

**COUNCIL OF AUSTRALIAN GOVERNMENTS' MEETING
10 FEBRUARY 2006
COMMUNIQUE**

The Council of Australian Governments (COAG) held its 17th meeting today in Canberra. The Council, comprising the Prime Minister, Premiers, Chief Ministers and the President of the Australian Local Government Association, had detailed discussions on a number of issues of national importance.

This was an historic meeting with significant outcomes. All governments have seized a unique opportunity to work together to deliver a substantial new National Reform Agenda embracing human capital, competition and regulatory reform streams.

The National Reform Agenda is aimed at further raising living standards and improving services by lifting the nation's productivity and workforce participation over the next decade.

COAG agreed to concrete, practical initiatives in the areas of improved health services, skills recognition, infrastructure regulation and planning and a lessened regulatory burden on business.

COAG discussed mental health as an issue of national significance.

COAG also discussed national pandemic preparedness, counter-terrorism and biofuels.

This Communiqué sets out the agreed outcomes of COAG's deliberations. Attachments to the Communiqué provide additional detail and are available on the website at www.coag.gov.au

A NEW NATIONAL REFORM AGENDA

COAG has today agreed a National Reform Agenda to help underpin Australia's future prosperity. This new wave of collaborative reform builds on the success of a quarter of a century of national economic and social policy reform, which has fundamentally reshaped the Australian economy and increased living standards. As national demographic trends begin to bite and global competition intensifies, it is vital that all governments work together to deliver the best possible reform outcomes for Australia. Complacency is not an option.

COAG noted that with an ageing population, there will be relatively fewer Australians of working age. To avoid putting too great a burden on those already in work, more Australians need to realise their potential by entering or rejoining the workforce. At the same time, in the face of intense global competition and changes in technology any reduction in workforce participation needs to be offset by improvements in the ability of the workforce and in productivity.

The proposed agenda is ambitious and broad based. It will enhance the capability and contribution of the Australian people – the nation's human capital. It will continue

competition reforms to make our markets work more efficiently and will reduce the regulatory burden on Australian business.

The COAG National Reform Agenda aims to deliver significant economic and social rewards. Heads of Treasuries have advised that it has the potential to deliver over the next decade benefits of the same size, if not even larger, than those achieved in the last decade from the implementation of national competition policy and associated reforms. The Productivity Commission has estimated that national competition reforms have permanently increased the level of Australia's GDP by 2.5 per cent, or \$20 billion.

The three streams of the COAG National Reform Agenda - human capital, competition and regulatory reform - are discussed in turn.

HUMAN CAPITAL

A healthy, skilled and motivated population is critical to workforce participation and productivity, and hence Australia's future living standards. By focusing on the outcomes needed to enhance participation and productivity, the human capital stream of reform aims to provide Australians with the opportunities and choices they need to lead active and productive lives. A full set of recommendations in the area of human capital reform agreed by COAG are at Attachment A to this Communiqué.

Policies to improve health and education outcomes, and encourage and support work, are closely inter-related. COAG agreed to play a leadership role to facilitate policy integration and the adoption of a longer-term policy perspective across governments and portfolios.

The human capital agenda outlined here represents an ambitious partnership. To achieve the level and breadth of progress our nation needs, COAG agreed that all governments would commit to reform across health, education and training and encouraging and supporting work. In some cases there is agreement on what should be done in general terms; in other cases, a number of diverse and innovative approaches need to be tried.

The different circumstances in a country as large and varied as Australia require diverse kinds of actions rather than a 'one size fits all' approach. The best approach is to focus on long-term outcomes, measures and, where appropriate, milestones, coupled with transparent assessment and reporting, to encourage continuous improvement by all jurisdictions.

COAG has therefore agreed that the human capital stream of reform should focus on a robust framework for achieving the outcomes that will boost participation and productivity.

COAG agreed that human capital reform will be focussed first and foremost on a limited number of outcomes. Indicative outcomes that require further detailed consideration could include:

- a reduction in the proportion of the working-age population not participating in the workforce due to illness, injury or disability;
- a reduction in the prevalence of key risk factors that contribute to chronic disease;
- a reduction in the incidence of chronic disease;
- increased effectiveness of the health system in achieving health outcomes;
- an increase in the proportion of children entering school with basic skills for life and learning;
- an increase in the proportion of young people meeting basic literacy and numeracy standards, and improved overall levels of achievement;
- an increase in the proportion of young people making a smooth transition from school to work or further study;
- an increase in the proportion of adult workers who have the skills and qualifications needed to enjoy active and productive working lives; and
- encourage and support increased workforce participation among key groups.

The next step is for COAG to finalise the outcomes and associated progress measures, and, in some cases, actions and milestones, against which jurisdictions' performance will be assessed. To hold jurisdictions accountable for achieving these outcomes, COAG agreed that the progress of jurisdictions would be independently assessed and transparently reported. The process for this is discussed below under 'Implementing the National Reform Agenda'.

Health

Good health underpins the wellbeing and quality of life of Australians. Preventing ill health and improving physical and mental health helps people to participate in work and makes them more productive when they do so.

Health Promotion and Disease Prevention

Reducing the incidence of chronic disease (such as diabetes, cancer and mental illness) means fewer people not working due to illness, injury and disability.

Risk factors such as poor diet, physical inactivity, smoking, alcohol misuse and excess weight contribute to chronic disease. COAG agreed that health promotion, prevention and early intervention strategies and investment are required to reduce the incidence of chronic disease, and improve overall health outcomes.

An Effective Health System

Health is also a large sector of the economy, accounting for around 10 per cent of GDP and growing.

A considerable proportion of health service delivery is undertaken through payments for specific purposes from the Commonwealth to the States and Territories. Financial incentives created by such arrangements need to support the best possible utilisation of health resources for the purposes of advancing health outcomes.

COAG agreed that Commonwealth-State Specific Purpose Payments (SPPs) that significantly affect the health system should be reviewed prior to their renegotiation. The reviews are intended to identify any elements of SPPs that, if changed, could contribute to better health outcomes.

Education and Training

Skills development helps realise the potential of citizens, and of the nation. Continuous and lifelong learning gives more people the tools to participate in work and underpins more successful and rewarding careers when they do so.

Early Childhood Development

COAG noted the importance of all children having a good start to life. Opportunities to improve children's life chances, especially for children born into disadvantaged families, exist well before children begin school, and even before birth.

High quality and integrated early childhood education and care services, encompassing the period from prenatal up to and including the transition to the first years of school, are critical to increasing the proportion of children entering school with the basic skills for life and learning.

COAG will give priority to improving early childhood development outcomes, as a part of a collaborative national approach.

Core Skills Attainment: Literacy and Numeracy

COAG noted the compelling evidence on the effects of core skills, particularly literacy and numeracy, on school retention, and subsequent workforce participation and productivity outcomes.

While the Program for International Student Assessment conducted in OECD countries indicates that Australia performs significantly above the OECD average, our overall performance is still below the world's best and the distribution of outcomes is wider for us than for many comparable countries.

COAG is committed to increasing the proportion of young people attaining and meeting basic literacy and numeracy standards.

Transition from School to Work or Further Study

The transition from school to work or further study represents an important step on the path to an active and productive working life. Completing school or gaining an equivalent qualification is critical to subsequent economic opportunities.

Numerous Commonwealth, State and Territory government reforms and service improvements aim to assist those who have left school early and those at risk of leaving school early. COAG has asked that work be undertaken to ensure that the policies and programs relating to transition pathways from school to work are delivered effectively.

COAG has requested the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) to report back to it by June 2006 on strategies to ensure that policies and programs relating to transition pathways from school to work are developed and delivered to achieve nationally agreed objectives, and to ensure that information is collected to track youth transitions.

Adult Learning

With a declining proportion of the population being of working age, and with the premium for skilled workers increasing, Australia needs to increase the proportion of adults who have the skills and qualifications needed to enjoy active and productive working lives.

Encouraging and Supporting Work

Growing the workforce requires a focus on those groups with the greatest potential to increase their participation. International benchmarking suggests that the greatest potential to achieve higher participation is among people on welfare, the mature aged and women. There is also clear evidence that Indigenous Australians are less likely to be participating in work than non-Indigenous Australians.

COAG noted the range of policies in place and significant recent reforms to enhance workforce participation. COAG agreed to the goal of further improving the labour market participation of key groups.

COMPETITION

The competition stream of the COAG national reform agenda is a substantial addition to, and continuation of, the highly successful National Competition Policy reforms. It will further boost competition, productivity and the efficient functioning of markets. It focuses on further reform and initiatives in the areas of transport, energy, infrastructure regulation and planning and climate change technological innovation and adaptation.

This important work follows the successful formula of past competition policy reforms, with governments working together to identify reform opportunities, and agreeing on a process for delivering. While there will again be difficult adjustment tasks associated with reform, with goodwill and common effort, these can be overcome to deliver benefits for the nation as a whole.

National Competition Policy Review

COAG endorsed a new National Competition Policy (NCP) reform agenda aimed at providing a supportive market and regulatory framework for productive investment in

energy, transport and other export-oriented infrastructure, and its efficient use, by improving pricing and investment signals and establishing competitive markets. COAG noted the Productivity Commission's conclusion that NCP has delivered substantial net benefits to the Australian economy and across the community, and all governments recommitted to the principles contained in the Competition Principles Agreement. A full set of recommendations agreed by COAG are at [Attachment B](#) to this Communiqué.

Energy

Structural reforms undertaken under NCP and other COAG initiatives since the early 1990s have significantly improved the efficiency of the energy sector. While Australians enjoy lower electricity and gas prices than much of the developed world and secure energy markets help underpin Australia's industrial base, further reform would yield significant efficiency and energy security benefits.

In recognition that past energy market reform has focussed on improving supply efficiency, COAG has agreed to improve price signals for energy consumers and investors. Actions include committing to the progressive national roll out of 'smart' electricity meters from 2007 to allow the introduction of time of day pricing and to allow users to better manage their demand for peak power only where benefits outweigh costs for residential users and in accordance with an implementation plan that has regard to costs and benefits and takes account of different market circumstances in each State and Territory.

COAG also agreed to ensure the electricity transmission system supports a national electricity market, providing energy users with the most efficient, secure and sustainable supply of electricity from all available fuels and generation sources, and include where appropriate an increased share of renewable energy. COAG committed to adopt suitable policy settings, governance and institutional arrangements and other actions to improve the framework for planning and network investment and to streamline regulation.

COAG recommitted as well to broad ranging COAG reforms currently being progressed by the Ministerial Council on Energy, and timelines for their implementation by early 2008.

COAG agreed to establish quickly a high-level, expert Energy Reform Implementation Group to report back to COAG before the end of 2006 with proposals for:

- achieving a fully national electricity transmission grid;
- measures that may be necessary to address structural issues affecting the ongoing efficiency and competitiveness of the electricity sector; and
- any measures needed to ensure transparent and effective financial markets to support energy markets.

Transport

The dispersed nature of Australia's population and markets underlines the importance of efficient transport infrastructure to improving productivity. Transport already

generates approximately five per cent of GDP and Australia's freight task is expected to almost double over the next 20 years. COAG has agreed to improve the efficiency, adequacy and safety of Australia's transport infrastructure by committing to high priority national transport market reforms including to:

- ask the Productivity Commission to develop proposals for efficient pricing of road and rail freight infrastructure through consistent and competitively neutral pricing regimes, in a manner that maximises net benefits to the community, in particular rural, regional and remote Australia. The Productivity Commission will make recommendations to COAG by end 2006 on optimal methods and possible implementation timeframes. The inquiry will include analysis of how particular communities might be impacted. When COAG considers this report it will ensure that the interest of rural, regional and remote Australia are addressed;
- harmonise and reform rail and road regulation within five years, including productivity-enhancing reforms, improved road and rail safety regulation and performance-based standards for innovative vehicles that do less road damage;
- strengthen and coordinate transport planning and project appraisal processes to ensure the best use of public investment by adopting Australian Transport Council-endorsed national guidelines for evaluating new public road and road infrastructure projects by December 2006; and
- reduce current and projected urban transport congestion, within current jurisdictional responsibilities, informed by a review into the main causes, trends, impacts and options for managing congestion focusing on national freight corridors.

Infrastructure Regulation

At its June 2005 meeting, COAG noted the recommendations of the Exports and Infrastructure Taskforce and agreed that the regulation of ports and export-related infrastructure be considered in the COAG Review of NCP.

COAG signed a Competition and Infrastructure Reform Agreement to provide for a simpler and consistent national system of economic regulation for nationally-significant infrastructure, including for ports, railways and other export-related infrastructure. The agreed reforms aim to reduce regulatory uncertainty and compliance costs for owners, users and investors in significant infrastructure and to support the efficient use of national infrastructure.

This important Agreement includes that, wherever possible, third-party access to services provided by means of significant infrastructure facilities should be on the basis of terms and conditions commercially agreed in negotiations between the access seeker and the operator of the infrastructure. Where third-party access regimes are needed, the Competition Principles Agreement will be amended to incorporate the following principles:

- all third-party access regimes will include objects clauses that promote the economically efficient use of, operation and investment in, significant infrastructure;
- all access regimes will include consistent principles for determining access prices; and

- where merits review of regulatory decisions is provided for, the review will be limited to the information submitted to the regulator.

The Agreement also includes:

- new requirements that regulators will be bound to make regulatory decisions under an access regime within six months, provided the regulator has been given sufficient information;
- to promote consistency, all State and Territory access regimes will be submitted for certification by 2010 following agreement on a streamlined certification process;
- implementation of a simpler and consistent national system of rail access regulation for agreed nationally-significant railways using the Australian Rail Track Corporation access undertaking as a model;
- that each jurisdiction review the regulation of its ports and port authority, handling and storage facility operations at significant ports to ensure that where economic regulation is warranted it conforms with agreed access, planning and competition principles; and
- commitment to principles to enhance the application of competitive neutrality to government business enterprises engaged in significant business activities in competition with the private sector.

COAG noted the Commonwealth's view that, while it welcomes the new arrangements, it considers a single regulator for export infrastructure is preferable and that it reserves the right to legislate to that effect if the new arrangements are not effective.

COAG noted concerns raised by States and Territories regarding implications of some development on Commonwealth property (not including Defence) and agreed to refer the issue to the Australian Transport Council to examine.

Infrastructure Planning

COAG noted progress in the implementation of the six infrastructure measures agreed at its June 2005 meeting. Implementation arrangements agreed by COAG include: a commitment to complete all 24 corridor strategies under AusLink by 30 June 2007 at the latest; extending the corridor strategies to include relevant capital city and associated regional ports on the AusLink National Network; undertaking a stocktake of logistics chains of national importance and encouraging industry to establish their own logistics chain coordination arrangements; and establishing a 'one-stop shop' in each jurisdiction by 30 June 2006 for significant development projects.

COAG also noted that the format and content of the five-yearly infrastructure reports to be provided by each jurisdiction had been agreed out-of-session. The reports will provide a strategic overview of existing infrastructure, a pragmatic outlook for infrastructure demand, and a forward-looking strategic assessment of future needs. The first set of reports will be provided to COAG by 31 January 2007.

Climate Change

COAG agreed to adopt a new national Climate Change Plan of Action (Attachment C) and to establish a high-level interjurisdictional Climate Change Group to oversee implementation of the Plan's recommendations.

COAG recognises the differences between the Commonwealth and the State and Territory governments, yet agreed there is an important opportunity for all levels of governments to work co-operatively on climate change policy and action. In addition to a number of specific actions the Plan sets out a framework of policy principles designed to lay the foundation for further cooperative work in the future.

Governments agree on the need to accelerate significantly our conversion to low emissions practices and technologies to reduce the risk of dangerous climate change and provide greater investment certainty in the light of greenhouse risk.

Key initiatives in the Plan include:

- a national framework for the take-up of renewable and low emission technologies;
- a national climate change adaptation framework to assist effective risk management by business and community decision-makers;
- a study to identify the gaps in technology development;
- a \$100,000 study to examine options, such as a new dedicated Centre for Climate Change Science and Knowledge, for ensuring that Australia's scientific research resources are organised to effectively support climate change decision-making at the national and regional levels;
- acceleration of work by Ministerial Councils, that are investigating options to strengthen emissions reporting approaches; and
- all relevant Ministerial Councils to consider any climate change implications of their decisions and activities.

Reports on how to address any gaps will be provided to COAG later this year. In order to involve the community and business in the implementation of the various elements of the Plan of Action the COAG Climate Change Group will hold public fora in the first half of 2006.

REDUCING THE REGULATORY BURDEN

The regulatory reform stream of the COAG National Reform Agenda focuses on reducing the regulatory burden imposed by the three levels of government. COAG agreed that effective regulation is essential to ensure markets operate efficiently and fairly, to protect consumers and the environment and to enforce corporate governance standards. However, the benefits from each regulation must not be offset by unduly high compliance and implementation costs.

COAG agreed to a range of measures to ensure best-practice regulation making and review, and to make a "downpayment" on regulatory reduction by taking action now to reduce specific regulation "hotspots". It is expected that further action to address burdensome regulation and red tape will be taken as the Commonwealth considers

and responds to the report of the Taskforce on Reducing the Regulatory Burden on Business, and as State, Territory and local governments undertake their own regulation review processes.

COAG agreed that all governments will:

- establish and maintain effective arrangements to maximise the efficiency of new and amended regulation and avoid unnecessary compliance costs and restrictions on competition;
- undertake targeted public annual reviews of existing regulation to identify priority areas where regulatory reform would provide significant net benefits to business and the community;
- identify further reforms that enhance regulatory consistency across jurisdictions or reduce duplication and overlap in regulation and in the role and operation of regulatory bodies; and
- in-principle, aim to adopt a common framework for benchmarking, measuring and reporting on the regulatory burden.

