

COUNCIL OF AUSTRALIAN GOVERNMENTS MEETING

HOBART

30 April 2009

COMMUNIQUE

PREAMBLE

The Council of Australian Governments (COAG) held its 26th meeting in Hobart today. The Prime Minister, Premiers, Chief Ministers and the President of the Australian Local Government Association were joined for the meeting by Commonwealth, State and the Australian Capital Territory Treasurers and the Commonwealth Parliamentary Secretary for Government Service Delivery.

Leaders reaffirmed their commitment to addressing the challenges for Australia of the global economic recession. Economic forecasts suggest the Australian economy will contract and that unemployment, especially youth unemployment, will rise. Today COAG agreed to a series of education and training measures to meet the challenge of rising unemployment including: a Compact with Young Australians to ensure that every young person is able to access an education or training place; a National Youth Participation Requirement to make participation in education, training or employment compulsory for all young people until they reach age 17; and, bringing forward COAG's 90 per cent Year 12 or equivalent attainment rate target from 2020 to 2015.

In addition, COAG received a report from Coordinators-General on the implementation thus far of the Nation Building and Jobs Plan that it considered at its special meeting on 5 February 2009.

COAG also reaffirmed its commitment to introducing a comprehensive National Strategy for Energy Efficiency and signed a Memorandum of Understanding for energy efficiency, with a commitment to consider signing an Intergovernmental Agreement on the National Strategy at its next meeting. As well, it agreed on the design of a Renewable Energy Target Scheme to achieve a 20 per cent share of renewables, or some 45,000 gigawatt hours, in Australia's electricity mix by 2020.

In light of the recent Victorian bushfires and Queensland floods, COAG resolved to re-examine Australia's arrangements for managing national disasters and has agreed to take immediate steps to enhance these arrangements through, *inter alia*, the development of a telephone-based emergency warning system.

Further decisions were reached on regulatory and microeconomic reform, including reform of legal profession regulation and the integration of infrastructure and land use planning.

Leaders also agreed to a national approach ensuring the safety and well-being of Australian children through the "National Framework for Protecting Australia's Children".

On the matter of outlaw motorcycle gangs, Leaders further agreed that the Standing Committee of Attorneys-General report to COAG on the outcome of its work in developing a nationally-coordinated response to organised crime.

NATURAL DISASTER ARRANGEMENTS

COAG agreed on the urgent need for governments to re-examine Australia's arrangements for managing natural disasters and identify any further strategies aimed at building greater resilience. COAG noted such efforts would be critical to Australia's ability to deal with the expected increase in the frequency and severity of natural disasters arising from extreme weather events linked to climate change.

COAG also agreed to take immediate steps to enhance Australia's natural disaster arrangements through the development of a telephone-based emergency warning system that will enable the States and Territories (the States) to deliver warnings to landline and mobile telephones based on the billing address of the subscriber to be operational by October 2009 and to undertake further research into a capability to deliver warnings based on the location of a mobile telephone. COAG further agreed to arrangements for a Commonwealth-provided emergency call centre surge capability that may be called upon by States should their local capacity be overwhelmed following a disaster.

COAG agreed as well to the establishment of a working group to consider additional ways to build Australia's resilience to natural disasters in response to an examination of: national governance structures for the oversight and coordination of natural disaster policies and arrangements; the coordination of natural disaster mitigation, preparedness, response and recovery activities between governments; and, the efficiency and effectiveness of funding arrangements for natural disaster mitigation, relief and recovery. The working group will report to COAG by September 2009.

COAG further agreed to invite jurisdictional police services to consider the appropriateness of South Australia's Operation Nomad arrangements to counter bushfire arson.

HUMAN INFLUENZA PANDEMIC PREVENTION AND PREPAREDNESS

COAG noted the confirmed recent outbreak of swine influenza in Mexico and the World Health Organisation (WHO) assessment that this influenza represented a health emergency of international concern. On advice from the Chief Medical Officer, Australia moved on 28 April to the Delay phase of alert. It further noted the requirement for constant vigilance to guard against and delay an outbreak in Australia and the introduction of positive practice arrangements at Australia's borders. Thermal screening and enhanced documentation procedures for incoming passengers are also being put in place.

