

COUNCIL OF AUSTRALIAN GOVERNMENTS' MEETING

6 DECEMBER 2002

CANBERRA

The Council of Australian Governments (COAG) held its 12th 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.

COUNTER-TERRORISM

COAG discussed the nation's counter-terrorism preparedness and measures that can be taken to enhance that status.

Leaders renewed their commitment to a strong nationally-coordinated approach to counter-terrorism.

COAG considered a report from the National Counter-Terrorism Committee (NCTC) that provided an overview of the current security environment and canvassed a number of measures to enhance the national counter-terrorism arrangements.

COAG noted that generally Australia is well prepared to prevent terrorist attacks but, as 11 September 2001 and 12 October 2002 showed, preventing a determined terrorist attack cannot be assured. It agreed that Australia cannot afford any complacency in counter-terrorist precautions. The NCTC's efforts to strengthen linkages between consequence management and counter-terrorism planning and its development of a national framework for the protection of critical infrastructure were welcomed.

COAG endorsed the NCTC's development of guidelines for the protection of critical infrastructure, including establishing criteria to identify the critical infrastructure and outline security measures at each level of alert. COAG reinforced the cooperative approach between governments and industry to this task. COAG instructed the NCTC to assign priority to the completion of this task and stressed its national importance.

Deficiencies in the protection of some hazardous materials were also noted and COAG agreed to a national review of the regulation, reporting and security around the storage, sale and handling of hazardous materials. The review will include relevant Commonwealth, State and Territory agencies in consultation with the NCTC and will report to COAG.

COAG agreed also to additional funding to enhance national counter-terrorism capability. This money will be used to upgrade communication systems, supply some needed counter-terrorism equipment to State and Territory police and increase the amount of exercising between agencies involved in the prevention of terrorism and those involved in crisis and consequence management arrangements and capabilities.

The Commonwealth will provide the funds for the communications upgrade and the exercise regime (\$10.4 million initially and \$7.6 million ongoing) and the States and Territories will fund equipment purchases and maintenance (\$4.3 million initially and \$0.8 million ongoing). COAG noted that security at regional and metropolitan general aviation airports will be subject to ongoing review by relevant Commonwealth, State and Territory authorities.

HANDGUNS

COAG agreed on a national approach to restrict the availability and use of handguns, particularly concealable weapons. The agreement will result in a major reduction in the number of handguns in the community and will significantly strengthen controls over access to handguns.

COAG endorsed the 28 resolutions made by the Australasian Police Ministers Council (APMC) and agreed that legislative and administrative measures to implement the resolutions should be in place by 30 June 2003. The resolutions include:

- a system of graduated access to handguns for legitimate sporting shooters, based on training, experience and event participation;
- giving shooting clubs greater access to information by requiring a prospective member to produce a police clearance prior to acceptance as a member, information on other shooting clubs a person belongs to, and their current ownership of firearms;
- more stringent requirements to prevent club shopping by potential members of gun clubs, including better access for clubs to information from licensing authorities; and
- allowing the Commissioner of Police in each jurisdiction, subject to appropriate safeguards, to refuse and revoke firearms licences and applications on the basis of criminal intelligence and other relevant information.

COAG agreed to restrict the classes of legal handguns that can be imported or possessed for sporting purposes to those meeting recognised sporting shooter classifications in the Olympic and Commonwealth Games and other accredited events.

COAG noted the proposals of the APMC but agreed that handguns will be limited to a maximum of .38" calibre (except for specially accredited sporting events where handguns up to .45" calibre will be permitted - details will be considered by Commonwealth, State and Territory authorities as a matter of urgency, with final arrangements to be agreed by COAG).

COAG noted the importance of removing easily concealable handguns from the community. As a result, COAG agreed that semi-automatic handguns with a barrel length of less than 120mm and revolvers and single shot handguns with a barrel length of less than 100mm will be prohibited. Highly specialised target pistols, some of which will have a barrel length of less than 120mm will be allowed. These types of pistols are large, visually distinctive and not readily concealable due to their overall size.

COAG also agreed that reducing the number of handguns held legally in the community should be accompanied by a compensation scheme for licensees who are compelled to hand in handguns, operating from 1 July 2003 until 1 January 2004. The cost of funding the compensation scheme will be funded firstly from \$15 million remaining from the 1996 firearms buy-back funds and then shared on a two-thirds:one-third basis between the Commonwealth and the States and Territories, for the handguns prohibited and returned in each jurisdiction.

COAG agreed that an amnesty will be in force from 1 July 2003 until 1 January 2004, during which time owners of illegally held handguns can surrender those weapons to authorities without incurring a criminal penalty for possession of that weapon. Commonwealth, State and Territory authorities are to ensure that the buy-back arrangements are not able to be exploited.