COAG also agreed to address six priority cross-jurisdictional ‘hot spot’ areas where overlapping and inconsistent regulatory regimes are impeding economic activity:

- rail safety regulation;
- occupational health and safety;
- national trade measurement;
- chemicals and plastics;
- development assessment arrangements; and
- building regulation.

Further details are in [Attachment B](#).

IMPLEMENTING THE NATIONAL REFORM AGENDA

COAG has agreed in principle to establish new and robust intergovernmental arrangements for the governance of its National Reform Agenda. Governments at all levels will have a central and continuing role in elaborating and implementing the agenda.

There are several steps that need to be taken to advance the National Reform Agenda. COAG has agreed to the objectives, priority areas and in-principle institutional arrangements and financial arrangements for the new National Reform Agenda.

The National Reform Agenda will be supported by Intergovernmental Action Plans (IAPs). These IAPs, to be agreed by COAG, will set out, as appropriate, agreed outcomes and commitments, progress measures, actions and milestones.

COAG Reform Council

COAG has agreed in principle to establish a COAG Reform Council (CRC) to report to COAG annually on progress in implementing the National Reform Agenda. It is envisaged that the CRC will be an independent body that will replace the National

Competition Council (NCC) which has played a pivotal role in the achievement of the NCP reforms since 1996.

The primary role of the CRC would be to report to COAG annually on progress towards the achievement of agreed reform milestones and progress measures across the broad National Reform Agenda. The CRC is also expected to undertake the current functions of the NCC under Part IIIA of the *Trade Practices Act 1974* in relation to third-party access to infrastructure.

A final decision on the CRC will be subject to a business plan for the CRC, the development of IAPs, and agreement on financial arrangements under the NRA.

Funding Arrangements

All governments agreed that this important reform agenda should be progressed for the benefits it will confer on Australians.

The key task for all governments is to now work together to translate the broad reform agenda agreed today into clear measurable outcomes and concrete actions.

The Commonwealth has indicated that it will provide funding to the States and Territories on a case-by-case basis once specific implementation plans have been developed if funding is needed to ensure a fair sharing of the costs and benefits of reform. Payments to the States and Territories and, where appropriate, to local government, would be linked to achieving agreed actions or progress measures and to demonstrable economic benefits, and would take into account the relative costs and proportional financial benefits to the Commonwealth, the States and Territories and local government of specific reform proposals.

Any funding could take the form of Commonwealth and/or shared funding for specific initiatives, and/or payments from the Commonwealth linked to results. Any funding would be in addition to other Commonwealth funding.

The CRC would report transparently to COAG on the performance of all jurisdictions (including the Commonwealth). The Commonwealth would decide on payments to States and Territories, based on those reports.

BETTER HEALTH FOR ALL AUSTRALIANS

COAG today agreed to a \$1.1 billion reform package to achieve better health for all Australians. Over the next five years this investment will:

- establish a new approach to promotion, prevention and early intervention;
- provide better care for people in the community, including in rural and remote Australia;
- provide better care for older people in hospitals; and
- provide better care for younger people with disabilities in nursing homes.

Funding of \$660 million will be provided by the Commonwealth and \$480 million by the States and Territories.

Promoting Good Health, Disease Prevention and Early Intervention

COAG recognises the importance of good health, disease prevention and early intervention and has announced the *Australian Better Health Initiative*, that will start to re-focus the health system and will see the Commonwealth and States and Territories working together, and with the community, to promote good health and tackle chronic disease. This component of the package is linked to the National Reform Agenda in that over time it will assist in raising productivity and workforce participation.

From 1 July 2006, \$500 million will be provided over four years, comprising \$250 million from the Commonwealth and \$250 million from States and Territories, for:

- *promoting healthy lifestyles* through nationally-consistent messages on health, implementing nationally-consistent school canteen guidelines and school-based and local programs to facilitate and support lifestyle changes;
- *supporting early detection of lifestyles risks and chronic disease* through a new *Well Person's Health Check* which will be available nationally people around 45 years old with one or more identifiable risks that lead to chronic disease;
- *supporting lifestyle and risk modification* through referral to services that assist people wanting to make changes to their lifestyle. Assistance could include nutritional advice, advice on weight management, support to give up smoking, and counselling;
- *encouraging active self-management of chronic disease* with services ranging from group-based courses to different forms of counselling; and
- *improving integration and coordination of care* so that people with chronic conditions can receive more flexible and innovative support.

People being treated for cancer will be supported better by new arrangements for case conferencing for cancer specialists through the MBS, and by improved state health coordination services for cancer patients.

Improving Care and Support in the Community, including in Rural and Remote Areas

The new effort in promoting good health, prevention and early intervention will be complemented by action to improve care and support in the community. COAG signed a Heads of Agreement to establish a National Health Call Centre Network which will take its first calls by July 2007 and aim to achieve national coverage within four years. Any individual, anywhere in Australia, will be able to ring for advice on health matters. The Commonwealth will provide funding of \$96 million, while States and Territories will provide funding of \$80 million over four years from

2006-07. The National Health Call Centre Network will particularly assist people in rural and remote communities along with more mobile populations, and will be evaluated to assess its efficacy.

COAG agreed that the National Health Call Centre Network would not be limited to information and triage advice only but from the outset would be committed to maximising the effective use of general practitioners, on a 24 hour basis noting that telephone triage services would be provided by nurses.

COAG agreed that the delivery of mental health services will be an integral element of the National Health Call Centre Network, with funding of up to \$20 million over four years from the Commonwealth and the States and Territories, in addition to the \$176 million described above.

COAG also agreed that there would be recognition of existing and proposed State and Territory based health call centres including establishment costs, and to ensure the National Network builds on these networks.

COAG has also agreed that there be more timely and consistent assessments for frail older people by Aged Care Assessment Teams and simplified entry and assessment processes for the *Home and Community Care Program*, with funding from the Commonwealth of \$18 million over four years from 2006-07.

Better Services for Rural and Remote Communities

COAG discussed the challenges in delivering health and community care services to people in rural and remote areas and agreed that from 1 July 2006 measures will be introduced to improve access to primary care services in small rural and remote towns. Rural health and community care programs will be better managed by the Commonwealth and States and Territories each consolidating funding for specifically nominated areas, delivering the potential for more services and greater flexibility at the community level. Where the local rural hospital is the best available residential care alternative for older public patients, rural hospitals will be supported to provide more age-friendly services and facilities and new multi-purpose services may be established.

Improving Care in Hospitals and in Residential Settings

Measures will commence 1 July 2006 to improve care for older patients in public hospitals to minimise their length of stay, to avoid readmission and to improve care services when people live long term in smaller rural hospitals. The Commonwealth will provide funding of \$150 million over four years to the States and Territories to provide these improved services for older people.

COAG is particularly pleased to announce a commitment to start to reduce the number of younger people with disabilities living in residential aged care services. A new five-year program will begin in July 2006, with funding of up to \$122 million from the Commonwealth and up to \$122 million from States and Territories, and will be implemented in close consultation with younger people, their families and carers. The program will initially target people aged under 50 in residential aged care

services. The program will also provide cost-effective alternative residential care services for some younger people with disabilities, improve support services for those who continue to stay in residential aged care and may assist younger people who are at risk of entering nursing homes.

Strengthening the Health System and its Infrastructure

Health Workforce

COAG recognises the challenges facing Australia regarding the health workforce and the need for national systemic reform to workforce and health education structures. COAG welcomes the Productivity Commission's report on Health Workforce released in January 2006 and supports its key directions. COAG has endorsed the National Health Workforce Strategic Framework. Given the significance of the recommendations of the Productivity Commission's Report, COAG has asked Senior Officials to undertake further work on the recommendations and related issues and report to it in mid-2006. This work will include, but not be limited to, the number and distribution of training places, the organisation of clinical education and training, and accreditation and registration.

COAG noted the significant investment by the Commonwealth and States and Territories to date to address the health workforce shortage. COAG recognised the urgency of addressing the national health workforce shortage and required Senior Officials to provide COAG in June 2006 with detailed information on the number of additional Commonwealth student places required along with related measures needed to ameliorate the situation.

COAG agreed that the current cap on full fee paying medical places for domestic students should be lifted from 10 per cent to 25 per cent. COAG noted the Commonwealth's intention to lift current loan assistance for medical students to \$80,000. The Commonwealth and States and Territories agreed that these new measures are not to displace current places or future increases in Commonwealth funded student places.

COAG also agreed to a national assessment process for overseas qualified doctors to ensure appropriate standards in qualifications and training as well as increase the efficiency of the assessment process.

Progress Towards Electronic Health Records

To underpin the efforts in refocusing the health system to promote better health and community care for all Australians, COAG agreed to accelerate work on a national electronic health records system to build the capacity for health providers, with their patient's consent, to communicate quickly and securely with other health providers across the hospital, community and primary medical settings. The Commonwealth will contribute \$65 million and the States and Territories \$65 million in the period to 30 June 2009.

A detailed Action Plan, to give effect to these decisions, is at Attachment D to this Communiqué.

MENTAL HEALTH

COAG recognised that mental health is a major problem for the Australian community. COAG acknowledged that governments have made significant recent investments in the area but also noted that additional resources will be required from all governments to address the issues. COAG has asked Senior Officials to prepare an action plan to be brought forward for its consideration as soon as possible and no later than June 2006 and include:

- a renewed focus on promotion, prevention and early detection and intervention - including reducing the impact on mental health of substance abuse, including illicit drugs (such as cannabis and amphetamine-type substances) and alcohol;
- getting the balance right between hospital care, community and primary care and the best type of accommodation for people who are unable to manage on their own;
- improving and integrating the care system to enable the right care to be accessed at the right time, including mental health services, primary care, general practice, private psychiatric services and emergency department services;
- improving participation in the community and employment, including greater use of non-government organisations and improved community-based and cross-sectoral supports for people with mental illness and their families such as supported accommodation, rehabilitation services and respite care; and
- addressing structural issues such as workforce changes including the roles of different professions;
- increasing the role of psychologists and other health professionals in primary care;
- increasing the health workforce available to address mental health issues.

COAG has also agreed that the delivery of mental health services would be an integral element of the new National Health Call Centre Network.

A NEW NATIONAL APPROACH TO APPRENTICESHIPS, TRAINING AND SKILLS RECOGNITION

COAG has reached agreement on a package of measures designed to underpin a new genuinely national approach to apprenticeships, training and skills recognition and alleviate skill shortages currently evident in some parts of the economy. While governments have today agreed to tackle some of the obstacles within the system of government, industry also has a critical role to play in creating solutions. In preparing these measures, COAG officials consulted with industry bodies and unions.

The Commitment to Quality Training

To ensure and assure the quality of outcomes from the training system, COAG has agreed to accelerate the introduction of a national outcomes-based auditing model and stronger outcomes-based quality standards for registered training organisations in consultation with key parties including employers, regulators and unions. Specific quality assurance measures have also been built into the proposals.

A More Mobile Workforce to Help Meet Skills Needs

As licensing and skills recognition issues cross ministerial portfolios in all jurisdictions, it is necessary for COAG to exercise high-level leadership. Accordingly, COAG has asked Senior Officials from the Prime Minister's, Premiers' and Chief Ministers' departments to oversee the process and report to COAG on progress as milestones are achieved.

COAG has agreed to new measures to enable people with trade qualifications to move more freely around Australia without undergoing additional testing and registration processes. COAG has agreed that governments will work with employers and unions to put in place more effective mutual recognition arrangements across States and Territories for electricians, plumbers, motor mechanics, refrigeration and air-conditioning mechanics, carpenters and joiners and bricklayers (skills shortage trades) by June 2007 and by December 2008 for all licensed occupations where people normally receive certificates and diplomas.

Industry and regulators will be involved, along with other stakeholders, to ensure that a streamlined, nationally-consistent system is achieved without increased regulation, while also meeting the commitment to quality standards, including public and worker safety.

To further assist in meeting skills shortages, COAG has agreed to new arrangements to make it easier for migrants with skills to Australian standards to work as soon as they reach Australia. It does not involve any change to the migration policy.

A new streamlined and robust off-shore skills assessment process, to Australian standards, will be put in place in the five main source countries for our skilled migrants by December 2008, initially for skills shortage trades and later for other occupations in the skilled migration program. The overseas assessments will be conducted under the auspices of Trades Recognition Australia (TRA) by accredited organisations or individuals with a proven record in delivering high-quality skills assessments. The TRA will be resourced to guarantee the quality of assessments and protect Australian standards.

This will be mirrored by a parallel on-shore assessment arrangement for those who are living in Australia and want skills achieved overseas recognized, and provisional licensing so that people with recognised overseas qualifications can work under supervision for short periods, while they complete licensing requirements.

A More Flexible and Responsive Training System

COAG has also agreed to a set of measures to make sure Australia's training and apprenticeship systems offer more flexible pathways into skills-shortage trades.

By December 2006 all governments will have put in place arrangements that allow apprentices and trainees to work as qualified tradesmen and tradeswomen as soon as they have demonstrated competency to industry standards, without having to wait out a set time period or make special application.

By December 2006 also, legislative, regulatory and educational barriers will be removed so that school-based apprenticeships are nationally available as a pathway for school students where there is industry demand. Industrial barriers will also be removed to enable school-based apprenticeship participation in skills shortage industries where there is industry demand.

To make the most of existing skills in the workforce, COAG has agreed that a better process to recognise the existing skills of all people entering training will be introduced by January 2007, so that workers do not have to repeat or undertake training for skills they have already acquired on the job. New funding to be agreed between the Commonwealth and States and Territories on a bilateral basis will be provided to help training organisations and assessment centres establish or improve recognition processes.

In many industries there is already a range of certificate-level qualifications. COAG has agreed that the Construction and Property Services Industry Skills Council will be asked to develop additional nationally portable qualifications in the General Construction Training Package by 30 June 2006.

Targeted Response to Skill Shortages in Regions

COAG has agreed to establish a new Commonwealth regional program in collaboration with the States and Territories to commence in July 2006 to address the supply of skilled labour to industries and regions. Integrated strategies will be developed for selected regions to identify solutions to labour market needs in regions and industries of strategic importance in the Australian economy.

To support the new national approach, COAG has also agreed that Commonwealth, States and Territories will cooperate more closely in sharing labour market information so as to better understand the extent and location of skills shortages.

Next Stages of Reform

COAG has agreed that further work on reform is needed to continue to increase the contribution of the vocational education and training system to the productivity of Australia's workforce and has asked for a further report examining:

- the growing need for higher level skills;
- cultural and workplace change to lift educational participation and attainment;
- possible reforms to funding and other mechanisms to make the training system more responsive to demand;
- options to increase Australia's investment in vocational education and training;
- enhancing user choice through meaningful and timely performance information;
- more appropriate regulation of education and training providers; and
- building stronger relationships between firms and training providers.

A report to this end will be provided to COAG by the Ministerial Council on Vocational and Technical Education by December 2006.

The full action plan for this package can be found at Attachment F to this Communiqué.

OTHER ISSUES

Pandemic Prevention and Preparedness

COAG agreed to develop an Australian Influenza Pandemic Prevention and Preparedness Action Plan (the National Action Plan) by mid-2006. The plan will bring together nationally-consistent measures which aim to prevent bird flu coming into Australia. It will also identify a coordinated rapid response in the event of a pandemic developing. COAG also agreed to test the National Action Plan in a national domestic exercise later in 2006.

Counter-Terrorism

COAG received a report on the progress made on a number of counter-terrorism initiatives since its special counter-terrorism meeting on 27 September 2005. It agreed the details of the scope, form and process for the review of counter-terrorism legislation in 2010 as set out in Attachment G to this Communiqué and adopted the National Emergency Protocol (Attachment H) that it had asked be prepared at its 27 September 2005 meeting.

COAG endorsed the broad approach being undertaken in relation to developing a Code of Practice for closed-circuit television systems for the mass passenger transport sector, subject to further work by the working group and agreed that the Code be finalised by mid 2006.

Indigenous Issues

COAG noted the continuing good progress made in advancing the principles set out in the National Framework of Principles for Government Service Delivery to Indigenous Australians. Cross-jurisdictional collaboration has been advanced through bilateral agreements on service delivery. The Commonwealth has signed agreements with the Northern Territory, Queensland and South Australia, and agreements with other jurisdictions are progressing well.

Good progress is also being made in advancing the principle of shared responsibility with government and communities working in partnership to identify priorities and improve outcomes.

COAG further noted the continuation of its Indigenous trials, announced at the April 2002 meeting, which are demonstrating that a partnership approach between governments and communities can make a real difference for Indigenous Australians.

Biofuels

COAG welcomed the report of the Prime Minister's Biofuels Taskforce and noted the actions that governments were taking to encourage the development of the biofuels industry.

Cloning and Human Embryo Research Legislation Review (the Lockhart Review)

The independent review of the Prohibition of Human Cloning Act 2002 and the Research Involving Human Embryos Act 2002 conducted by Legislation Review Committee and chaired by the late Justice John Lockhart concluded in December 2005. COAG agreed that Senior Officials would report back at the next COAG meeting.