COAG agreed to take all measures necessary to prevent, where possible, the introduction, establishment or spread of swine influenza. States agreed to assist, where necessary, to contribute nurses at airports when and as required.

COAG also agreed a national approach to prepare for, and manage the impacts of, an influenza pandemic in Australia. National preparedness, response and recovery arrangements have been assessed through a series of inter-jurisdictional and multi-sectoral exercises over the last two years. Pandemic planning activities are now being integrated into all existing hazards emergency management arrangements. COAG agreed the usefulness of the human influenza pandemic planning in assisting in Australia's response to swine influenza.

COAG further noted the importance of, and encouraged Australians to be vigilant in their observance of, basic personal hygiene, such as the washing of hands, as a significant preventive measure against the spread of diseases such as swine influenza.

JOBS, TRAINING AND YOUTH TRANSITIONS

COAG agreed to immediate, concerted action to increase young people's engagement with education and training pathways, including seeking the support of all stakeholders to commit to additional effort and to tailor the delivery of services to maximise youth engagement, retention and attainment.

A Compact with Young Australians

All governments recognised that more effort is required to ensure that every young person is able to access an education or training place. To this end, COAG agreed to rapid

implementation of a Compact with Young Australians (the Compact), including that:

- young people aged 15-19 years will have an entitlement to an education or training place for any government-subsidised qualification, subject to admission requirements and course availability; and
- young people aged 20-24 years will have an entitlement to an education or training place for any government-subsidised qualification which would result in the individual attaining a higher qualification, subject to admission requirements and course availability.

Action to implement the Compact will commence immediately and will be fully implemented by 1 July 2009 for 15-19 year olds and by 1 January 2010 for 20-24 year olds. The Compact will be offered until 31 December 2011 and will be reviewed in April 2011.

As part of the Compact, 15-19 year old job seekers working for up to 15 hours per week will be eligible for training places under the Productivity Places Program.

National Participation Requirement

States also agreed to implement a National Youth Participation Requirement, to commence on 1 January 2010, which will make participation in education, training or employment compulsory for all young people until they turn 17.

The National Youth Participation Requirement will include:

- a mandatory requirement for all young people to participate in schooling (meaning in school or an approved equivalent) until they complete Year 10; and
- a mandatory requirement for young people who have completed Year 10 to participate full-time (defined as at least 25 hours per week) in education, training or employment, or a combination of these activities, until age 17.

The National Youth Participation Requirement will be a minimum standard which the States may go beyond if they wish. Where necessary, each State will introduce new legislation or amend current legislation to give effect to the National Youth Participation Requirement.

To support The National Youth Participation Requirement the Commonwealth will make education and training a precondition for obtaining Youth Allowance (Other) and Family Tax Benefit Part A.

Education Attainment Targets for Young People

COAG further agreed to bring forward the 90 per cent Year 12 or equivalent attainment rate target from 2020 to 2015. COAG also agreed to the development of a 2015 progress measure to ensure progress towards the 2020 target to halve the gap for Indigenous students in Year 12 or equivalent attainment.

COAG agreed as well that the most appropriate measure of the 90 per cent Year 12 or equivalent attainment rate target is:

- for 2015, the proportion of young people in the 20-24 year old age group who have achieved Year 12 or a Certificate II or above as measured by the Australian Bureau of Statistics Survey of Education and Work; and
- for 2020, the proportion of young people in the 20-24 year old age group who have achieved Year 12 or a Certificate III or above as measured by the Australian Bureau of Statistics Survey of Education and Work.

Achievement of the 90 per cent national attainment rate by 2015 will be met by differential target rates across jurisdictions.

The Commonwealth today agreed to provide competitive performance-based funding of \$100 million to the States to support delivery of the Compact. The objective of this payment is to reward the achievement of agreed outcomes and outputs in line with the revised accountability arrangements in the new federal financial relations framework agreed by COAG in November 2008.

The specific outcomes to attract reward payments will be tied to:

- evidence of improved retention of young people in Year 10 to Year 12 in 2010; and
- evidence of improved Year 12 or equivalent attainment rates in 2012, on the agreed trajectory toward the national 90 per cent Year 12 or equivalent attainment rate by 2015.