COAG agreed that the States and Territories would introduce necessary legislation as a priority and there will be ongoing consultation between Police Ministers on arrangements for the buy-back and amnesty. COAG will agree the final arrangements for the national approach. Progress on both legislation and arrangements will be reported at the next meeting of COAG.

INSURANCE

COAG welcomed the significant progress made by jurisdictions in addressing public liability, professional indemnity, medical indemnity and terrorism insurance problems.

Public Liability and Professional Indemnity Insurance

COAG confirmed the importance of implementing the key recommendations of the Law of Negligence Review by Justice Ipp in a nationally-consistent and timely way.

COAG endorsed a forward work programme developed by Commonwealth, State and Territory Ministers which includes:

- continuing work on pursuing effective damages regimes;
- examining the economic impacts of mechanisms for addressing professional liability, including proportionate liability, caps on liability and professional standards legislation. Professional indemnity reforms will be further considered by Treasury Ministers at their April 2003 meeting, with a subsequent report on outcomes to the next COAG meeting; and
- establishing a Taskforce, comprising officials from Treasuries and Health portfolios, to undertake a comprehensive review of current and possible alternative arrangements in relation to long-term care for the catastrophically injured, commencing with an expeditious collection of relevant data and analysis of the nature of the problem to report to the Public Liability Insurance Ministerial Group by March 2003.

COAG noted the Commonwealth's commitment to amend the *Trade Practices Act 1974* ('the Act') to support nationally-consistent reform by the States and Territories. In areas where national consistency cannot be achieved, Treasury Ministers have agreed to examine options for amending the Act to ensure that State and Territory legislation will not be compromised.

COAG noted that Treasury Ministers would continue to monitor the effectiveness of reform measures in expanding access to, and improving the affordability of, public liability and professional indemnity insurance.

Medical Indemnity

COAG welcomed the medical indemnity framework and package announced by the Commonwealth on 23 October 2002. These measures are designed to ensure a sustainable medical indemnity market, assist with premium affordability, and safeguard the continued provision of medical services, particularly in high-risk specialities.

COAG agreed that State and Territory governments will complement the above measures by continuing tort law reforms and maintaining indemnities for doctors working in public hospitals and existing support measures for doctors in rural areas.

State and Territory governments noted Commonwealth calls to provide stamp duty exemptions for medical indemnity premiums as providers are brought into the general insurance regulatory arrangements, and to remove duty on medical indemnity premiums to the extent that it is currently remitted.

New South Wales noted Commonwealth calls to remove caps on medical indemnity premiums and subscriptions by the end of 2003. New South Wales agreed to consider the request.

Terrorism Insurance

COAG welcomed the Commonwealth's scheme to provide reinsurance cover for terrorism risk on commercial property and infrastructure facilities, including local government-owned assets. States and Territories agreed to consider the Commonwealth's invitation to participate in the terrorism insurance scheme, subject to discussions on the details of this participation including the appropriate financial contribution to the scheme from participating States and Territories.

WATER PROPERTY RIGHTS

COAG noted progress on water reform in all jurisdictions, and reaffirmed commitment to those reforms as set out in the 1995 National Competition Policy Agreement. COAG also noted that the national principles on water allocation and entitlements developed by the Chief Executive Officers' Group on Water are broadly consistent with the 1995 Agreement and agreed to the release of this report for a consultation process with key stakeholders and to finalise this report by April 2003. The Council further noted that the Commonwealth had prepared a paper outlining its principles for achieving sustainable water management.

CHILD PROTECTION

Child abuse remains a major problem in the Australian community, despite the on-going efforts of governments. Victims of child abuse experience poorer mental and physical health, poorer educational and employment outcomes, and higher levels of contact with the criminal justice system over their lifetime. Indigenous children are significantly over-represented in the child protection system. Ultimately, the whole community bears the consequences.

COAG acknowledged that no simple solution exists to the problem of child abuse, and that responsibility for child protection rested appropriately with individual states and territories.

COAG noted the shared responsibility between the Commonwealth, States and Territories for indigenous issues and agreed that there should be an increased national focus on indigenous child protection issues to complement the COAG

reconciliation framework. COAG requested a report from Senior Officials on the issue by April 2003. The report will consider ways to enhance responsiveness to indigenous families at risk and in crisis, improve outcomes for indigenous children, and address causal factors behind abuse.

The Commonwealth, Queensland, Western Australia and the Northern Territory also gave in-principle support to funding for a new initiative to increase understanding of the health effects of child abuse and alcohol abuse and assist indigenous communities to develop solutions to these problems. The initiative will be conducted in partnership between governments, Rio Tinto, the Institute for Child Health Research, the Commonwealth-funded Alcohol and Education Rehabilitation Foundation and the aboriginal community.