Future Meeting

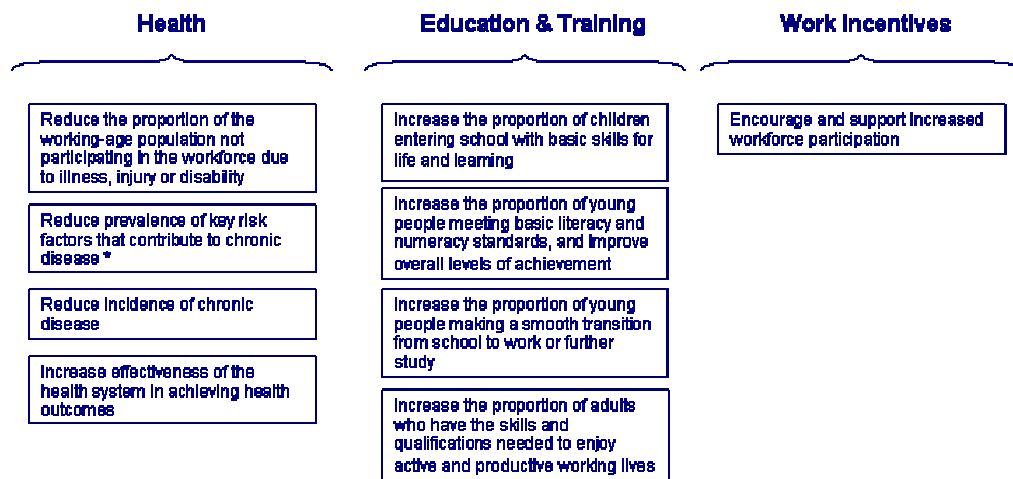
COAG indicated a desire to hold its next meeting in June 2006.

ATTACHMENT A

NATIONAL REFORM AGENDA: HUMAN CAPITAL STREAM

The Council of Australian Governments:

- agreed that the new national reform agenda should be based on an overarching theme of enhancing productivity and participation, with human capital as a key component;
- agreed that the priority areas of reform in the human capital component of the new national reform agenda are health, education and training, and work incentives;
- agreed to play a leadership role to facilitate policy integration and the adoption of a longer-term policy perspective across governments and portfolios;
- agreed that the new national reform agenda be based on the principle of improving outcomes in the priority areas of reform;
- noted the following indicative outcomes to boost productivity and participation will require further analysis as part of a framework for the development of Intergovernmental Action Plans (IAPs);



* Chronic diseases include but are not limited to coronary heart disease, stroke, lung cancer, colorectal cancer, depression, diabetes, asthma, chronic obstructive pulmonary disease, chronic renal disease, oral diseases, arthritis and osteoporosis.

- agreed that the performance of all governments in pursuing these outcomes will be subject to measurement and reporting against appropriate progress measures;
- accepted the principle that health promotion, prevention and early intervention strategies are required to reduce the incidence of chronic disease, and improve overall health outcomes;
- accepted the principle that improving the effectiveness of the health sector is necessary to enhance significantly overall productivity, given the health sector accounts for nearly 10 per cent of GDP, and is expected to grow as a proportion of GDP;

- agreed that:-
 - Commonwealth-State specific purpose payments (SPPs) that impact significantly on the health system should be reviewed prior to their renegotiation. Such reviews should consider the appropriateness of SPPs as a mechanism to improve the health outcomes in Recommendation 5, without compromising health outcomes more generally. To this end, reviews should identify any elements of agreements that, if changed, could contribute to improved outcomes,
 - any such reviews should be passed to Heads of Government prior to the commencement of renegotiations on health SPPs, and
 - in light of the experience of reviews of SPPs in health, consideration be given to whether the design of major SPPs in other areas would benefit from a similar process before their renegotiation;
- accepted the principle that improvements in workforce productivity and participation require continuing skills development from the early childhood years – through school and working life – to retirement;
- agreed to give priority to improving early childhood development outcomes as part of a collaborative national approach;
- requested the Ministerial Council on Education, Employment, Training and Youth Affairs report back to it by June 2006 on strategies to ensure that policies and programs relating to transition pathways from school to work are developed and delivered to achieve nationally-agreed objectives, and to ensure that information is collected to track youth transitions;
- adopted the principle that all governments should pursue strategies to improve the workforce participation of key groups such as those on welfare, mature age and women; and
- agreed that:-
 - COAG Senior Officials, in consultation with other relevant bodies such as the Report on Government Services (ROGS) Steering Committees, should continue to develop and refine progress measures, and identify how data limitations may be addressed recognising the different circumstances of jurisdictions,
 - the Prime Minister, on behalf of COAG, should write to the Chair of the ROGS Steering Committee requesting that it support COAG in addressing the new national reform agenda's data needs; and
 - as a first step, COAG Senior Officials will report back to COAG by June 2006 with an overarching Intergovernmental Action Plan (IAP) for human capital. This is to encompass health, education and training, and work incentives, and include:-
 - principles,
 - outcomes, and
 - progress measures.

NATIONAL COMPETITION POLICY REVIEW

In response to the National Competition Policy (NCP) Review, COAG has agreed a new NCP reform agenda aimed at providing a supportive market and regulatory framework for productive investment in energy, transport and other export-oriented infrastructure, and its efficient use, by improving pricing and investment signals and establishing competitive markets. These will be progressed as part of the Competition stream of the National Reform Agenda. COAG also agreed with the NCP Review's recommendations on reducing the regulatory burden on business, these will be progressed as the 'deregulation' stream of the National Reform Agenda. The details of COAG's specific decisions are outlined below.

COMPETITION

Legislation Review

Decision 1.1

COAG agreed that:

- (a) all jurisdictions will recommit to the principles contained in the Competition Principles Agreement; and
- (b) State and Territory Governments will publish a new statement, prepared in consultation with local government, specifying the application of the principles to particular local government activities and functions.

Decision 1.2

Each jurisdiction will:

- (a) continue and strengthen gate-keeping arrangements established in the National Competition Policy (NCP) arrangements to prevent the introduction of unwarranted competition restrictions in new and amended legislation and regulations; and
- (b) complete outstanding priority legislation reviews from the current NCP Legislation Review Program in accordance with the NCP public benefit test.

Decision 1.3

Senior Officials are to review the Conduct Code Agreement with a view to making recommendations for streamlining and introducing greater certainty to the processes for appointments and amendments to Part IV of the *Trade Practices Act 1974* (TPA), while retaining a cooperative approach.

Energy

Decision 2.1

Governments will work collectively to strengthen the national energy market by recommitting to the COAG reforms currently being progressed by the Ministerial Council on Energy (MCE) and the timelines for their implementation as outlined in Appendix A.

Decision 2.2

Governments will improve the price signals for energy investors and customers by:

- (a) committing to the progressive roll out of electricity smart meters to allow the introduction of time of day pricing and to allow users to respond to these prices and reduce demand for peak power;
- (b) requesting the MCE to agree on common technical standards for smart meters and implement the roll out as may be practicable from 2007 in accordance with an implementation plan that has regard to costs and benefits and takes account of different market circumstances in each State and Territory; and
- (c) implementing a comprehensive and enhanced MCE work program, from 2006, to establish effective demand-side response mechanisms in the electricity market, including network owner incentives, effectively valuing demand-side responses, regulation and pricing of distributed and embedded generation, and end user education.

Decision 2.3

Governments will strengthen the national character of the electricity transmission system to support an efficient national energy market by:

- (a) agreeing to further develop the national electricity transmission grid in a manner that provides energy users with the most efficient, secure and sustainable supply of electricity from all available fuels and generation sources in the National Electricity Market;
- (b) establishing a truly national approach to the future development of the national electricity transmission grid by adopting suitable policy settings, governance and institutional arrangements and taking other actions necessary to improve the framework for planning, network investment decisions, enhancing transparency and independence and streamlining regulation; and
- (c) endorsing the current MCE transmission work program taking forward reforms on transmission pricing and revenues, regional structures, congestion management, and planning.

Decision 2.4

Governments reaffirmed their commitment to implement national energy market structures that foster competition by:

- (a) endorsing the ongoing structural separation of the competitive generation and retailing activities from the natural monopoly transmission functions in the National Energy Market to protect and promote the benefits of competition;
- (b) requesting the MCE to develop specific recommendations under the National Electricity Law to maintain such separation of generation and transmission activities in a form that complements the provisions of the TPA that prohibit the substantial lessening of competition;
- (c) considering the operation, and structure, of government-owned businesses with a view to ensuring that there is equivalence between government-owned and private sector businesses in terms of the policy, legal and market arrangements under which they operate; and
- (d) removing any barriers to the evolution of fully efficient financial markets affecting energy by:-
 - (i) fostering transparent and effective financial markets to support energy markets, and

- (ii) committing to maintain and increase reliance on market-based risk mitigation and hedging measures, and to remove barriers to full retail competition.

Decision 2.5

- (a) COAG will establish a high-level COAG Energy Reform Implementation Group, chaired by an eminent independent person and comprising industry experts and senior officials appointed on the basis of their expertise to develop detailed implementation arrangements for the further reforms to the energy market in Decision 2.3 and 2.4 above, drawing on expert studies that may be required; and
- (b) the Chair of the COAG Energy Reform Implementation Group will report to COAG before the end of 2006 with the Group's proposals for:-
 - (i) achieving a fully national transmission grid including the most suitable governance and transitional arrangements having regard to COAG's objective of achieving a truly national approach to the future development of the electricity grid, the legitimate commercial interests of asset owners, and the need to promote investment that supports the efficient provision of transmission services,
 - (ii) any measures that may be necessary to address structural issues affecting the ongoing competitiveness and efficiency of the electricity sector, and
 - (iii) any measures that may be necessary to ensuring there are transparent and effective financial markets to support energy markets.

Transport

Decision 3.1

- (a) COAG agreed to a Productivity Commission inquiry (with terms of reference at Appendix B) to be presented to COAG by end 2006 which will, *inter alia*:-
 - (i) identify the optimal methods and timeframes for introducing efficient road and rail freight infrastructure pricing in a manner that maximises net benefits to the community,
 - (ii) determine the full financial, economic, social and environmental costs of providing road and rail infrastructure,
 - (iii) identify other barriers to competition in road and rail transport, and
 - (iv) recognise transport operators and users and remote and rural communities will need sufficient time to transition and adjust to pricing arrangements.

Decision 3.2

- (a) Governments agree to a range of actions to harmonise and reform rail and road regulation (outlined in Appendix C) for implementation on specific timeframes within five years, including productivity enhancing reforms such as higher mass limits, improved and nationally-consistent road and rail safety regulation and performance-based standards for licensing innovative vehicles that do less road damage;
- (b) Senior Officials will work with the Australian Transport Council (ATC) and the National Transport Commission to develop by mid 2006 the specific performance indicators and milestones for the reform program referred to above for agreement by COAG;

- (c) COAG will consider the findings of the pricing review referred to in Recommendation 3.1 to guide implementation of the policy commitments in (a) above; and
- (d) the ATC will oversee implementation of these reforms and provide regular progress reports to COAG.

Decision 3.3

Governments will strengthen land transport investment appraisal approaches to ensure the best use of public investment by:

- (a) adopting ATC-endorsed national guidelines for evaluating new public road and rail infrastructure projects by December 2006; and
- (b) requesting the ATC to provide regular progress reports to COAG.

Decision 3.4

Governments commit to reduce current and projected urban transport congestion, within current jurisdictional responsibilities, by:

- (a) commissioning a Commonwealth-State review, in co-operation with local government, into the main causes, trends, impacts and options for managing the impact of urban transport congestion in Australia's major cities, focusing on national freight corridors, but also examining local networks only where they interact with, and impact on, national corridors (with terms of reference at Appendix D); and
- (b) based on the review's findings, considering further action at the first meeting of COAG in 2007.

Infrastructure Regulation

Governments signed the Competition and Infrastructure Reform Agreement embodying all governments' commitment to achieve a simpler and consistent national approach to the economic regulation of significant infrastructure and to improve the functioning of markets as per Appendix E.

REGULATION

Best practice regulation

Decision 5.1

Governments will establish and maintain effective arrangements at each level of government that maximise the efficiency of new and amended regulation and avoid unnecessary compliance costs and restrictions on competition by:

- (a) establishing and maintaining "gate keeping mechanisms" as part of the decision-making process to ensure that the regulatory impact of proposed regulatory instruments are made fully transparent to decision makers in advance of decisions being made and to the public as soon as possible;
- (b) improving the quality of regulation impact analysis through the use, where appropriate, of cost-benefit analysis;
- (c) better measurement of compliance costs flowing from new and amended regulation, such as through the use of the Commonwealth Office of Small Business' costing model;

- (d) broadening the scope of regulation impact analysis, where appropriate, to recognise the effect of regulation on individuals and the cumulative burden on business and, as part of the consideration of alternatives to new regulation, have regard to whether the existing regulatory regimes of other jurisdictions might offer a viable alternative; and
- (e) applying these arrangements to Ministerial Councils.

Decision 5.2

Each jurisdiction will review existing regulations with a view to encouraging competition and efficiency and streamlining and reducing the regulatory burden on business by:

- (a) initiating at least annual targeted reviews to reduce the burden of existing regulation in its own jurisdiction through a public inquiry and reporting process that provides opportunities for input from a range of stakeholders including business groups, with each review to identify priority areas where regulatory reform could provide significant gains to business and the community; and
- (b) acting on the recommendations of the reviews referred to above, and co-ordinating reform measures with other jurisdictions if appropriate.

Decision 5.3

- (a) Governments agree, in principle, to adopt a common framework for benchmarking, measuring and reporting on the regulatory burden across all levels of government, subject to governments considering the recommendations of the current Productivity Commission study on regulatory benchmarking and performance indicators; and
- (b) some jurisdictions may choose to set quantifiable targets for the reduction of “red tape” within their jurisdictions.

Decision 5.4

The annual reviews of the burden of existing regulations referred to in Decision 5.2 will be used to identify further reforms that enhance regulatory consistency across jurisdictions or reduce duplication and overlap in regulation and in the role and operation of regulatory bodies.

Decision 5.5

- (a) As a high priority, governments will together explore further measures to implement a nationally-consistent rail safety regulatory framework; and
- (b) COAG will request the Australian Transport Council (ATC) to recommend an approach for establishing a nationally-consistent approach to inter-state rail safety regulation, potentially including a single system of operator accreditation, regulatory oversight and rail regulator recruitment and training, and report to COAG by end 2006.

Decision 5.6

COAG will request:

- (a) the Australian Safety and Compensation Council (ASCC), as an immediate priority, to develop strategies to improve the development and uptake of national occupational health and safety (OHS) standards, with particular emphasis on the following:-
 - (i) reducing the time taken to develop national OHS standards,

- (ii) undertaking State/Territory consultation with local stakeholders in parallel with national consultation to inform the development of the national standard and ensure agreement to nationally-consistent arrangements, and
- (iii) agreeing specific time frames for implementation so that each jurisdiction will implement the standard or code within an agreed time frame;
- (b) the Workplace Relations Ministerial Council to identify priority areas in principal OHS Acts in each State and Territory that should be harmonised;
- (c) the Workplace Relations Ministerial Council to report back to COAG by end 2006 on recommended strategies for implementing the reforms outlined in (a) and (b) above, and thereafter provide six-monthly progress reports to COAG; and
- (d) that there be no reduction or compromise in standards for legitimate safety concerns in current OHS standards.

Decision 5.7

COAG will request the Ministerial Council on Consumer Affairs to:

- (a) develop a recommendation for introducing a national system of trade measurement that would rationalise the different regulatory regimes of the Commonwealth, States and Territories and streamline the present arrangements for cost recovery and the certification of trade measuring instruments; and
- (b) report back to COAG with its recommendations and a proposed timeline for implementation for COAG consideration before the end of 2006.

Decision 5.8

COAG will establish a ministerial taskforce, with each jurisdiction nominating one responsible Minister, to develop measures to achieve a streamlined and harmonised system of national chemicals and plastics regulation, and reporting progress to COAG by mid 2006.

Decision 5.9

COAG will request the Local Government and Planning Ministers' Council to:

- (a) recommend and implement strategies to encourage each jurisdiction to:-
 - (i) systematically review its local government development assessment legislation, policies and objectives to ensure that they remain relevant, effective, efficiently administered, and consistent across the jurisdiction, and
 - (ii) ensure that referrals are limited only to agencies with a statutory role relevant to the application and that referral agencies specify their requirements in advance and comply with clear response times;
- (b) facilitate trials of electronic processing of development applications and adoption through Electronic Development Assessment; and
- (c) report back to COAG on progress and recommended options for streamlining legislation by end 2006.

Decision 5.10

- (a) COAG noted the findings of the Productivity Commission research paper, *Reform of Building Regulation*;
- (b) governments committed to achieve a nationally-consistent Building Code of Australia based on minimum regulation and will formalise that commitment by signing the new inter-governmental agreement; and
- (c) COAG will request the Local Government and Planning Ministers Council, co-opting where necessary Ministers with responsibility for building regulation, to

report back by mid 2006 on the content and timetable for implementing further building regulation reforms including a nationally-consistent building code.

MINISTERIAL COUNCIL ON ENERGY REFORM AGENDA

Governments have agreed to implement significant energy market reforms under the auspices of the Ministerial Council on Energy (MCE). The MCE is bringing forward further initiatives for the consideration of COAG, including arrangements for the certification of energy access arrangements on a nationally consistent basis, time bound commitments to transfer retail and distribution regulation to a national framework and the phase out of retail price regulation where effective competition can be demonstrated. These new initiatives will be formalised in amendments to the Australian Energy Market Agreement 2004 and are included in this document on that basis. The current reform agenda broadly comprises the following key initiatives:

Governance and Institutions

- Implement a national legislative and regulatory framework for gas (*end 2006*).
- Establish a national energy access regime based on a certification model incorporating national arrangements (*end 2006*).
- Finalise and implement arrangements for merits review of decision making in the gas and electricity regulatory frameworks (*end 2006*).

Economic Regulation

- Establish a national distribution and retail framework (*1 January 2007*). Transfer distribution functions to the AER and AEMC (*1 January 2007*), other functions to be transferred (*1 January 2008*).

Retail Pricing

- A phase out of energy retail price regulation where effective competition can be demonstrated (*reviews commencing 1 January 2007*) and the process of responding to advice from the AEMC reviews will be agreed by the MCE by 1 July 2006.

Electricity Transmission

- Finalise and implement the initiatives set out in the MCE Statement on NEM Electricity Transmission of May 2005 covering regulation, planning, criteria for regional boundary changes and congestion management (*end 2006*).