Determination of reward payments will be assessed against agreed differential target rates across jurisdictions. This will include recognition of current achievement and increase over current baseline Year 12 or equivalent attainment rates.

Australian Apprenticeships

All governments further recognised that during an economic downturn Australian Apprentices are more vulnerable. As an industry-led system, all governments acknowledged

the need for governments and industry to work cooperatively to support Australian Apprentices.

COAG therefore agreed to the establishment of a time-limited taskforce, including industry membership, to undertake urgent work to support the engagement and retention of Australian Apprentices. The taskforce will provide an action plan to COAG in July 2009.

Directions for VET Reform

COAG agreed to the development of a forward work plan on the policy directions detailed in the National Agreement for Skills and Workforce Development. The work plan is designed to improve outcomes for all learners, including the youth cohort, and will be provided to COAG in July 2009.

COAG endorsed the need for stronger and more cohesive national regulatory arrangements for VET, including in-principle support for a national regulatory body to oversee registration of providers and accreditation of VET qualifications and courses. A report on operational models, including for a national regulatory body, will be provided to COAG by September 2009.

REPORT FROM THE COORDINATORS-GENERAL ON THE NATION BUILDING AND JOBS PLAN

COAG noted that the agreed milestone dates for the roll-out of the Nation Building and Jobs Plan have been met. Implementation is now moving from the project planning and approval stage to the building and construction phase:

- essential repairs to around 45,000 social housing dwellings have commenced and construction work is commencing across Australia on Stage 1 social housing dwellings, which will result in 2,600 new housing units. Defence Housing Australia is well ahead of schedule on its building program for construction of 802 new defence homes;
- work on 8,663 refurbishment projects at the first 5,965 schools in the National School Pride program is underway and the first round of primary schools construction projects for halls, libraries, and new classrooms will commence shortly;
- funding has been approved for 562 local councils for strategic infrastructure projects, with \$214 million already provided by the Commonwealth under the Community Infrastructure Program to 493 councils;
- there has been significant work undertaken on key national rail projects; and

- in relation to energy efficiency, the ceiling insulation and solar hot water programs are already in operation, with the longer-term arrangements for ceiling insulation to apply from 1 July currently being finalised.

COAG agreed that the investment is on track to provide immediate employment opportunities to address the global economic crisis and this investment will also contribute to Australia's future infrastructure needs.

ENERGY

National Strategy for Energy Efficiency

COAG today reaffirmed its commitment to introducing a comprehensive National Strategy for Energy Efficiency to help households and businesses reduce their energy costs, improve the productivity of our economy and reduce the cost of greenhouse gas abatement under the Carbon Pollution Reduction Scheme (CPRS).

COAG signed a Memorandum of Understanding for energy efficiency, with a commitment to consider signing an Intergovernmental Agreement on the National Strategy, including any financial arrangements, at its next meeting. COAG agreed that the Strategy's scope would encompass all areas in the economy where substantial cost-effective energy efficiency opportunities exist - commercial buildings, residential buildings, appliances and equipment, industry and business, government, transport, skills, innovation, advice and education - and agreed in principle to developing a range of new measures in these areas. COAG will consider a final set of measures at its next meeting, following targeted consultation with stakeholders.

As a first step, COAG agreed to five key measures to improve the energy efficiency of residential and commercial buildings across Australia. Higher building standards will drive significant improvements in energy efficiency of homes and commercial buildings. These measures will complement the Commonwealth Energy Efficient Homes program and begin the transformation of Australia's building stock.

The measures, which are subject to regulatory impact assessment requirements, involve:

- an increase in the stringency of energy efficiency requirements for all classes of commercial buildings in the Building Code of Australia from 2010;
- the phase-in of mandatory disclosure of the energy efficiency of commercial buildings and tenancies commencing in 2010;

- an increase in energy efficiency requirements for new residential buildings to six stars, or equivalent, nationally in the 2010 update of the Building Code of Australia, to be implemented by May 2011, as well as new efficiency requirements for hot-water systems and lighting; and
- the phase-in of mandatory disclosure of residential building energy, greenhouse and water performance at the time of sale or lease, commencing with energy efficiency by May 2011.