The Commonwealth and Western Australia agreed to develop a bilateral partnership to give priority within their programme funding and delivery to indigenous child protection strategies and services in specific communities, in line with the Gordon Inquiry.

COAG agreed to discuss the findings of the Reassessment of Indigenous Participation in the Development of Commonwealth Policies and Programmes (ATSIC review) at the next COAG meeting.

AGEING

In line with the agreement reached at the COAG meeting in April 2002 that the Council would have a broad strategic discussion of a national public policy issue at each meeting, the Council considered today the economic and social implications arising from the projected ageing of Australia's population.

COAG acknowledged the enormous contribution older people make to Australian society, and the experience and skills they bring to our community. COAG also recognised the natural and appropriate desire of all Australians to maintain, and where possible improve, the quality of their lives as they age.

Discussions recognised that the significant growth in the population over 65 years which is projected to increase almost three-fold over the next four decades. Within the overall ageing of the Australian population, important differences are likely to occur in the ageing profiles of States and Territories, and in specific regions and localities.

COAG agreed that Australia was generally well placed to address the challenges and maximise the benefits from an ageing population. Members acknowledged that governments' capacity to provide services into the future depended critically on continued economic reform to underpin long-term growth in Australia's economy.

COAG acknowledged that a range of areas required further consideration by individual jurisdictions including: the productivity and labour supply implications of an ageing Australia; infrastructure and community support; the impact of ageing in regional areas; and accessible, appropriate health and aged care services.

To further improve understanding of the challenges and opportunities arising from the projected ageing of the population, COAG agreed to request the Productivity Commission to undertake a research study into the future impact of ageing with a particular focus on:

- the productivity and labour supply implications of an ageing Australia; and
- the potential fiscal impacts on all levels of government resulting from an ageing population.

COAG referred draft terms of reference for the study by the Productivity Commission to the Commonwealth for early consideration.

COAG also agreed to further develop appropriate responses to the issues associated with an ageing Australia following receipt of the Productivity Commission report.

REVIEW OF THE MUTUAL RECOGNITION AGREEMENT AND THE TRANS TASMAN MUTUAL RECOGNITION ARRANGEMENT

COAG and New Zealand today agreed on arrangements for reviewing the Mutual Recognition Agreement (MRA) and the Trans Tasman Mutual Recognition Arrangement (TTMRA).

The MRA and the TTMRA play an important role in reducing barriers to trade and workforce mobility between participating jurisdictions. TTMRA is a key underpinning of Australia's and New Zealand's policy of Closer Economic Relations, which celebrates its 20th anniversary in 2003.

The review will be conducted in two stages, with the Productivity Commission providing a commissioned research paper assessing the benefits of the agreements and scope for improvements. This will then be considered by an officers group of the COAG Committee for Regulatory Reform, including New Zealand representatives, that will report to COAG and the New Zealand government before the end of 2003.

INTERGOVERNMENTAL AGREEMENTS

Corporations Agreement

Relevant Heads of Government today agreed to sign a new Corporations Agreement to support the constitutional and legislative framework of the corporations regime. The agreement was recently endorsed by Attorneys-General and responds to two High Court decisions, which questioned aspects of the old corporations regime.

COAG also agreed that two further issues – relating to foregone revenue payments and the inclusion of the Australian Capital Territory as a party to the scheme - will be addressed by the Ministerial Council for Corporations.

Food Regulation Agreement

Heads of Government today agreed to sign a revised Food Regulation Agreement. The original Food Regulation Agreement was signed by COAG on 3 November 2000, with the objective of providing a more coordinated and effective approach to food safety in Australia and New Zealand. The revised Agreement ensures consistency with the *Food Standards Australia New Zealand Act 1991* and the Joint Food Standards Treaty with New Zealand.

Memorandum of Understanding - Foot and Mouth Disease

Heads of Government today agreed to sign a Memorandum of Understanding which will underpin the national coordination framework for addressing an outbreak of Foot and Mouth Disease (FMD) in Australia. This follows the FMD simulation, Exercise Minotaur, which was held from 8-13 September 2002. Exercise Minotaur successfully tested peak-level arrangements across and within jurisdictions, as well as emergency roles and linkages across Commonwealth and State/Territory agencies.

A detailed report evaluating Exercise Minotaur will be submitted to COAG in 2003. The report will also outline progress by jurisdictions on improving prevention, preparedness and response capacity, an assessment of jurisdictions' preparedness against agreed performance criteria and funding implications for each level of government.

NEXT MEETING

The next meeting of COAG will be held in 2003.