User Participation

- Implement new interim consumer advocacy arrangements (*mid 2006*).
- Implement new long term consumer advocacy arrangements (*end 2006*).
- Consider demand side response options (*late 2006*).

Gas Market Development

- Finalise and implement response to the PC Review of the Gas Access Regime (*end 2006*).
- Policy decision on wholesale gas market arrangements, based on outcomes of the Gas Market Leaders Group development of a gas market development plan (*late 2006*).

- Implement a gas emergency response protocol (*early 2006*).

Emergency Fuel Management

- Endorse a liquid fuel emergency inter-governmental agreement (*early 2006*).
- Implement legislative amendments responding to the Review of the Liquid Fuel Emergency Act (*mid 2006*)

Energy Efficiency

- Implementation of the National Framework for Energy Efficiency (Stage 1) (*end 2007*).
- Consideration of the response to the Productivity Commission Inquiry on the Private Cost Effectiveness of Improving Energy Efficiency (*Mar 2006*).
- Consideration of the National Framework for Energy Efficiency (Stage 2) (*mid 2006*).

Renewable and Distributed Generation

- Issues paper on options available in the National Electricity Market to maximise the benefits of distributed generation (*early 2006*).
- Development of a code of practice for embedded generation (*end 2006*).
- Development of policies to facilitate the increased penetration of wind energy while maintaining system security and reliability (*end 2006*).
- Development of a wind forecasting model (*late 2006 / early 2007*).

**REVIEW OF ECONOMIC COSTS OF FREIGHT INFRASTRUCTURE
AND EFFICIENT APPROACHES TO TRANSPORT PRICING**

TERMS OF REFERENCE

1. The purpose of the review is to assist COAG to implement efficient pricing of road and rail freight infrastructure through consistent and competitively neutral pricing regimes, in a manner that optimises efficiency and productivity in the freight transport task and maximises net benefits to the community.
2. The review will estimate the full financial costs of providing and maintaining freight transport infrastructure on major road and rail networks. It should be based on the principle that prices charged should reflect all costs in each mode and that there are benefits in a national pricing regime. In estimating these financial costs, the review will take account of the extensive research and studies on this issue, including by the National Transport Commission and the Bureau of Transport and Regional Economics.
3. The review also will assess the full economic and social costs of providing and maintaining road and rail freight infrastructure, if it judges this to be feasible. Such costs would include environmental and safety impacts of different transport modes. The review would assess existing studies of these economic and social costs and comment on the strengths and weaknesses of methodologies used. The review should also assess what information or future research could improve the quality of the estimates.
4. The review will investigate options for transport pricing reform, including moving to mass, distance and location charging of freight transport. In considering distance based charging regimes the review will:
 - a) consider principles and practical options for the structure of the different pricing regimes;
 - b) estimate the impact of charging regime options, including on transport operators and users and specific locations;
 - c) consider options for implementing any new pricing regime, including the practical costs and benefits of alternative technology options; and
 - d) provide advice on options for the design of and timeframes for implementing mass distance location based charging regimes, taking into account adjustment issues. The review will not address fiscal implications which will be assessed by governments following the review's completion.
5. The review will also identify any other competition, regulatory and access constraints on the economically efficient pricing and operation of road and rail freight transport and related infrastructure networks and assets, including access to and competition between inter-modal facilities, and

make recommendations on the options for removing these impediments and increasing efficiency.

6. The review will be undertaken by the Productivity Commission and is to be presented to COAG by December 2006. The review should publish a draft report and consult widely with stakeholders on its contents and recommendations.

WORK SCHEDULE FOR HARMONISING AND REFORMING ROAD AND RAIL REGULATIONS

Regulatory reform will be most beneficial if a more flexible regulatory approach focussed on outcomes and managing risks is established. This would see rules that:

- deliver productivity outcomes that do not compromise safety and environment outcomes or put infrastructure at risk;
- differ on different parts of the network, depending on the capacity of the infrastructure and the risk environment;
- specify safety, environment and infrastructure protection outcomes; and
- are monitored directly, using information technology.

A national system is crucial to Australia's economic and social well being. It is essential that decisions made in one jurisdiction should be mutually recognised elsewhere. There should be an integrated, national and efficient decision-making framework to gain access to the national road or rail network.

Transport systems should operate smoothly across modes (particularly road and rail). Consequently, standards that determine what access is allowed on different parts of the transport infrastructure should be aligned. As the road mode has greater potential flexibility, this means that more flexible rules governing access to the road network should be established, that will allow freight carried by rail to be seamlessly picked up and dropped off by road transport operations.

The essential elements of these outcomes are included on the existing road and rail reform agenda, and must be delivered if they are to ultimately establish new, more effective regulatory systems for road and rail transport. However, this commitment must be continued and strengthened if any significant progress is to occur.

The following schedule of road and rail regulatory reforms is grouped under three headings:

1. reforms which have already been agreed by the Australian Transport Council;
2. new work on regulation harmonisation reforms; and
3. new work on transport regulation reforms.

The ATC will oversee the implementation of these reforms and provide regular progress reports to COAG.

1. Existing Road and Rail Regulation Harmonisation Program

The Prime Minister has written to Premiers and First Ministers proposing, as part of the "end August" set of actions in the 3 June COAG Communiqué, that ATC be required to report to COAG by early 2006 on progress against this existing road and rail reform agenda; progress against target dates for agreed reforms; and a timetable for implementing model rail safety legislation and regulations. At its meeting on

18 October 2005, the ATC endorsed this proposed road and regulation reform agenda. The ATC also directed senior transport officials to develop appropriate performance indicators and milestones against this agenda, for reporting to COAG by March 2006.

A review of the Federal Interstate Registration Scheme (FIRS) is not included in the NTC work program because the Commonwealth has already committed to undertake the review in cooperation with the states. FIRS was originally introduced to cover registration of heavy vehicles travelling inter-state but ATC has now achieved a national uniform heavy vehicle charging regime.

MID 2006

Road transport compliance and enforcement

Implementation of previously agreed national policy on heavy vehicle accreditation, ie Mass Management and Maintenance Management modules of the National Heavy Vehicle Accreditation Scheme.

Performance-based standards (PBS)

Review of selected standards and decision-making processes, ie Interim Regulation Panel.

PBS is a nationally agreed process for assessing the access of innovative vehicles to the road system and has the potential to increase productivity by encouraging the use of over-dimension or over mass vehicles where it is safe to do so and where their use will not cause unacceptable damage to road infrastructure.

Over the longer term, PBS is seen as the key productivity reform that has the potential to replace prescriptive rulemaking, as it would provide a regulatory framework for operator-driven flexibility in vehicle design and operation, subject to agreed safety and asset standards. PBS is seen as an important element in a regulatory approach to road transport which will enable continuous productivity gains and technological improvement, whilst meeting reasonable safety, road asset protection and environmental standards.

END 2006

Model rail safety legislation

Enactment and commencement of agreed, new model legislative provisions including model regulations by all jurisdictions by 31 December 2006.

National package on heavy vehicle driver fatigue

ATC is expected to vote on a new heavy vehicle driver fatigue package in 2006.

PROGRESSIVELY FROM END 2006

Intelligent Access Project

Developed by Austroads, in conjunction with the NTC, this scheme will allow monitoring of operating conditions (location, time-of-day, speed) through GPS by certified service providers, with exception (breach) reports supplied to road agencies. Its purpose is not currently related to pricing but to the monitoring of operations.

However, depending on the success of its implementation with participating road agencies and businesses, it could potentially provide a basis and a model for moving to more refined road pricing arrangements.

MID 2007

Road transport fatigue

- Implementation in participating jurisdictions within 12 months of ATC agreement. Implementation to include all three options (Standard Hours, Basic Fatigue Management and Advanced Fatigue Management) and a national decision-making process for AFM accreditation. It is noted that some jurisdictions may decide to retain fatigue regulation wholly within OHS regulation. These jurisdictions would be required to demonstrate regulation equivalent to agreed national road transport regulation.
- Audit of rest areas against national guidelines.

Road transport compliance and enforcement

Implementation of mechanisms for exchange of heavy vehicle compliance and enforcement data between jurisdictions. This date includes breach/sanctions information and enforcement intelligence.

END 2007

Performance-based standards

Implementation of PBS regulation within 6 months of ATC agreement to regulatory package (being considered by ATC in May 2007), including binding and effective national decision-making processes.

END 2008

Full implementation of higher mass limits (HML) for vehicles with road friendly suspensions

Jurisdictions should work to increase the network available for access by heavy vehicles operating at HML. This would involve a commitment, by end 2008, to examine and if necessary upgrade sections of highway, bridges and appropriate arterial and local roads linking key distribution points to the AusLink National Network.

Progress in implementation of performance-based standards

ATC review to ensure all jurisdictions have implemented agreed PBS reforms outlined under 'Mid 2006' and 'End 2007' actions above.

Road transport fatigue

Provision of rest areas to nationally agreed standards.

2. Possible Future Work on Road Regulation Harmonisation

This program is not currently on the ATC agenda but could be considered as priority areas for further productivity reform.

EARLY 2006

Examination of the general mass limits applying to heavy vehicle operations (refers to safety, not charging, regulations)

This would assess whether further small increments in additional mass could be considered. Implementation of mass adjustments under the compliance and enforcement reform could see some loss of measurement tolerance, resulting in industry not being able to safely load to levels approaching legal mass limits in some circumstances.

Adoption of more general use of quad axle groups in semi-trailers and B-doubles

Permitting more general use of such groups under the on-going PBS reform program outlined above would result in more productive vehicles being utilised in the freight task. The NTC could be asked to develop a policy proposal on this matter in advance of the implementation of performance based standards.

Development of a network for B-triples

This would involve the identification of a suitable road network that is capable of handling the large and heavier B-triples which will improve the safety and efficiency of freight transport. It would require the appropriate compliance and enforcement regimes to be in place before access to B-triples was granted.

Both of the above reforms are capable of being implemented as elements of the PBS program.

MID 2006

Completion of review of steer axle mass limits for some combinations

Permitted mass on the steer axle is lower in Australia than in Europe or the US. This divergence may increase as recent and anticipated decisions on environmental and safety standards may impact on front axle mass. However, emerging evidence suggests that the road wear impact of front axle mass has been under-estimated. ATC has approved the development of a package involving increased front axle mass with safety improvements (front underrun protection systems and cabin strength). Depending on the estimated road wear impacts, it may be necessary to impose additional charges for vehicles utilising higher front axle mass. This proposal would be subject to a Regulatory Impact Statement.

Road transport compliance and enforcement

Agreement to national processes for monitoring of and reporting on heavy vehicle compliance with road transport regulatory requirements

END 2006

Treatment of overloaded axles

The NTC has been provided with funding to determine the treatment that should apply to an overloaded axle within a vehicle or vehicle combination that otherwise is mass compliant.

MID 2007

Road transport compliance and enforcement

- Implementation of national monitoring of and reporting on heavy vehicle requirements with road transport regulatory requirements, in accordance with the agreed process
- Agreement on a national heavy vehicle enforcement strategy

MID 2008

Road transport compliance and enforcement

Implementation of agreed national heavy vehicle enforcement strategy.

3. Possible Future Work on Road Transport Regulation

This program is not currently on the ATC agenda but could be considered as priority areas for further productivity reform.

Access to under-utilised infrastructure

- Road infrastructure is far from homogeneous. Road and bridge characteristics (strength, condition, geometry, etc) vary depending on a range of factors. A combination of prescriptive vehicle standards intended for application through all or most of the road system results in standards which do not allow maximum productivity as they are designed to protect critical points of the infrastructure. The result is spare/unused capacity in much of the infrastructure.
- The NTC will need to work to develop more flexible and objective criteria and systems which might allow greater access to infrastructure. Provision of access to the full capacity of the infrastructure would require compliance conditions which provide a high degree of confidence that operations are restricted to suitable segments of infrastructure, possibly combined with pricing mechanisms which are more closely linked to asset use. Success in this area will require effective linking of compliance and enforcement, performance-based standards including developing mass distance location pricing, flexible mass limits, infrastructure standards and Intelligent Access monitoring.

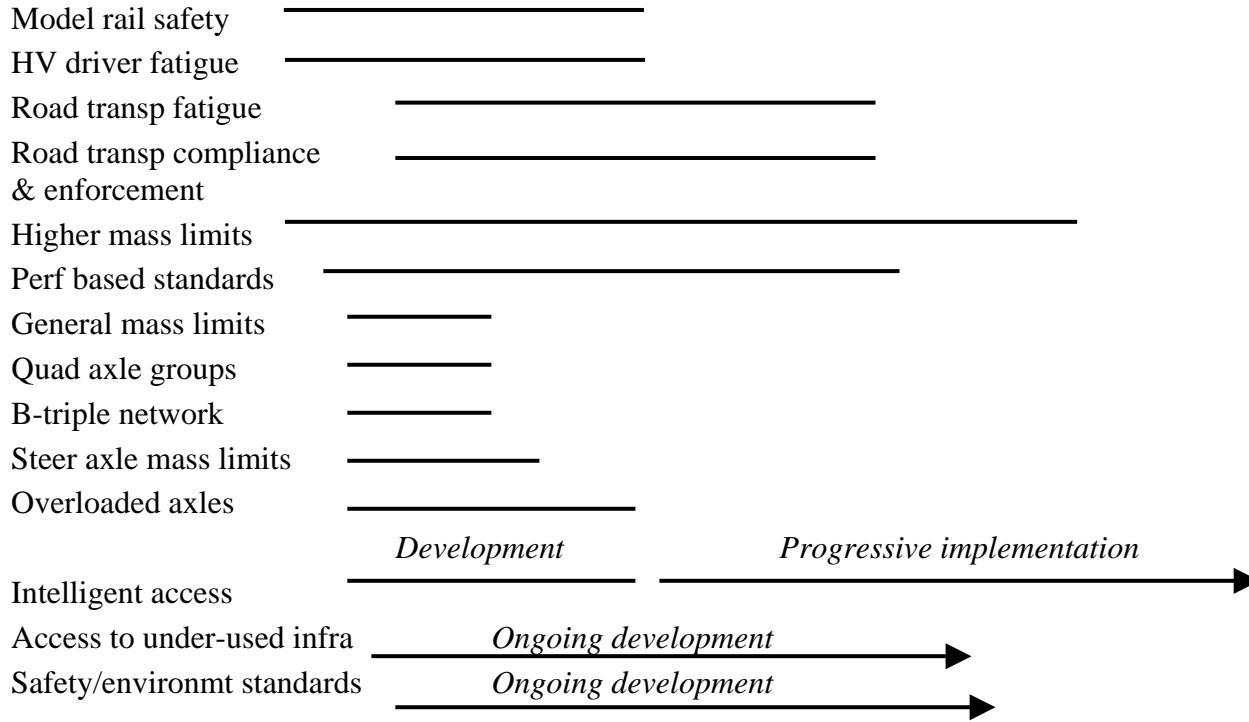
Safety and environmental standards

- There are strong community expectations of high safety and environmental standards in heavy vehicle operation. Surveys support anecdotal evidence of community concerns over sharing roads with heavy vehicles and requirements to maintain or enhance residential amenity. Successfully addressing these concerns would help improve community acceptance of freight traffic and overcomes community opposition to the anticipated growth in the freight task.

REGULATION REFORM TIMELINES – AGREED AND PROPOSED FUTURE WORK

12/2005 06/2006 12/2006 06/2007 12/2007 06/2008 12/2008 06/2009 12/2009 06/2010 12/2010 06/2011 12/2011

Specific reforms



12/2005 06/2006 12/2006 06/2007 12/2007 06/2008 12/2008 06/2009 12/2009 06/2010 12/2010 06/2011 12/2011

REVIEW OF URBAN CONGESTION TRENDS, IMPACTS AND SOLUTIONS

TERMS OF REFERENCE

States and Territories, as the principal level of government involved with planning, developing and managing urban transport systems, are undertaking numerous initiatives and some studies to combat urban congestion (see Annex A). The Australian Government is constructively involved with jurisdictions in tackling infrastructure bottlenecks on urban sections of the AusLink national network. All levels of government are also cooperating in the Standing Committee on Transport (SCOT) Urban Congestion Management Working Group, due to report to the Australian Transport Council (ATC) in November 2005. The review should build on this work. The proposed COAG review would complement and extend these initiatives with the aim of enhancing national productivity growth and achievement of social objectives within current jurisdictional responsibilities.

The joint review will examine the major causes of Australia's urban congestion, including traffic growth and management, to develop a coherent and cooperative framework for governments to address this problem for COAG's consideration.

The review will make findings on improving the economic performance of national urban corridors and improving productivity outcomes from urban transport. While the focus is on national corridors, the review will need to examine local networks where they interact with, and impact on, national corridors.

1. The review will examine the main current and emerging causes, trends and impacts of urban traffic growth and congestion due to freight and passenger transport.
2. The review will not duplicate and where appropriate will draw on existing studies. The review also will identify any deficiencies in information and make recommendations regarding the collection and sharing of nationally consistent data.
3. The review will examine and assess the key characteristics and impact of successful urban congestion management approaches and initiatives in Australia and overseas. This examination may include, but not be limited to, improved infrastructure planning, regulation, travel behaviour change incentives including charges, levies and taxes, infrastructure and service pricing, land use planning and institutional coordination across tiers of government. In particular, the review will focus on:
 - a) better integration of national corridors and adjoining local networks and systems;
 - b) better interaction and management of passenger and freight systems/flows;
 - c) better management of local, cross-urban and through-urban flows;
 - d) improved implementation of integrated land use and transport planning, to protect performance of national corridors and improve productivity over the long-term; and
 - e) improved options for demand management and other travel behaviour change initiatives.