COAG also agreed to reform the current rating and assessment processes for building energy efficiency standards. The reform objective is consistent application across Australia while at the same time ensuring standards are climatically relevant. The new standards will be outcomes-based and allow comparability between residential and commercial buildings.

The States also reaffirmed their commitment of 5 February 2009 to maintain existing energy efficiency funding levels and to re-direct state funding for any energy efficiency programs superseded by the Energy Efficient Homes program, such as insulation programs, to home energy advice programs, particularly for the most disadvantaged households.

National Renewable Energy Target

In a landmark decision, COAG agreed to the new expanded National Renewable Energy Target (RET), which will ensure that 20 per cent of Australia's electricity is from renewable sources by 2020. The RET will deliver a renewable energy target that is more than four times the size of the current Mandatory Renewable Energy Target (MRET).

The RET will provide certainty for investors, stimulating substantial investment in a broad range of renewable energy technologies. The RET will accelerate growth in green jobs, including in harnessing Australia's solar, wind and geothermal resources, as part of an estimated 30-fold increase in the renewable electricity sector by 2050.

The RET scheme will be implemented through Commonwealth legislation in 2009, with increased annual targets commencing in 2010. The targets increase annually to reach 45,000 gigawatt-hours in 2020 and will be maintained at that level to 2030 when the RET scheme will end. It is expected that renewable energy targets will no longer be required after 2030 as the CPRS will drive the deployment of renewable energy.

COAG noted that arrangements would be put in place to smooth the transition of the existing state schemes to the expanded RET scheme.

The expanded RET scheme also provides a way for households and communities to contribute to the deployment of renewable energy through a Solar Credits multiplier for small scale technologies.

COAG recognised the impact of the RET on trade-exposed industries in the context of the CPRS and the additional pressures these firms are experiencing as a result of the global financial crisis. Legislative exemptions from liability under the expanded RET will apply to those activities that are emissions-intensive trade-exposed (EITE) under the CPRS.

Exemptions of 90 per cent or 60 per cent will apply, corresponding to the level of assistance provided under the EITE framework. All businesses will contribute to supporting renewable energy as these exemptions will only apply above the MRET's existing 9,500 GWh target. These assistance arrangements will be reviewed in 2014 as part of broader RET and CPRS reviews.

The RET scheme includes a shortfall charge, which is the penalty paid by the electricity retailer in lieu of renewable energy certificates. The shortfall penalty has been increased to \$65 per megawatt-hour from the \$40 of the current MRET to encourage compliance under the RET scheme. The level of the shortfall penalty will be monitored to ensure it remains effective as an incentive for investment in renewable energy.

COAG also agreed to examine further some of the eligibility provisions of the RET for new small-scale technologies as well as heat pumps and rules for off-grid resource projects to ensure that the eligibility rules remain relevant over time to reflect new technologies and recent developments in renewable technology and resource project development structures.

Further details on the design of the RET scheme can be found on the COAG website or on the Commonwealth Department of Climate Change website at www.climatechange.gov.au.

Australian Energy Market Agreement

COAG agreed that the Australian Energy Market Agreement be amended to specify that, where retail prices are regulated, energy cost increases associated with the CPRS will be passed through to end-use consumers. COAG further noted that the Ministerial Council on Energy (MCE) would soon consider a similar cost pass-through in relation to the RET. In order to provide greater transparency for consumers in the context of increased electricity costs, COAG also tasked the MCE with providing a report by the end of 2009 on expected electricity price rises over the next three years, identifying the major components of those price rises.

REGULATORY, COMPETITION AND MICROECONOMIC REFORM

Business Regulation and Competition Working Group – Report

COAG recognised that the global economic crisis means that it is important to continue efforts on regulation reform as part of the microeconomic reform agenda. In this regard,

COAG endorsed a series of reforms, recommended by the Business Regulation and Competition Working Group (BRCWG):

- a further step towards the development of a national licensing system for specified occupations by signing an Intergovernmental Agreement and releasing a Regulation Impact Statement (RIS);
- a further step towards the development of a National Construction Code, which will consolidate building, plumbing, electrical and telecommunications regulations, through the release of a consultation RIS;
- agreement to set up a taskforce on reform of the regulation of the legal profession, with the objective of uniform laws across jurisdictions;
- inclusion of the regulation of the not-for-profit sector as part of the BRCWG's 2009 workplan; and
- agreement to the National Mine Safety Framework Implementation Report, which includes strategies for achieving a consistent Occupational Health and Safety regime in the mining industry.

