC, to undertake further work on consistency in child pornography offences, on the basis of a report by the Model Criminal Code Officers Committee on nationally-consistent child pornography laws. This further work by SCAG is to have a particular focus on the actual or potential operational impacts of inconsistencies between laws. It is expected that SCAG will pursue this work as a matter of priority, given the seriousness of the issue. COAG recommended that there should be capacity for APMC to raise issues for SCAG consideration, on the basis of future experience with child pornography legislation.

## **OTHER BUSINESS**

### **National Response Plan for Mass Casualties involving Australians Overseas**

COAG considered and endorsed the National Response Plan for Mass Casualty Incidents involving Australians overseas which it asked to be prepared in the wake of the lessons learned from the Bali bombings in October 2002. Under the plan, the Commonwealth has agreed to consider on a case-by-case basis reimbursing the costs the States and Territories might incur in response to any future incident resulting in Australians having to be repatriated from overseas for treatment.

### **Industry and Technology Ministerial Council**

Following its consideration of the review of the Industry and Technology Ministerial Council, COAG agreed to abolish the Council. It noted that, while the Council would no longer function as a formal entity, there is nothing to preclude relevant ministers meeting from time to time to consider matters of mutual interest and their officials from doing likewise.

### **Climate Change**

COAG noted the difference in view between the Commonwealth Government and the State and Territory Governments on the need for an emissions trading system in Australia at this time.

COAG agreed to set up a Senior Officials' group to examine the scope for national cooperation on climate change policy, focussing on areas of common ground between jurisdictions where practical progress can be made. This would include consideration of the scope to improve investment certainty for business, encourage renewable energy (including ethanol) and enhance cooperation in areas such as technology development, energy efficiency and adaptation.

COAG also noted that the Prime Minister has appointed a Taskforce to examine the latest scientific evidence on the impacts of ethanol and other biofuel use on human health, environmental outcomes and automotive operations, which will report back to him by the end of July 2005.

### **INTERGOVERNMENTAL AGREEMENT ON SURFACE TRANSPORT SECURITY**

The heads of government used the opportunity afforded by the COAG meeting to sign an intergovernmental agreement on surface transport security. The agreement aims to reduce the likelihood that the surface transport system will be the target of terrorism and other security threats, to facilitate the implementation of nationally-consistent protective security planning and preventive measures and to assist the surface transport sector to move more effectively to higher levels of alert if required.

### **FUTURE MEETING**

COAG indicated a desire to hold its next meeting in February or March 2006.