4. The review will be oversighted by a joint Commonwealth, state and local government steering committee.
5. The review should be completed for COAG consideration by December 2006.

**Competition and Infrastructure Reform Agreement
10 February 2006**

WHEREAS the Council of Australian Governments at its meeting in Canberra on 10 February 2006 agreed to a programme for the implementation of further National Competition Policy reforms;

AND WHEREAS the Parties intend to achieve a simpler and consistent national approach to the economic regulation of significant infrastructure;

THE COMMONWEALTH OF AUSTRALIA

THE STATE OF NEW SOUTH WALES

THE STATE OF VICTORIA

THE STATE OF QUEENSLAND

THE STATE OF SOUTH AUSTRALIA

THE STATE OF WESTERN AUSTRALIA

THE STATE OF TASMANIA

THE AUSTRALIAN CAPITAL TERRITORY, AND

THE NORTHERN TERRITORY OF AUSTRALIA

agree as follows:

Interpretation

- 1.1 For the purposes of this agreement significant infrastructure means infrastructure, including ports and export related infrastructure, that falls within the scope of subclause 6(3)(a) of the Competition Principles Agreement or Part IIIA of the *Trade Practices Act 1974*.
- 1.2 Nothing in this agreement requires existing access regimes certified in accordance with Part IIIA of the *Trade Practices Act 1974* to be resubmitted for assessment.
- 1.3 The access regimes for electricity and gas which are to be developed and certified in accordance with the Australian Energy Market Agreement and the access regime for the Tarcoola to Darwin Railway will be taken to satisfy the requirements of clause 2 of this agreement.
- 1.4 For the purposes of clause 6.1 government business enterprises are enterprises that are incorporated under State, Territory or Commonwealth legislation and are classified as Public Financial Corporations or Public Non-Financial Corporations, excluding central borrowing authorities, under the Government Financial Statistics Classifications.

- 1.5 For the purposes of this agreement the term “regulator” also includes dispute resolution bodies.
- 1.6 This agreement is to be read in conjunction with, and does not replace, the Competition Principles Agreement 1995 and the *Trade Practices Act 1974*.

Simpler and consistent regulation of significant infrastructure

- 2.1 The Parties agree to establish a simpler and consistent national approach to economic regulation of significant infrastructure.
- 2.2 The Parties agree that, in the first instance, terms and conditions for third party access to services provided by means of significant infrastructure facilities should be on the basis of terms and conditions commercially agreed between the access seeker and the operator of the infrastructure.
- 2.3 The introduction of price monitoring for services provided by means of significant infrastructure facilities should be considered, where this would improve the level of price transparency, as a first step where price regulation may be required, or when scaling back from more intrusive regulation.
- 2.4 All third party access regimes for services provided by means of significant infrastructure facilities will include the following consistent regulatory principles.
 - a. Objects clauses that promote the economically efficient use of, operation and investment in, significant infrastructure thereby promoting effective competition in upstream or downstream markets.
 - b. Regulated access prices should be set so as to:
 - i. generate expected revenue for a regulated service or services that is at least sufficient to meet the efficient costs of providing access to the regulated service or services and include a return on investment commensurate with the regulatory and commercial risks involved;
 - ii. allow multi-part pricing and price discrimination when it aids efficiency;
 - iii. not allow a vertically integrated access provider to set terms and conditions that discriminate in favour of its downstream operations, except to the extent that the cost of providing access to other operators is higher; and
 - iv. provide incentives to reduce costs or otherwise improve productivity.
 - c. Where merits review of regulatory decisions is provided, the review will be limited to the information submitted to the regulator.
- 2.5 The Parties agree to amend clause 6 of the Competition Principles Agreement to include subclause 2.4 above.
- 2.6 The Parties agree to introduce requirements that regulators will be bound to make regulatory decisions under an access regime within six months, provided that the regulator has been given sufficient information.
 - a. Regulators will have the discretion to determine when the six month time limit is suspended:
 - i. Grounds for commencing time limits include when the regulator considers that sufficient information has been provided to enable the regulatory process to commence; and

- ii. Grounds for suspending time limits include requests for further information from significant infrastructure facility service providers, provided these are on reasonable grounds, and consultation periods during which the regulator seeks submissions from third parties or the community.
 - b. Where the service provider of a significant infrastructure facility has not provided the requested information, a regulator will be permitted to make a determination on the information before it in order to satisfy six month time limits.
- 2.7 The principles in clause 2.4 and 2.6 will be incorporated in existing access regimes for services provided by means of significant infrastructure facilities and Part IIIA of the *Trade Practices Act 1974* as soon as practicable or as they are reviewed, provided that they are included in such regimes no later than the end of 2010.
- 2.8 Commonwealth and State officials will oversight the implementation of the principles in clauses 2.4 and 2.6, including developing a streamlined process and appropriate administrative arrangements for the certification of access regimes, and may develop further proposals for consideration by COAG for the adoption of appropriate additional regulatory principles that may contribute to a simpler and consistent national approach to regulation.
- 2.9 The Parties agree that, to advance the objective of a simpler and consistent national approach to regulation, all state and territory access regimes for services provided by means of significant infrastructure facilities will be submitted for certification in accordance with the *Trade Practices Act 1974* and the Competition Principles Agreement.
- a. All new third party access regimes will be submitted for certification as soon as practicable.
 - b. Third party access regimes existing at the time this agreement commences will be submitted for certification as soon as practicable, or as they are reviewed, provided they are submitted for certification no later than the end of 2010.
 - c. The certification of access regimes under this clause is subject to Parties agreeing a streamlined certification process and appropriate administrative arrangements to be developed as part of the mechanism established under clause 2.8.

Rail freight infrastructure

- 3.1. The Parties agree to implement a simpler and consistent national system of rail access regulation, using the Australian Rail Track Corporation access undertaking to the Australian Competition and Consumer Commission as a model, to apply to the following agreed nationally significant railways:
- a. Interstate rail track from Perth to Brisbane, currently managed by the Australian Rail Track Corporation and other parties, subject to the outcome of commercial negotiations; and
 - b. Major intra-state freight corridors on an agreed case by case basis depending on the costs and benefits of inclusion under a national regime.
- 3.2. The Parties agree to develop an agreed approach to the application of the Australian Rail Track Corporation access undertaking model including pricing and access mechanisms that will be appropriate if vertically integrated operators retain control of relevant sections of track.
- 3.3. The Parties agree that state based rail access regimes governing other significant export related rail infrastructure facilities will be submitted for certification as required by clause 2.9.

3.4. This agreement does not require any change to passenger priority policies.

Port competition and regulation

4.1. The Parties agree that:

- a. ports should only be subject to economic regulation where a clear need for it exists in the promotion of competition in upstream or downstream markets or to prevent the misuse of market power; and
- b. where a Party decides that economic regulation of significant ports is warranted, it should conform to a consistent national approach based on the following principles:
 - i. wherever possible, third party access to services provided by means of ports and related infrastructure facilities should be on the basis of terms and conditions agreed between the operator of the facility and the person seeking access;
 - ii. where possible, commercial outcomes should be promoted by establishing competitive market frameworks that allow competition in and entry to port and related infrastructure services, including stevedoring, in preference to economic regulation;
 - iii. where regulatory oversight of prices is warranted pursuant to clause 2.3, this should be undertaken by an independent body which publishes relevant information; and
 - iv. where access regimes are required, and to maximise consistency, those regimes should be certified in accordance with the *Trade Practices Act 1974* and the Competition Principles Agreement.

4.2. The Parties agree to allow for competition in the provision of port and related infrastructure facility services, unless a transparent public review by the relevant Party indicates that the benefits of restricting competition outweigh the costs to the community, including through the implementation of the following:

- a. port planning should, consistent with the efficient use of port infrastructure, facilitate the entry of new suppliers of port and related infrastructure services;
- b. where third party access to port facilities is provided, that access should be provided on a competitively neutral basis;
- c. Commercial charters for port authorities should include guidance to seek a commercial return while not exploiting monopoly powers; and
- d. any conflicts of interest between port owners, operators or service providers as a result of vertically integrated structures should be addressed by the relevant Party on a case by case basis with a view to facilitating competition.

4.3. Each Party will review the regulation of ports and port authority, handling and storage facility operations at significant ports within its jurisdiction to ensure they are consistent with the principles set out in clauses 4.1 and 4.2.

- a. Significant ports include:
 - i. Major capital city ports and port facilities at these ports;
 - ii. Major bulk commodity export ports and port facilities, except those considered part of integrated production processes; and
 - iii. Major regional ports catering to agricultural and other exports.

Promotion of competitive infrastructure arrangements through competitive tendering

- 5.1. In some circumstances competitive infrastructure market structures are not feasible because the infrastructure exhibits natural monopoly characteristics. Where governments are considering the development of such monopoly infrastructure, they can initiate competition for the market through competitive tendering that promotes efficient service delivery. This allows the market to establish the terms and conditions for the supply of infrastructure services, reducing the need for subsequent regulation.
- 5.2. The Parties agree to consider the use of competitive tendering to establish the terms and conditions for the supply of significant new services provided by government owned monopoly infrastructure.
- 5.3. The Commonwealth has introduced amendments to Part IIIA of the *Trade Practices Act 1974* to provide that declaration will not apply to government owned infrastructure developed by way of a competitive tender approved by the Australian Competition and Consumer Commission.
- 5.4. For the purposes of clause 5.3, the Parties agree to work together to develop a consistent set of criteria for access related elements of tenders for the provision of nationally significant infrastructure facility services.

Competitive neutrality of government business enterprises

- 6.1 The Parties agree to enhance the application of competitive neutrality principles to government business enterprises engaged in significant business activities in competition with the private sector:

Objectives

- a. That the enterprise has clear commercial objectives.
- b. That any non commercial objectives or obligations established for the enterprise are clearly specified and publicly reported.
- c. That enterprises do not exercise regulatory or planning approval functions in circumstances in which they compete with private sector enterprises.

Governance

- d. That the responsibilities of the governing board of the enterprise and the performance measures against which the board will be held accountable are published.
- e. That the governing board is appointed on the basis of particular skills needed by the board.
- f. That having received strategic guidance from the government about the achievement of its objectives, the enterprise has operational autonomy in the day to day management of its affairs.
- g. That the dividend policy applicable to the enterprise should be clearly and publicly specified.
- h. That any payments to the government as shareholder or for the purposes of competitive neutrality, such as taxes, tax equivalent payments, special dividends, capital repayments, are identified in a transparent manner.

Reporting

- i. That at least annually the enterprise will report publicly on its commercial performance and on its performance of any non commercial activities.
- j. That any directions given to the enterprise by the government are published.

- k. That where the legislation establishing an enterprise derogates from competitive neutrality the derogation has been published.

New Parties and Withdrawal of Parties

- 7.1 A jurisdiction that is not a Party at the date of this Agreement commences operation may become a Party by sending written notice to all the Parties.
- 7.2 A Party may withdraw from this Agreement by sending written notice to all other Parties. The withdrawal will become effective six months after the notice was sent.
- 7.3 If a Party withdraws from this Agreement, this Agreement will continue in force in respect of the remaining Parties.

Review of this Agreement

- 8.1 Once this Agreement has operated for five years, the Parties will review its operation and terms.

Commencement of this Agreement

- 9.1 This Agreement commences once the Commonwealth and at least four other jurisdictions have executed it.

COUNCIL OF AUSTRALIAN GOVERNMENTS' PLAN FOR COLLABORATIVE ACTION ON CLIMATE CHANGE

Australia's governments have been working on responding to the greenhouse gas challenge since the 1992 National Greenhouse Response Strategy was endorsed.

This initial strategy focussed on meeting Australia's international obligations under the United Nations Framework Convention on Climate Change (UNFCCC). Government action was broadened in 1998 through a new National Greenhouse Strategy which responded to further evidence of the increase in greenhouse gases and the development of better understanding of its impact.

Eight years later, evidence of the need for urgent action on climate change is even stronger.

Significant advances have been made over the last eight years in knowledge about climate change, its impacts and responses. Climate change is increasingly recognised as a pressing risk management challenge for governments, businesses and communities across the world.

The case for significant reductions in global greenhouse gas emissions to reduce the risk of dangerous climate change is clear. Early action by all nations is needed to make the task of stabilising and then reducing the level of greenhouse gas emissions in the atmosphere easier and less costly to achieve. For the sake of our future economy, as well as our future environment, Australia needs to significantly accelerate our conversion to the low emissions practices and technologies of the future. Australian Governments have already begun implementing programmes to accelerate technology development and COAG therefore acknowledges that there is a solid base from which to expand.

We also need to recognise that, no matter what actions are taken to reduce global emissions, our climate is changing and will continue to change. In many instances, early action to prepare for this change will minimise costs to our community.

Other countries, including our trading partners and competitors, are responding to the issue of climate change in a way that will create both risks and opportunities for Australian businesses.

Opportunities for Australia will emerge from the growing global demand for new technologies and practices to reduce emissions and from responding to climate change impacts. If we build on our significant intellectual resources, Australia stands to benefit from the changes that will be needed to address climate change.

Against this background, it is timely to re-assess the Australian agenda with a view to extending agreement on policy principles, planning a faster, more ambitious transition to sustainable low emissions and lifestyles and setting an agenda for action.

All jurisdictions remain committed to the over-riding goal of the UNFCCC, to prevent "dangerous" human interference with the climate system. Australia is on track to meet its Kyoto emissions targets to 2012. It will be necessary to achieve significant reductions in emissions beyond that as part of the international effort to avoid dangerous climate change. Early action will be of great value in extending the time for reacting to the threat.

Accordingly, COAG has set for itself the task of accelerating progress on actions to reduce emissions and to adapt to climate change that will occur through collaboration between jurisdictions in areas where there is common agreement.

Principles for Policy Development

The National Greenhouse Strategy set out principles to which COAG committed in 1998. These principles are as valid now as they were then. However, they now need to be refined and augmented in the light of new scientific evidence, developments in technology and the progress made already in energy efficiency and adaptation. The new principles will provide the foundation for comprehensive policy responses which so far as possible promote business certainty, consistency and cost-effectiveness.

COAG has agreed that:

- all jurisdictions are committed to working collaboratively as well as individually to reduce Australia's emissions of greenhouse gases, adapt to unavoidable climate change and meet our international commitments, making Australia a leader in the global effort to stabilise greenhouse gas levels in the atmosphere;
- responses will enable economic development to proceed in a sustainable way, recognising that implementation of climate change policies should be consistent with equity, cost effectiveness, and multiple benefits;
- responses to climate change will promote business certainty within the limits created by the uncertainties of climate change;
- action on climate change requires a comprehensive policy framework which includes action to promote changed patterns of investment, technology innovation and take up, adaptation, demand management and improved energy efficiency. Within that framework, jurisdictions will pursue policies which respond to their individual needs and which are within their constitutional responsibilities;
- all jurisdictions will work collaboratively as well as individually to promote the development and take up of renewable and other low-emission technologies;
- action will respond to and foster relevant scientific, technological and socio-economic research;
- all governments recognise the importance of adaptation and agree to work together on Australia's ability to develop and implement sound adaptation strategies; and
- jurisdictions will continue to communicate with each other, with industry and the broader community to foster a common understanding of greenhouse issues and the importance of addressing the impacts of climate change and to promote consistent and informed policy.

An Agenda for National Action

COAG recognises that a national response to climate change must meet the challenges of:

- reducing greenhouse emissions; and
- responding to the environmental, social and economic impacts that may result from climate change.

All jurisdictions acknowledge they have a significant role to play in the global effort to develop measures that will achieve a reduction in greenhouse gas emissions. A survey of current activities indicates that there is a proliferation of significant programs and projects being pursued across all jurisdictions.

Reducing Greenhouse Gas Emissions

In Australia, the sectors that can derive particular benefit from further planning and action to reduce emissions are stationary energy, transport, buildings and the construction industry, agriculture, forestry and land use change.

COAG recognises that there is a difference in policy approaches between jurisdictions concerning the development at this time of a market-based national approach to the reduction in emissions in the stationary energy sector. There are, however, significant opportunities for collaboration and an increased national effort to support the reduction of emissions.

These opportunities include methods for reducing greenhouse emissions from the stationary energy sector focussing on minimising the cost of energy and on potential impacts on energy-intensive and export-oriented industries. The technology breakthroughs required to deliver secure, reliable, low-emissions energy on a large scale without significant price shocks to the economy are not expected to be realised before 2020.

Despite this fact, action is required now to signal policy directions which minimise the cost of emission abatement over the long term. A key challenge will be to provide a long term environment which promotes the research, development and deployment of these technologies.

A number of current programs which directly and indirectly contribute to managing greenhouse emissions, such as the Mandatory Renewable Energy Target, the Queensland 13 per cent Gas Scheme, and the New South Wales Greenhouse Gas Abatement Scheme, have provided price incentives which have increased low emission energy production and reduced emissions below “business as usual” levels.

Accelerated Development and Deployment of Technology

Australia’s governments have invested and committed well over \$1 billion up to 2020 towards technology development to reduce greenhouse gas emissions. A significant portion of that spending is being made available to assist development of renewable energy technologies.

Jurisdictions have a variety of programs in place to encourage technological innovation, including funding programs. Jurisdictions agree that an important objective of these programs is to accelerate the development and deployment of a range of low-emission technologies, including various forms of renewable energy.

Australia has the physical, financial and intellectual resources to be a leader in increasing the market penetration of these technologies. From its current knowledge base, Australia can grasp the economic development opportunities for exporting low-emission technologies, intellectual property and services.

COAG recognises that well targeted policies and investment can accelerate the discovery, development, commercialisation and deployment of technologies for reducing greenhouse gas emissions. Jurisdictional cooperation and collaboration on technology should focus on areas where Australia has or could establish a comparative advantage. In addition, there remains an ongoing need for innovation and the development of knowledge about how to successfully develop and deploy new technologies, including technologies for demand management and adaptation. Collaboration between jurisdictions needs to be based on information sharing between jurisdictions and on partnership with the private sector.