Microeconomic and Competition Reform

Re-shaping the future development of our cities through better integrated infrastructure and land-use planning arrangements will be critical to Australia's future GDP and productivity growth as well as providing improved access to services for the growing populations of the nation's cities, enhancing the quality of life and conserving the environment.

As a first step in improving these arrangements, COAG agreed to establish a Taskforce to examine existing strategic planning frameworks within jurisdictions to ensure they support the ongoing integration of state and national infrastructure in major metropolitan cities with land-use planning and urban development. This work will recognise that the States have clear responsibility for land-use planning within their jurisdictions; that the Commonwealth has an interest in the efficient operation of national infrastructure; and that efficient infrastructure and improving our cities requires the better integration in jurisdictions of major city land-use planning with state and national transport, energy, water and social infrastructure investment plans. The Taskforce will report to COAG by the end of 2009 on the outcomes of this work.

The Commonwealth's aspiration is that the work of this Taskforce will encourage each jurisdiction to put in place, by the end of June 2010, best practice major strategic corridor and metropolitan planning arrangements that will ensure consistent strategic decision-making,

improve the efficiency of infrastructure investment and further contribute to productivity and economic growth.

COAG REFORM COUNCIL REPORT

COAG welcomed the second report of the COAG Reform Council (the Council) on the implementation of the competition and regulatory reforms referred to the Council for monitoring in April 2007. The report provides a snapshot of progress against the seven reforms referred by COAG at that time as well as following up on the implementation of the Council's recommendations contained in its 2008 Report.

The Commonwealth and the States agreed to provide an additional \$21 million between 2009-10 and 2012-13 to enable the Council to perform its extended monitoring and assessment role agreed by COAG during 2008.

NATIONAL FRAMEWORK FOR PROTECTING AUSTRALIA'S CHILDREN

COAG today released the "National Framework for Protecting Australia's Children" – the first long-term national approach to ensuring the safety and well-being of Australian children. The Framework seeks to deliver a substantial and sustained reduction in child abuse and neglect in Australia. Priority actions for the Commonwealth and the States include: National Standards for Out-of-Home Care; improved support for young people leaving care; working closely together on enhanced service integration in key disadvantaged communities; and, improved access to early intervention and prevention services, including quality child care for children at risk. There will be a report annually to COAG on the progress of the first three-year action plan.

OTHER MATTERS

Coordinator-General for Remote Indigenous Services

COAG agreed to the operating arrangements for the Coordinator-General for Remote Indigenous Services. The Coordinator-General will work with coordinators identified by Commonwealth agencies and State and Northern Territory coordinators-general to coordinate planning for, and monitor the delivery of, programs and services in the 26 locations selected under the Remote Service Delivery National Partnership (NP) agreed by COAG at its November 2008 meeting. Where necessary, the Coordinator-General will assist agencies to identify and address obstacles to the achievement of COAG's objectives. The Coordinator-General will be responsible to the Commonwealth Minister for Families, Housing,

Community Services and Indigenous Affairs. Reports prepared for the Minister will be made publicly available. Reports will also be provided to COAG on overall progress in implementing the NP, including the need for any systemic changes.

COAG Hazardous Materials Review: Security-Sensitive Ammonium Nitrate

COAG agreed to reforms of the regulation of security-sensitive ammonium nitrate that will reduce the regulatory burden on legitimate users, while maintaining effective safeguards to prevent access for potential terrorist purposes. This includes the establishment of a system of recognition between the States for licences, permits and authorisations.

Review of Ministerial Councils

COAG agreed that a review of ministerial councils should be undertaken and finalised by November 2009.

National Road Safety Council

COAG signed today an NP agreement to establish and fund a new National Road Safety Council. The Council, which will provide advice to the Australian Transport Council, will identify opportunities to accelerate and expand the implementation of road safety measures.

NEXT MEETING

COAG agreed to hold its next meeting in Darwin on 2 July 2009, when special consideration will be given to Indigenous Closing the Gap matters.