Against this background, COAG has requested a report on the identification of possible gaps in support for low emission and adaptation technologies in which Australia has a comparative advantage or could adapt for use in the Australian context. The report will include strategies for addressing identified gaps as well as identifying early opportunities for demonstration of new technologies. The strategies to be developed will include support for technologies at a number of stages in the research, development and deployment spectrum; and examining the potential for expanded national and cross jurisdictional approaches for delivery of technology programs and support for technology research.

COAG has asked for this report to be prepared by the middle of 2006.

A COAG Climate Change Group will be formed to progress this report and some other initiatives set out in the Action Plan. The Group will be made up of representatives of all jurisdictions and chaired initially by the Australian Government and subsequently rotated. The work of the Climate Change Group will be reviewed in two years.

Jurisdictions are progressing different aspects of policy relating to renewable energy and other low-emissions technology, both through Ministerial Councils and separately. For example, the Ministerial Council on Mineral and Petroleum Resources has agreed principles for developing consistent national regulation of geosequestration and the Ministerial Council on Energy is undertaking work to address regulatory impediments to the uptake of renewable and distributed generation. COAG considers that an opportunity exists to draw this work together and identify opportunities for further collaboration to assist the further development and the deployment of renewable and low emission technologies.

To that end, COAG has asked the Climate Change Group to also develop a national framework for the take-up of renewable and low emission energy technologies. This framework will draw upon the outcome of work by Ministerial Councils and identify whether there are gaps and further opportunities for addressing market penetration of these technologies. This work will also draw upon current Australian and international best practice.

Energy Efficiency

Energy efficiency has a significant role to play in reducing greenhouse gas emissions, and in reducing requirements for future investments in energy supply and infrastructure. Energy users currently spend \$50 billion annually on energy. It is widely considered that many businesses and households can save 10-30 per cent of their energy costs without reducing productivity or comfort levels.

Energy efficiency has consistently proved to be the most cost-effective of Australia's responses to greenhouse gases. Government support for energy efficiency can deliver net benefits where it facilitates resource and capital efficiencies that exceed the cost of the government support. Such support can unlock these efficiencies by overcoming barriers to the efficient use of energy.

The important role of energy efficiency has been recognised by the Ministerial Council on Energy (MCE), which has developed a National Framework for Energy Efficiency (NFEE) to define future directions for energy efficiency policy and programs. COAG notes that the MCE is progressing stage one of the NFEE and that progress is also beginning on what will be included in stage two.

Jurisdictions note and support the proposal in the Review of National Competition Policy for COAG to task the MCE to develop a work program from 2006 to establish effective demand-side response mechanisms in the electricity market.

COAG seeks to identify any further opportunities for energy efficiency in the areas of transport, agriculture and buildings.

Against this background COAG requests that the:

- Australian Transport Council (ATC) and the Environment Protection and Heritage Council (EPHC) report to COAG at the end of 2006 on:-
 - programs and incentives to encourage the uptake of more fuel efficient and low emission passenger and freight vehicles, and
 - current work being carried out by the Councils into strategies for travel demand management, including increased use of public transport, with particular emphasis on strategies suited to being progressed on a cross-jurisdictional basis;
- the ATC and the EPHC provide advice on opportunities for reforms to regulations, standards, codes and labelling requirements to improve vehicle fuel efficiency;
- Natural Resources Ministerial Council examine and report on the possible development of emissions intensity benchmarks and environmental management systems for agriculture. This includes development of new approaches to reduce emissions from agriculture and land use and new measures to promote carbon sequestration in agriculture and land use; and
- Local Government and Planning Ministers' Council examine and report, after seeking advice from the Australian Building Codes Board, on current and possible future programs, incentives and strategies for land use planning and building practices to reduce energy demands, in terms of energy efficient planning and building / infrastructure design and in embedded energy of materials and construction, maintenance and operation processes. Consistent with COAG's decision on a National Adaptation Framework, the Ministerial Council is requested to take into account the need for risk management approaches to adapt to the impacts of unavoidable climate change in its sector.

Adaptation to Manage the Unavoidable Impacts of Climate Change

Recently, there has been an increasing emphasis on the importance of adaptation strategies to address the consequences of climate change. COAG recognises that there are significant opportunities for collaboration across jurisdictions to develop a national approach to adaptation.

Adaptation to climate change is adjustment activity to respond to anticipated or actual consequences associated with climate change; for example, a flood mitigation plan. Adaptation recognises Australia's vulnerability to the range of these consequences, and includes focus on early planning to manage the risks, avoid future costs and maximise potential benefits for Australia.

The following sectors have been identified as those with the most potential to benefit from early adaptation planning: buildings, settlements and infrastructure, particularly on the coasts; emergency services; energy infrastructure; water supply; and agriculture and natural ecosystems. There are also significant potential benefits in early adaptation planning for human health, tourism, forestry and fisheries.

Recognising that climate change has begun, and will continue, and that adaptation action will be required to complement the reduction of greenhouse gas emissions, priority must be given to identifying where careful and targeted action and investment will deliver significant benefits in the future.

Most regions and sectors are vulnerable to the unavoidable impacts of climate change. However, it is important to focus national effort. All governments, industries and communities will benefit from collaboration on predictive capacity at a regional scale, adaptation planning and learning from past experience.

COAG welcomes the March 2005 report *Climate Change: Risk and Vulnerability*, prepared for the Australian Government, which highlights those geographical areas and industries most likely to benefit from early adaptation planning.

COAG agrees that further nationally coordinated work on adaptation is necessary to better prepare Australia for the inevitable impacts of climate change and to provide business with an informed and more certain environment for investment decisions.

To that end, COAG has decided that a National Adaptation Framework will be prepared by the Climate Change Group for its review.

The Group's first task will be to identify an initial set of priorities for actions to address adaptation for COAG consideration at its next meeting. The overall focus will be on strengthening knowledge of climate change impacts and adaptation responses to assist effective risk management by decision-makers in business and in the community. The requirement is to better understand climate change impacts at the sectoral level; to develop better tools for testing the effectiveness of responses; to build up a body of knowledge on actual outcomes from applying adaptation strategies; and to share those learnings more widely.

The key elements of the National Adaptation Framework will include:

- a schedule for development of medium to long term adaptation strategies to better prepare Australia for further climate change and to provide business and communities with an informed and more certain environment for investment decisions;
- a strategy to strengthen knowledge of climate change impacts and adaptation responses, which may include pilot projects in key areas to establish effective methods and approaches;
- linkages to other aspects of the Climate Change Action Plan, notably building the knowledge base, technology development, and business investment certainty;
- linkages to the work of COAG and Ministerial Councils in developing national adaptation strategies; and
- a practical focus which leads to strategies capable of being translated into action. Examples include development of strategies to protect biodiversity, assist water management, protect human health and manage fire protection.

Building and Sharing the Knowledge Base

Government, communities and industries need soundly based scientific advice to inform their decisions in response to climate change. Many of these decisions will involve substantial investments and will need to include considerations of the inherent risks posed by the impacts of climate change. Some industries, such as insurance and the finance sector, are already taking action to address climate risks.

However, COAG is of the view that, given the magnitude of the challenges confronting Australia as the result of global warming, it is extremely important that the very best scientific and research knowledge is available to underpin the planning and investment decisions that will need to be taken over the coming years. COAG notes that several other countries including the UK

and Canada have already established new scientific institutions to support climate change strategies and programs in those countries.

COAG acknowledges the extensive research and scientific capability that already exists in various Commonwealth and State bodies and similar institutions, including CSIRO, the Bureau of Meteorology and universities. COAG also notes that significant funding has been made available again at both the Commonwealth and State levels for targeted research into various aspects of Climate Change.

However, jurisdictions have identified some gaps in Australia's research and scientific capability – particularly in relation to applied research and knowledge at the regional level – and that, without improved coordination, there is potential for wasteful duplication of effort in various institutions and regions throughout the country.

COAG has therefore asked that the Climate Change Group commission a study to examine options for ensuring that Australia's scientific research resources are organised in a way that will effectively support climate change decision making at the national and regional levels. The options to be examined by the Group will include, but not necessarily be limited to:

- mechanisms for achieving better coordination of existing efforts;
- opportunities for improving networking and information exchange;
- a virtual model which would see resources retained in existing institutions but more effectively targeted to national and regional priorities through contracted research; and
- a new dedicated Centre for Climate Change Science and Knowledge.

The group is expected to report to the next meeting of COAG. An amount of \$100,000 is to be provided for the study to be shared 50 per cent by the Commonwealth Government and 50 per cent by the States and Territories on a population basis.

Emissions Reporting

COAG recognises that high-quality emissions reporting, integrity of emissions data and public reporting are important parts of any Climate Change Action agenda. Greater community awareness about climate change results in consumers and financial institutions taking a more active interest in emission patterns resulting in demand for action to reduce emissions. These data are also necessary to design policies and assess their impact.

COAG recognises that there is a range of different reporting requirements currently in place, and that these reporting requirements can place an unreasonable and costly burden on business.

COAG notes that both the MCE and the EPHC are examining ways to improve emissions reporting, including conducting a cost-benefit analysis on mandatory reporting. COAG requests the Councils to fast track these investigations and, at the conclusion of this work, to recommend options to strengthen emissions reporting approaches, including a possible national reporting system.

Assisting Business Certainty

COAG acknowledges that there will always be uncertainty for business, governments and the community in relation to climate change and that completely removing all uncertainty is impossible. However, as this Plan of Action shows, there are practical steps that governments can take to assist business confidence. The agreement by all Australian governments to a set of

principles to assist the development of future policy will provide consistency across all jurisdictions which is important for business when undertaking sound investment decisions. These principles will ensure that Australia's international competitiveness is maintained, that the investment climate will be conducive to growth, and that the future abatement task will be an equitably shared responsibility across all sectors.

This Plan of Action has also focussed on streamlining government responses to avoid duplication, where possible, and to encourage increased partnerships between business and governments. COAG's agreement to develop and implement a national adaptation framework recognises that the uncertainty surrounding climate change impacts can adversely affect long-term investment decisions. The national adaptation framework will assist business planning through providing an integrated and coherent approach to this emerging area of climate change policy.

COAG will host both a business and community forum in the first half of 2006. The business forum will involve key industry associations and senior officials from central agencies across all jurisdictions, while the community forum will involve key community and non-government organisations. The forums will be designed to encourage frank discussion on ways in which business and the community can be actively involved in the work resulting from this Plan of Action. The outcomes from the forum will be presented to COAG for consideration.

The International Agenda

COAG notes that the Australian Government will continue to take a strong role in pursuing a comprehensive international framework that includes all major emitters and is economically efficient, environmentally effective and does not impose an unfair burden on Australia.

In terms of current multilateral efforts, Australia remains actively engaged in the United Nations Framework Convention on Climate Change process, including last year's 11th Conference of the Parties. COAG understands that the form or scope of any future multilateral arrangements is unclear at this stage. COAG also notes that Australia is currently on track to meet the target we negotiated at Kyoto of 108 per cent of 1990 emissions by 2008-2012.

COAG notes that the Australian Government will expand its current briefings with the States and Territories before Conference of the Parties' meetings to allow for improved engagement on Australia's climate change position and a broader discussion on international developments such as the Asia-Pacific Partnership on Clean Development and Climate.

COAG endorses the continued active engagement of the Australian Government in international efforts on climate change and acknowledges the important contribution that dialogue with the States and Territories brings to the process of forming Australia's international position.

The Roles of Ministerial Councils and the Climate Change Group

COAG supports the valuable collaborative work being carried out by Ministerial Councils in the areas of Energy, Natural Resources Management, Primary Industries, Transport, Environment Protection and Heritage, Local Government and Planning and Mineral and Petroleum Resources. COAG requests that all Ministerial Councils consider climate change implications of their own agendas, including adaptation and mitigation responses.

COAG is establishing the Climate Change Group to assist with a co-ordination of advice across Ministerial Councils and to take on assignments that do not fall within the province of any individual Council. Ministerial Councils remain responsible for the carriage of their own work.

A summary of actions described in this Action Plan follows.

Summary of Proposed Actions

COAG has asked for:	by the:	due:
A report on gaps in low emission and adaptation technologies and the potential for expanded cross-jurisdictional programs for the delivery of technology.	CCCG	Middle of 2006
A national framework for the take-up of renewable and low emission technologies.	CCCG	End of 2006
A report on options for encouraging more vehicle fuel efficiency and travel demand management strategies suited to being progressed on a cross-jurisdictional basis.	EPHC / ATC	End of 2006
A report on the potential for development of emissions intensity benchmarks in agriculture and associated environmental management systems.	NRMC	End of 2006
A report on incentives and strategies for land use planning and building practices to reduce energy demand and adapt to climate change.	LGPMC	End of 2006
A national climate change adaptation framework to assist effective risk management by business and community decision-makers.	CCCG	End of 2006
A study to examine options for ensuring that Australia's scientific research resources are organised to effectively support climate change decision-making at the national and regional levels.	CCCG	End of 2006
Acceleration of existing work by Ministerial Councils on emissions reporting and development of options for strengthened reporting approaches.	MCE/EPHC	First half of 2006
Two fora to be hosted by COAG to secure active involvement of business and the community in the Action Plan.	CCCG	First half of 2006
All Ministerial Councils be asked to consider any climate change implications of their decisions and activities.	All Ministerial Councils	Ongoing

CCCG - COAG Climate Change Group
 EPHC - Environment Protection and Heritage Council
 ATC - Australian Transport Council
 NRMC - Natural Resource Management Council
 LGPMC - Local Government and Planning Ministers' Council
 MCE - Ministerial Council on Energy

BETTER HEALTH FOR ALL AUSTRALIANS

ACTION PLAN

PROMOTING GOOD HEALTH, PREVENTION AND EARLY INTERVENTION:

From 1 July 2006, governments will commence implementation of a four-year, \$500 million, national program called the ***Australian Better Health Initiative*** to start to refocus the health system to promote good health and reduce the burden of chronic disease. The initiative will include the following elements:

1. ***promoting healthy lifestyles***, includes addressing issues across alcohol use, nutrition, smoking and physical activity, with the following initial priorities:-
 - aligning efforts across jurisdictions in the provision of chronic disease prevention interventions,
 - a rolling national social marketing campaign on prevention, commencing with promotion of healthy eating and physical activity,
 - implementing nationally-consistent minimum school canteen guidelines across Australia based on 'A National Healthy School Canteen Framework', and
 - school-based programs and local community programs, on a jurisdictional basis, to create environments that facilitate and support healthy lifestyle changes;
2. ***supporting the early detection of lifestyle risks and chronic disease*** through a *Well Person's Health Check* available nationally for people around 45 years old, for those with one or more identifiable risks that lead to chronic disease and will commence November 2006;
3. ***supporting lifestyle and risk modification*** through referral to services that assist people wanting to make changes to their lifestyle. Referrals would follow a clinical assessment, such as the new *Well Person's Health Check*. Assistance could include nutritional advice, promoting physical activity, weight management, support to give up smoking, and counselling. This will include education and training support for providers;
4. ***encouraging active patient self-management of chronic disease*** with services ranging from group based face-to-face courses, to telephone counselling and mentoring, or motivational counselling. Services are likely to be delivered by a range of providers, including both State and Territory Governments and non-government organisations. This will also include education and training for primary health care providers; and
5. ***improving the integration and coordination of care***, which will particularly benefit people with chronic diseases, including people with a mental illness. Includes:-
 - providing incentive funds to improve the integration of services between medical services, public community health services, allied health services and non-governmental organisations, and
 - reforming cancer services by supporting case conferencing for cancer specialists through the Commonwealth Medicare Benefits Schedule (commencing November 2006), and improving state health care coordination services for cancer patients.

IMPROVING CARE AND SUPPORT IN THE COMMUNITY, INCLUDING IN RURAL AND REMOTE AUSTRALIA

1. Governments will establish a ***National Health Call Centre Network***, that will enable people anywhere in Australia to access information and advice from nurse-based telephone services. The Network will commence taking calls from July 2007 and aim to achieve national coverage within four years. The Network will:
 - operate 24 hours a day, seven days a week;
 - include the delivery of mental health services as an integral element;
 - have the capacity to assist in emergency services;
 - assist all Australians, and will be particularly beneficial for people in rural and remote Australia; and
 - have its outcomes and effectiveness evaluated.
2. By December 2007, governments will provide more timely and consistent assessments for frail older people requiring care services and their carers by improving and strengthening ***the Aged Care Assessment Program*** and will simplify entry points and improve eligibility and assessment processes for the ***Home and Community Care Program***.
3. From July 2006, governments will establish new arrangements ***addressing the challenges of service delivery in rural and remote Australia***, involving:
 - providing more primary health care services in small rural and remote towns with a shortage of General Practitioners, with the agreement of the local primary care practitioners. This will be done through an extension of the Commonwealth's Medicare arrangements to pay for non-admitted services, including those provided by salaried primary care practitioners, and by State and Territory Governments providing support and other assistance to improve and enhance primary care services in these areas to ensure a net gain in services;
 - improving the flexibility for health service planning at the local community level by consolidating funding for nominated rural health programs in selected localities; and
 - improving the use of health-related information and communications technology in rural/remote areas through the Commonwealth's existing *Clever Networks Program*.

IMPROVING PEOPLE'S CARE IN HOSPITALS AND IN RESIDENTIAL SETTINGS

1. From July 2006, governments will implement a new joint Commonwealth, State and Territory program to start to ***reduce the number of younger people with disabilities living in nursing homes***. The program will include:
 - offering younger people with disabilities in residential aged care homes a care needs assessment;
 - negotiating and providing appropriate alternative long-term care options, where it can be made available and this is what clients choose;
 - developing and establishing new services and care options, including improved services within nursing homes; and
 - reducing future admissions of younger people with disabilities to residential aged care.

The initial priority of the program will be for people under 50 years of age.

2. From July 2006 a new four year program will commence to ***assist older public patients who no longer require acute care or rehabilitation and are in hospital waiting for residential aged care*** by:

- providing more appropriate care for long-stay older patients in public hospitals, particularly in rural areas;
- improving the capacity of rural hospitals to provide more age friendly services, including through making capital improvements such as establishing new multi-purpose services;
- reducing avoidable or premature admission of older people to hospitals; and
- assisting older public patients requiring long-term care to take up appropriate care options.

STRENGTHENING THE HEALTH SYSTEM AND ITS INFRASTRUCTURE

- 1 . Governments acknowledge the crucial role that health professionals play in ensuring that Australians receive high-quality health care and the need to ***effectively use our skilled health workforce***. In response to the Productivity Commission Report on Health Workforce, governments have agreed:
 - to increase governments' collaborative effort regarding retention of health staff;
 - to endorse the National Health Workforce Strategic Framework with a biennial review and report to COAG on progress with implementation of the Framework;
 - that all broad institutional Health Workforce Frameworks should make explicit provision to consider the particular workforce requirements of rural and remote areas, and the particular workforce requirements of groups with special needs including indigenous Australians, people with mental illness, people with disabilities and those requiring aged care; and
 - that Senior Officials will undertake further work in relation to the remaining key recommendations of the Productivity Commission and report to COAG in mid-2006 on further action that governments could take in regard to health workforce, having consulted with key stakeholders.
- 2 . From February 2006, governments will ***accelerate work on a national electronic health records system*** to improve safety for patients and increase efficiency for health care providers by developing the capacity for health providers, with their patient's consent, to communicate safely and securely with each other electronically about patients and their health. This requires:
 - developing, implementing and operating systems for an individual health identifier, a healthcare provider identifier and agreed clinical terminologies; and
 - promoting compliance with nationally-agreed standards in future government procurement related to electronic health systems and in areas of healthcare receiving government funding.

NATIONAL HEALTH CALL CENTRE NETWORK

HEADS OF AGREEMENT

between

THE COMMONWEALTH OF AUSTRALIA

and

THE STATE OF NEW SOUTH WALES

and

THE STATE OF VICTORIA

and

THE STATE OF QUEENSLAND

and

THE STATE OF WESTERN AUSTRALIA

and

THE STATE OF SOUTH AUSTRALIA

and

THE STATE OF TASMANIA

and

THE AUSTRALIAN CAPITAL TERRITORY

and

THE NORTHERN TERRITORY OF AUSTRALIA

NATIONAL HEALTH CALL CENTRE NETWORK HEADS OF AGREEMENT

These **HEADS OF AGREEMENT** are entered into by the Commonwealth of Australia, the States of New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania and the Australian Capital Territory and the Northern Territory ("**Proposers**").

BACKGROUND:

- A. The Proposers are committed to the establishment of the National Health Call Centre Network ("**National HCC Network**"). It is proposed that the National HCC Network will be accessible 24 hours a day, seven days a week and enable the public to obtain health triage, advice and information, including where health and medical assistance might be obtained. The National HCC Network will be a co-operative arrangement that is jointly funded and badged by the Proposers.
- B. Currently Western Australia, the Northern Territory and the Australian Capital Territory are operating health call centres and other States may commence operations of health call centres prior to the establishment of the National HCC Network. It is intended that these centres will become part of the National HCC Network.
- C. Discussions have taken place among the Proposers in regard to the National HCC Network and how best to establish and operate that Network.
- D. These Heads of Agreement outline in brief how the Proposers intend to proceed to establish the National HCC Network.

1. INTERPRETATION AND DEFINITIONS

- 1.1 These Heads of Agreement do not, and are not intended to, create any legal obligations between the Proposers.
- 1.2 In these Heads of Agreement:
 - (a) headings are for convenience only and do not affect interpretation;
and unless the context indicates a contrary intention:
 - (b) "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
 - (c) a reference to a document is to that document as varied, novated, ratified or replaced from time to time;
 - (d) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
 - (e) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;
 - (f) a reference to a clause, schedule, exhibit, attachment or annexure is a reference to a clause, schedule, exhibit, attachment or annexure to or of these Heads of Agreement, and a reference to these Heads of Agreement includes any schedules, exhibits, attachments or annexures to it;
 - (g) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) **"includes"** in any form is not a word of limitation; and
- (i) a reference to **"\$"** or **"dollar"** is to Australian currency.

1.3 Definitions

"Add-on Services" means additional services within the Objects of the Management Vehicle other than Core Services and Emergency Services, to be identified in contractual arrangements between the Management Vehicle and the Proposer(s) who request those services.

"Constitution" means the company constitution and other incorporation documents for the Management Vehicle.

"Contracted Service Provider" means a service provider engaged by the Management Vehicle to perform a service with respect to the National HCC Network.

"Core Services" means the services set out in Attachment 2.

"Emergency Services" means any services that need to involve the National HCC Network as part of a health emergency or disaster response and are notified to the Management Vehicle by a person authorised by a Proposer according to principles agreed by the Proposers.

"Existing HCC Operations" means the existing health call centres operating in Western Australia, the Northern Territory and the Australian Capital Territory and any others that may exist in any of the other States and which have been advised to the Proposers prior to the establishment of the National HCC Network.

"Funding/Service Delivery Contracts" means the agreement(s) between the Proposers and the Management Vehicle detailing funding obligations and services requirements with respect to the National HCC Network.

"Implementation Documents" has the meaning provided in clause 3.1.

"Management Vehicle" has the meaning provided in clause 2.1.

"Members" mean the Proposers who are issued with shares in the Management Vehicle.

"Objects" means the objects of the Management Vehicle to be included in the Management Vehicle's constitution.

"Proposers" means the Commonwealth of Australia, the States of New South Wales, Victoria, Queensland, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.

"Shareholders' Agreement" means the agreement to be entered into by the Proposers detailing each Proposer's rights, obligations and liabilities with respect to the National HCC Network and governing the exercise of each Proposer's rights, powers and obligations with respect to each Proposer's membership of the Management Vehicle.

2. OVERVIEW OF ESTABLISHING THE NATIONAL HEALTH CALL CENTRE NETWORK

2.1 The Proposers will establish a public company limited by shares to manage the National HCC Network ("**Management Vehicle**"), which will be governed by the terms of the Constitution.

2.2 Before the Management Vehicle is incorporated the Proposers will enter into a Shareholders' Agreement to set out in detail their respective rights and obligations relating to the Management Vehicle.

- 2.3 The Management Vehicle will be responsible for procuring the operator/s contracted to provide the National Health Call Centre Core Services, Add-on Services and Emergency Services ("**Contracted Service Provider/s**"), for negotiating the resultant contract/s, and then for managing the service contract arrangements. The services provided by the Contracted Service Provider/s must be performed in Australia.
- 2.4 Funding/Service Delivery Contract(s) will be required between either each or all of the Proposers and the Management Vehicle.
- 2.5 The Contracted Service Provider/s and the Management Vehicle must operate within an appropriate agreed accountability regime.

3. **IMPLEMENTATION DOCUMENTS**

- 3.1 The Proposers will negotiate in good faith to finalise the Constitution, Shareholders' Agreement and Funding/Service Delivery Contract(s) ("**Implementation Documents**") required for the implementation of the National HCC Network.
- 3.2 Attachment 1 to these Heads of Agreement sets out the schedule for the negotiation and finalisation of these documents, along with other key implementation dates.
- 3.3 As a condition subsequent, these Heads of Agreement will terminate, and will be treated as being void, upon the signature of the Shareholders' Agreement and incorporation of the Management Vehicle.

4. **SHAREHOLDERS' AGREEMENT**

- 4.1 The Shareholders' Agreement will provide that each of the Proposers will join together to incorporate the Management Vehicle. This agreement will set out in as much detail as practically required the rights, obligations and liabilities of the Proposers regarding the National HCC Network and the Management Vehicle.
- 4.2 The financial contributions by each of the Proposers to the costs of:
- (a) establishing;
 - (b) governing; and
 - (c) operating
- the Management Vehicle in its provision of Core Services (but not of any Add-on Services) will be agreed among the Proposers within 14 days after the day this Heads of Agreement has been signed by all parties (or such other date as agreed by the Proposers).
- 4.3 The Proposers will each ensure that all approvals required in their jurisdictions to make a legally-firm commitment to the financial contributions in clause 4.2 will be completed within the timeframe indicated in clause 4.2.
- 4.4 The Shareholders' Agreement will set out the audit and accountability arrangements necessary to satisfy the financial accountability requirements of all of the Proposers and will specify how these requirements will be satisfied (for example, under the Funding/Service Delivery Contract).
- 4.5 The Shareholders' Agreement will also cover the following business issues:
- (a) responsibilities for costs in setting up and operating the Management Vehicle where these have not been adequately covered in these Heads of Agreement;

- (b) agreement on which services are to be exclusively provided by the Management Vehicle and which (if any) are to be retained by a Member or Members;
- (c) timing of financial contributions;
- (d) mechanisms for the costing, consideration and contracting of any Add-on and Emergency Services;
- (e) resourcing of the Management Vehicle in such areas as premises, information/knowledge management, assets, operating contracts, insurances, transition-in, the Chief Executive Officer, employees;
- (f) a business plan for the Management Vehicle to be implemented and monitored under the Funding/Service Delivery Contract;
- (g) advertising and marketing (including co-badging, naming and logo arrangements) for the National HCC Network to be implemented and monitored under the Funding/Service Delivery Contract; and
- (h) a framework for the management of privacy obligations and patient records, including any additional health regulatory requirements that may be relevant.

4.6 The Shareholders' Agreement will cover the following governance issues (noting the potential overlap with the Constitution):

- (a) ownership/membership of Management Vehicle (including provision for incoming and outgoing members);
- (b) appointment and removal of directors of Management Vehicle;
- (c) management/executive of Management Vehicle (including appointment of Chief Executive Officer);
- (d) achievement of best practice in corporate governance;
- (e) formation and operation of the Joint Policy Review Committee;
- (f) dispute resolution and deadlock provisions - particularly where cross-jurisdictional issues are involved; and
- (g) winding up/dissolution of the Management Vehicle.

5. **FUNDING/SERVICE DELIVERY CONTRACT BETWEEN THE PROPOSERS AND THE MANAGEMENT VEHICLE**

5.1 Funding/Service Delivery Contract(s) will be made between either each or all of the Proposers and the Management Vehicle which will provide for the amount and timing of funding to be given by either each or all of the Proposers to the Management Vehicle for it to carry out the National HCC Network.

5.2 The Funding/Service Delivery Contract will also specify in detail the Core Services that the Proposers require from the Management Vehicle in exchange for the funding and the method and timing of delivery of those services. Service levels will also be required from the Management Vehicle and minimum operational commitments from the Proposers, including commitments to provide adequate notice to the Management Vehicle prior to significant marketing or publicity events relating to the National HCC Network that are likely to increase call volumes.

5.3 The Funding/Service Delivery Contract will contain all the necessary commercial provisions for this undertaking (including intellectual property rights, information and communications technology and information management issues) and will prescribe the appropriate provisions to ensure transparency, value for money and accountability, such as the audit and inspection requirements of the Proposers.

5.4 Privacy obligations and patient record confidentiality are of critical importance and these will be covered at length in the Funding/Service Delivery Contract such that all statutory and policy requirements of all of the Proposers will be satisfied.

6. ADD-ON SERVICES

6.1 Add-on Services are to be dealt with in accordance with provisions to be included in the Shareholders' Agreement.

6.2 Clause 4.5(d) above provides that the Shareholders' Agreement will cover mechanisms for the costing, consideration and contracting of any Add-on Services. The general principles to apply are as follows:

- (a) subject to the following subparagraphs, one or more jurisdiction(s) may, at any time, request Add-on Services from the Management Vehicle ("**Proposing Jurisdiction(s)**") on terms and conditions, and in separate contractual arrangements, agreed between the Management Vehicle and the Proposing Jurisdiction(s) ("**Proposed Contractual Arrangements**");
- (b) the Add-on Services must be fully funded in the Proposed Contractual Arrangements. The Proposed Contractual Arrangements may therefore need to provide a contribution to general overheads and administrative functions of the Management Vehicle especially where the Add-on Services are unable to be provided at marginal cost because they need an expansion of overhead and fixed capacity in order to provide the Add-on Services;
- (c) the Proposed Contractual Arrangements must be notified to all (except the Proposing Jurisdiction(s)) prior to execution by the Proposing Jurisdiction(s) and the Management Vehicle; and
- (d) If the Management Vehicle determines that the Add-on Services are:
 - (i) fully funded as described in subparagraph (b) above; and
 - (ii) will not have a material adverse affect on the performance of the Core Services (and previously agreed Add-on Services) and the capacity to provide Emergency Services by the Management Vehicle,the Management Vehicle will perform the Add-on Services.
- (e) If the Management Vehicle determines that the Add-on Services are:
 - (i) not fully funded as described in subparagraph (b) above; or
 - (ii) may have a material adverse affect on the performance of the Core Services (and previously agreed Add-on Services) and the capacity to provide Emergency Services by the Management Vehicle (including, with regard to the terms and conditions on which the Add-on Services are to be provided),

the Proposing Jurisdiction(s) may seek the approval of the other Members to have the Management Vehicle perform the relevant Add-on Services.

- (f) Subject to the above, the Proposing Jurisdiction(s) and the Management Vehicle will then execute the Proposed Contractual Arrangements.

7. **EMERGENCY SERVICES**

Notwithstanding the agreed procedure for Core and Add-on Services, the Management Vehicle will be able to engage or retain Contracted Service Provider(s) to provide Emergency Services.

8. **ISSUES INVOLVED IN THE ESTABLISHMENT OF THE MANAGEMENT VEHICLE**

8.1 Within 21 days of execution of these Heads of Agreement, each Proposer shall provide to each other Proposer a summary of the principles that will determine whether or not government-owned corporations legislation in the Proposer's jurisdiction will apply to the Management Vehicle.

8.2 As part of the Management Vehicle's Constitution, the Proposers will negotiate in good faith to agree:

- (a) the Objects of the Management Vehicle and any operating restrictions;
- (b) the operating and governance regimes for the Management Vehicle;
- (c) the Core Services to be provided and framework for Emergency Services and Add-on Services to be negotiated by Management Vehicle;
- (d) a framework for the Management Vehicles' Procurement plan;
- (e) a framework for management of the transition-in of Existing HCC Operations;
- (f) guidelines for establishing Board Standing Committees including a Finance and Audit Committee, and the Clinical Governance Advisory Group;
- (g) a framework for the management of privacy obligations and patient records, including any additional health regulatory requirements that may be relevant;
- (h) financial and accountability requirements;
- (i) dealings with property, dividends and profits; and
- (j) taxation status and registration.

8.3 Consideration will need to be given to resourcing of the Management Vehicle (including premises, information/knowledge management, assets, operating contracts, insurances, transition-in, Chief Executive Officer and employees). The Proposers need to determine which resourcing issues will be left to the Management Vehicle to determine.

8.4 Intellectual property rights, information and communications technology and information management issues relevant to both Existing HCC Operations and the operation of the National HCC Network will need to be considered.

8.5 Transition in and transition out of Contracted Service Providers is to be determined by the Management Vehicle with reference to the following objectives:

- (a) ensuring the efficient and effective use of resources;
- (b) ensuring a smooth and seamless transition with minimal disruption to both the Management Vehicle in the performance of its Objects and contractual operations and the Proposers and other stakeholders of the Management Vehicle; and

- (c) ensuring that the process meets standards of accountability and probity appropriate for a government-owned company.

9. GOVERNANCE OF MANAGEMENT VEHICLE

9.1 The Management Vehicle will be a public company limited by shares incorporated under the Corporations Act. The Proposers will be the legal and beneficial Members.

9.2 With respect to membership, the Proposers agree that:

- (a) the issue and transfer of shares will be subject to pre-emptive rights to be contained in the Shareholders' Agreement;
- (b) a Member will be required to transfer its shares to the other Members if it fails to contribute to the Management Vehicle as required in the Shareholders' Agreement;
- (c) Members' meetings will be held once per year (unless a majority of members call an extraordinary meeting);
- (d) each Member will have an equal number of shares and each share will carry the same voting right;
- (e) procedures for meetings will be contained in the Constitution; and
- (f) decisions will be made by majority vote except in certain types of decisions to be specified in the Shareholders' Agreement which will require a 75 per cent vote or a unanimous vote (for example, decisions which impose additional costs or new liabilities on a Member).

9.3 With respect to directors, the Proposers agree that:

- (a) the Members will, by majority vote, appoint the directors on the basis of skills (including clinical expertise), qualifications and experience in the areas of business, industry (including the service delivery, call centre, health and information and communications technology and information management relevant to these industries), government, finance and accounting and legal as to ensure that the Board collectively has the requisite skills and experience to efficiently and effectively manage the Management Vehicle in accordance with best principles of corporate governance;
- (b) directors will serve a term of two years unless removed earlier by the Members;
- (c) the Members may, by 75 per cent vote, remove any director (including the Board Chair) at any time; and
- (d) no Member will have a nominee director.

9.4 The management/executive of the Management Vehicle will be appointed by the directors, subject to all appointments/removals into/out-of the position of CEO being subject to consultation with the Members.

9.5 The Management Vehicle will be expected to be governed in accordance with best-practice corporate governance principles and will be required to have a Finance and Audit sub-committee and a Clinical Governance Advisory Group.

9.6 The Members will establish a Joint Policy Review Committee under the Shareholders' Agreement to make health policy decisions and to notify the directors in writing of general or specific policies of the Joint Policy Review Committee that are to apply to the Management Vehicle. The Joint Policy Review Committee must consult the directors to understand the

possible impact on service delivery before notifying them of a policy. The directors must ensure that the policies are carried out in relation to the Management Vehicle.

9.7 The Members, acting unanimously, will have a general and specific power of direction over the Board, exercisable by notice in writing to the Board signed by each Member.

10. **EXISTING HCC OPERATIONS**

10.1 A review of the Existing HCC Operations (including, but not limited to, with respect to the operations, intellectual property rights, marketing materials, information and communications technology, information management, knowledge management, finances, contractual arrangements, commercial and legal arrangements) will be required (subject to reasonable and appropriate confidentiality and privacy safeguards).

10.2 Consideration will need to be given to the extent to which the Existing HCC Operations can be utilised (including in terms of experiences, contracts, procurement systems, operating systems, processes and intellectual property rights) to:

- (a) reduce the costs of establishing the National HCC Network;
- (b) enhance the quality and effectiveness of the National HCC Network; and
- (c) to reduce and manage the risks and uncertainties inherent in establishing the National HCC Network,

taking into account the current contractual and legal arrangements surrounding the Existing HCC Operations.

10.3 Consideration will need to be given to recognising and valuing the non-financial contributions of the Existing HCC Operations to establishment costs where the other Proposers will financially benefit from those contributions.

11. **COSTS AND TAXES**

11.1 Each Proposer will pay its own legal and other costs and expenses in negotiating and implementing the Implementation Documents.

11.2 All Commonwealth and State taxes and fees applicable to the execution and implementation of the Constitution, Shareholders' Agreement and Funding/Service Delivery Contract(s) shall be paid by the Proposers in accordance with the respective financial contributions of the Proposers to be agreed under clause 4.2. This clause is not intended to and does not affect any arrangements that the Proposers have previously made relating to the State Taxation Equivalent regime and those arrangements take precedence over this clause if there is any conflict.

12. **CONFIDENTIALITY AND PUBLIC ANNOUNCEMENTS**

12.1 The Proposers agree that terms of these Heads of Agreement and all other documents and correspondence related to the National HCC Network are and will remain confidential.

12.2 No relevant public announcements, media releases or similar communications will be made by any of the Proposers without the prior unanimous consent of all of the other Proposers.

12.3 Notwithstanding Clauses 12.1 and 12.2, the Proposers may disclose the information described in Clause 12.1 or 12.2 if required by any law, judicial or parliamentary body or governmental agency including, without limitation, disclosure and response to parliamentary questions, Ministerial inquiries conducted by or on behalf of the Auditor-General of the Commonwealth or a State or Territory.

SIGNED FOR AND ON BEHALF OF EACH OF THE PARTIES BY:

The Honourable John Winston Howard MP)
Prime Minister of the Commonwealth of Australia)

The Honourable Morris Iemma MP)
Premier of New South Wales)

The Honourable Stephen Phillip Bracks MP)
Premier of Victoria)

The Honourable Peter Beattie MP)
Premier of Queensland)

The Honourable Alan Carpenter MLA)
Premier of Western Australia)

The Honourable Michael Rann MP)
Premier of South Australia)

The Honourable Paul Lennon MHA)
Premier of Tasmania)

Jonathan Donald Stanhope MLA)
Chief Minister of the Australian Capital Territory)

The Honourable Clare Martin MLA)
Chief Minister of the Northern Territory)

ATTACHMENT 1 - IMPLEMENTATION SCHEDULE

Phase	Activity	Responsibility	Timeframe
1. Before the NHCCN is established	Sign Heads of Agreement	Australian Government States and Territories	End February 2006
	Negotiate, agree and execute Shareholders' Agreement		
	Negotiate and agree Company Constitution		
	Funding mechanisms agreed		
	Establish Company		
	Agreement and execution of Funding/Service delivery contracts (to the extent necessary to enable the provision of initial funds)		
2. Establishment of the NHCCN Corporation	Board of Directors and CEO appointed	Members of Management Vehicle	Mid-March 2006
	Company Board meets	Company	End March 2006
	Core Company employees engaged	Company	June 2006
	Committee structures in place	Company	August 2006
3. Procurement	Development and Board approval of procurement process	Company	End March 2006
	Tender released	Company	July 2006
	Service Providers contracted	Company	December 2006
4. Prepare for Service	Develop communication plan for stakeholders as well as users	Members Company	June 2006
	Develop transition schedules and strategies	Members Company	August 2006
	Additional funds provided under the Funding/Service delivery contracts	Members Company	August 2006
	Customise triage protocols	Company	February 2007
	Project manage preparation of service provider	Company	December 2006 – end June 2007
5. Commence Operations	Commence planning with first jurisdiction	Members Company	April 2007
	Roll out of triage services to first jurisdiction	Member Company	July 2007
	Roll out of triage services to final jurisdiction	Member Company	no later than July 2011

ATTACHMENT 2 - CORE SERVICES

The Core functions of the National HCC Network will be:

- nurse-based telephone triage, supported by a single national set of electronic decision support software and algorithms;

- health advice and information including support for the needs of rural and isolated communities;
and

- referral to health services, supported by service directories that are developed and maintained to be responsive to local needs.

ATTACHMENT F

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

ACTION PLAN

Issue	Agreed Outcome	Timeline		
		2006	2007	2008
The commitment to quality training				
Accelerated implementation of an outcomes-based auditing model for registered training organisations within Australia	<ul style="list-style-type: none"> ▪ Australian Quality Training Framework (AQTF) standards reviewed and amended to place a stronger focus on quality skills outcomes; ▪ An outcomes-based auditing model for registered training organisations developed to support the new standards <ul style="list-style-type: none"> – As part of the actions above, ensure national consistency of the application of the revised AQTF standards by States and Territories ▪ Ministerial Council for Vocational and Technical Education report back to COAG on the implementation of these recommendations 	By October 2006	Developed by October 2006	Introduced 1 July 2007 By December 2007
A more mobile workforce to help meet skills needs				
The effective implementation of full mutual recognition of skills qualifications across Australia	<ul style="list-style-type: none"> ▪ Individuals in licensed trades have full mutual recognition of their licences in all jurisdictions and do not face duplicate assessment requirements for obtaining qualifications and licences: <ul style="list-style-type: none"> ○ in six priority trades - electricians, plumbers, motor mechanics, 			By 30 June 2007

Issue	Agreed Outcome	Timeline		
		2006	2007	2008
	work under short term provisional licensing in the six priority occupations pending final assessment processes			
Portability and recognition of skills and training	<ul style="list-style-type: none"> ▪ A new look nationally portable Statement of Attainment to set out consistently and clearly for employers the competencies and skills a person has achieved 	By 31 December 2006		
A more flexible and responsive training system				
Shortening the duration of apprenticeships where competencies are demonstrated	<ul style="list-style-type: none"> ▪ Apprentices to be certified as competent by a State or Territory Training Authority without the need to make a special application when they have demonstrated competence to industry standards: <ul style="list-style-type: none"> ○ through the amendment of training legislation and administrative procedures where necessary; and ○ by removing references to fixed duration from awards and legislation in all jurisdictions where such awards prevent early sign off based on competency. 	By 31 December 2006		
Enabling School-based New Apprenticeships	<ul style="list-style-type: none"> ▪ Legislative, regulatory and education barriers to school-based apprenticeships are removed in all jurisdictions ▪ Industrial barriers are removed, in collaboration with Industry, for school-based apprenticeships in: <ul style="list-style-type: none"> ○ metals and engineering; ○ automotive; ○ building and construction; ○ electrotechnology; and 	By 31 December 2006 By 31 December 2006		

Issue	Agreed Outcome	Timeline		
		2006	2007	2008
	<ul style="list-style-type: none"> ○ commercial cookery 			
Allowing intermediate or specialised qualifications as well as full apprenticeships	<ul style="list-style-type: none"> ▪ Additional nationally portable qualifications are to be examined for the residential building and construction industry to enable apprentices to have skills recognised at and below the full trade qualification ▪ Where there is industry demand, national training qualifications will include identified skills clusters 	By 30 June 2006		By 31 December 2008
Achieving maximum flexibility in training for employers and individuals	<ul style="list-style-type: none"> ▪ All workers entering publicly funded training will be able to have their existing skills recognised quickly and simply so that wherever possible their training time is reduced ▪ A joint three year Commonwealth/State and Territory programme, to be agreed on a bilateral basis, will be established to support delivery and good practice of recognition of prior learning 	By 1 July 2006	By 1 January 2007	
Effective competition between training providers	<ul style="list-style-type: none"> ▪ Ministerial Council for Vocational and Technical Education is to report to COAG on the progress of competition between training providers under the new vocational education and training (VET) legislation and arrangements 	By 31 December 2006		
A targeted response to skills shortages in regions				
In relation to the impacts of skills shortages on particular industries and regions	<ul style="list-style-type: none"> ▪ Funding will be made available for a regional programme to improve the supply of skilled labour in industries and regions of strategic economic importance 	By 1 July 2006		

Issue	Agreed Outcome	Timeline		
		2006	2007	2008
Understanding skills shortages better				
In relation to the impacts of skills shortages on particular industries and regions	<ul style="list-style-type: none"> ▪ Governments will establish new labour market data sharing arrangements to identify skills shortages and enable them to make appropriate responses 	1 July 2006 (starts)	By 30 June 2007 (first report due)	
Next stages of reform				
Further reform of vocational education and training	<ul style="list-style-type: none"> ▪ Report to be provided to COAG on further reform of the VET system. 	By 31 October 2006		

ATTACHMENT G

DETAILS AND PROCESS FOR COUNCIL OF AUSTRALIAN GOVERNMENTS' (COAG) REVIEW OF COUNTER-TERRORISM LEGISLATION

Structure and Form of the Review

The review should be conducted by a small committee, supported by a secretariat.

The size of the committee should be six members including the chair.

Secretariat support should be provided by the Commonwealth Attorney-General's Department, with appropriate State and Territory representation, and the secretariat should work in close consultation with all jurisdictions.

Membership of the Committee

Although there should be a balance between Commonwealth and State and Territory members, there should be sufficient flexibility in determining the final mix at the time of the review to take into account the experience and availability of the individual members to be appointed.

The chair should be an independent person with extensive knowledge of, and experience in, the administration of criminal justice (for example, a retired judge or the current chair of an Australian law reform commission).

Although the remaining members should be drawn from the following sets of expertise, there should again be sufficient flexibility in determining the final mix at the time of the review to take into account the experience and availability of the individual members to be appointed:

- two accountability members (for example, drawn from the Inspector-General of Intelligence and Security, an ombudsman, human rights commissioner, privacy commissioner or someone with expertise in law reform);
- two law enforcement members (one from the Australian Federal Police and one from a state or territory police force); and
- a prosecutorial member.

The Prime Minister, Premiers and Chief Ministers will settle the individual appointments closer to the time of the review.

Purpose and Scope of the Review

In broad terms, the committee should review and evaluate the operation, effectiveness and implications of the relevant amendments in each jurisdiction.

In conducting the review, the committee should take into account the agreement of COAG leaders at the Special Meeting on Counter-Terrorism on 27 September 2005,

that any strengthened counter-terrorism laws must be necessary, effective against terrorism and contain appropriate safeguards against abuse, such as parliamentary and judicial review, and be exercised in a way that is evidence-based, intelligence-led and proportionate.

It should be clear that the legislation to be covered by the review includes:

- Schedule 1 of the Anti-Terrorism Act 2005 (Cth);
- Schedules 1, 3, 4 and 5 of the Anti-Terrorism Act 2005 (No.2) (Cth);
- State and Territory legislation enacted to provide for preventative detention;
- State and Territory legislation enacted to provide for or enhance stop, question and search powers in areas such as transport hubs and places of mass gatherings (including laws already enacted prior to the COAG agreement made on 27 September 2005); and
- further amendments made to the Commonwealth, State and Territory legislation described above.

The committee should take into account the outcome of reviews or monitoring activities conducted in accordance with individual state and territory legislation.

In conducting the review, the committee should provide for public submissions and public hearings.

Reporting Requirements including Timeframes

The committee should commence the review in December 2010. To facilitate this deadline, consideration of the appointment of individual members and other necessary arrangements should commence in June 2010.

The committee should provide a written report to COAG within six months of commencing the review.

COAG should be able to release the report for public scrutiny. If it is necessary for the committee to include sensitive or classified information in its report, then the committee should provide an additional unclassified report to COAG for public release.

Funding Arrangements

In recognition of the fact that the review will cover both Commonwealth and State and Territory legislation, the cost of the review, including secretariat support, should be shared between the Commonwealth and the States and Territories.

The Commonwealth should contribute 50 per cent and the States and Territories should contribute 50 per cent pro rata on a per population basis.

The budget for the cost of the review, including secretariat support, should be agreed between the Prime Minister, Premiers and Chief Ministers closer to the time of the COAG review.

ATTACHMENT H

NATIONAL EMERGENCY PROTOCOL

1 Introduction

- 1.1 At the Special Meeting of the Council of Australian Governments (COAG) on 27 September 2005, the Prime Minister, Premiers, Chief Ministers and the President of the Australian Local Government Association (ALGA) noted that national emergency arrangements are well developed and are coordinated across Australia through a range of inter-governmental fora.
- 1.2 COAG also noted the importance of a consistent and coordinated response by Australian, State, Territory and Local Governments at the onset of any national emergency. Leaders noted that the current arrangements have the capacity to manage any substantial emergencies. Leaders agreed to develop a protocol to ensure effective coordination and communication in the unlikely event of an emergency of greater magnitude.
- 1.3 The National Emergency Protocol (NEP) describes the communication arrangements between the Prime Minister, Premiers, Chief Ministers and the President of the ALGA during a national emergency.

2 Purpose

- 2.1 The NEP implements the decision of COAG on 27 September 2005 to develop a Protocol to ensure that in the event of an emergency agreed to be of national significance (national emergency):
 - Australia's national, State, Territory and Local Government leaders can be contacted and are able to confer at all times; and
 - that leaders agree to coordinate key messages to the public.

3 Principles

- 3.1 The NEP is an "all hazards" overarching document which provides for the coordination of communications both between the leaders and with the public during an imminent or actual emergency of national significance. It complements a range of emergency management plans and arrangements, nationally, as depicted in Annexure 'A'.
- 3.2 It is not intended for the NEP to replace any aspects of those plans, or to prevent or impact on the exercise of functions under other plans, arrangements or legislation.
- 3.3 States and Territories have primary responsibility for the management of emergencies within their jurisdictions. The role of Local Governments and emergency controllers/coordinators (or equivalent positions) within jurisdictions during a national emergency is recognised and unchanged.

4 Process for Agreement

- 4.1 The Prime Minister and the First Minister(s) of an affected State or Territory (the relevant First Minister(s)) may agree that a national emergency exists when an actual or potential emergency situation occurs. This may include responding to natural or human-caused threats such as a disease outbreak, severe weather or environmental emergency. In deciding whether a national emergency exists, factors which may be considered include:
- the size, severity or nature of the emergency;
 - the threat or perceived threat to public safety and/or security;
 - the contribution of multiple jurisdictions to managing the emergency;
 - the impact on multiple jurisdictions; and
 - the impact on industry of national importance.
- 4.2 Either the Prime Minister or a relevant First Minister may initiate communication to determine the need to agree on a national emergency.
- 4.3 In deciding whether to agree that a national emergency exists, all other First Ministers and the President of the ALGA will be consulted, where practicable, before agreement is reached to categorise an event as a national emergency.
- 4.4 On agreement being reached between the Prime Minister and the relevant First Minister(s), all other First Ministers and the President of the ALGA will be informed that a national emergency has been agreed and that the arrangements under this NEP are activated.
- 4.5 A national emergency will cease by agreement between the Prime Minister and relevant First Minister(s). All other First Ministers and the President of the ALGA will be informed when the agreement ceases.

5 Communications between Australian, State and Territory and Local Government Leaders

- 5.1 States and Territories will provide to the Department of the Prime Minister and Cabinet (through the Protective Security Coordination Centre) and update as necessary, a list of contact numbers to enable communications between the Prime Minister, First Ministers, the President of the ALGA, their senior officials and offices.
- 5.2 State and Territory Governments will communicate with relevant Local Governments during a national emergency through existing arrangements. The Commonwealth Government will communicate with the ALGA during a national emergency.

6 Public Communications

- 6.1 Communication between government and the public during an emergency is an essential element of emergency management. In a national emergency it will be critical that these communications:

- provide appropriate and nationally-consistent advice for public information and safety;
- ensure accurate and timely information is provided to the public; and
- build and maintain public confidence in the ability of authorities to cooperate to prevent and/or manage the emergency.

6.2 Under the NEP, the Prime Minister, First Ministers and the President of the ALGA will consult on the key leadership messages to be conveyed to the public immediately following an agreement on a national emergency. This will include consultation on who should deliver those messages.

6.3 Communications with the public will adhere to the following core principles:

- public safety is the highest priority;
- communications should be regular and immediate;
- information must be accurate, with statements supported by established facts; and
- information provided should not compromise any subsequent investigation(s).

7 National Emergency Call-Centre Facilities

7.1 The Commonwealth Government will establish a National Emergency Call-Centre facility that can be activated in one hour from notice of a national emergency. This National Emergency Call-Centre is intended to serve as a first point of contact for the public in a national emergency and will complement existing call-centre arrangements.

8 Supporting Documents

8.1 All jurisdictions will be consulted and will agree on the development of supporting documents to enable effective operation of the NEP.

9 Review of NEP Arrangements

9.1 The NEP will be reviewed by the Commonwealth, State and Territory Governments, in consultation with the ALGA, after two years, or earlier as agreed.

9.2 The NEP may be amended by agreement in writing between the parties at any time.

ANNEXURE A to Attachment H

