

**Council of Australian Governments (COAG)
What's Going On?**



**An NCOSS Analysis of the COAG Communiqué
7 December 2009**

January 2010

1. Introduction

1.1 What is the Council of Australian Governments?

The Council of Australian Governments (COAG) held its 21st meeting on the 26 March 2008 in Adelaide. The Prime Minister, Premiers, Chief Ministers and the President of the Australian Local Government Association, were joined by Commonwealth and State and Territory Treasurers. This was the first of four COAG meetings to be held in 2008.

The role of COAG is to initiate, develop and monitor the implementation of policy reforms that are of national significance and which require cooperative action by Australian governments (for example, National Competition Policy, water reform, reform of Commonwealth and State/Territory roles in environmental regulation, the use of human embryos in medical research, counter-terrorism arrangements and restrictions on the availability of handguns). Issues may arise from, among other things: Ministerial Council deliberations; international treaties which affect the States and Territories; or major initiatives of one government (particularly the Australian Government) which impact on other governments or require the cooperation of other governments.¹

1.2 Why do an analysis?

Since the start of 2008, as a result of a change in Government, there has been an increasing amount of change being proposed across Australia. Much of this is to be driven through COAG processes. This change is happening quickly and it can be difficult to stay in touch with what is happening.

As part of its commitment to keeping the sector informed and involved NCOSS has produced this analysis of the first COAG communiqué. We have attempted to assess what the announcements really mean (progress, no progress, more meetings of "working parties", possible distractions etc) for NSW.

NCOSS intends to continually update this information as more changes occur and more information becomes available.

More information about COAG can be found at their website - www.coag.gov.au

The December communiqué can be found at - <http://tinyurl.com/y8g5sxx>

¹ From the COAG Website, About COAG, www.coag.gov.au/about_coag, viewed 7 April 2008.

2. Climate Change

2.1 General

There was no further action on Climate Change at this meeting except to agree to consider climate change at a COAG meeting in early 2010, with a focus on adaptation.

COAG acknowledged the importance of a successful outcome at Copenhagen. COAG also noted the major economic, social and environmental impacts climate change would have on Australians. COAG stated that the emissions trading scheme is an important tool in helping Australia achieve its targets for greenhouse gas reduction.

2.2 Water

COAG is aiming to increase the pace at which water reform occurs under the National Water Initiative. Commitments were made to:

- completing consistent water-sharing plans for all significant water resources;
- a National Framework for Non-urban Water Metering to improve the accuracy of water metering;
- a National Water Skills Strategy to address skills shortages in the water industry; and
- the in-principle endorsement of a National Framework for Water Compliance and Enforcement to combat water theft.

The Commonwealth has committed \$60 million to improve water compliance and enforcement activities nationally.

The Water Reform Committee will have a priority focus on:

- an end to all over-allocation and overuse of water;
- improved environmental conditions and management of water for the environment;
- the removal of barriers to water trade; and
- better engagement with communities and other key stakeholders on the implementation of water reforms.

There was also some progress on the Intergovernmental Agreement on Murray-Darling Basin Reform and Commonwealth State Water Management Partnership Agreements should be completed shortly.

3. Closing the Gap in Indigenous Disadvantage – Food Security in Remote Indigenous Communities

COAG agreed to a new National Strategy for Food Security in Remote Indigenous Communities (the Strategy) which outlines five actions to increase the consumption of healthy foods and reduce the diet-related burden of disease for Indigenous people in remote Australia and help close the gap in Indigenous disadvantage. While the actions are all positive one of the key issues around access to healthy food is affordability. Distance from supplier to store in remote communities means that fresh fruit and vegetables cost more. Other issues include access to food supplies, especially where there is limited or no public forms of transport.

The Strategy will be piloted in up to 10 remote Indigenous communities, beginning by March 2010. The pilots will test the draft National Standards and will inform the development of the National Workforce Action Plan and National Healthy Eating Action Plan. The pilots will also seek to develop a regional food security model to support and coordinate the implementation of the actions outlined in this Strategy.

The Working Group on Indigenous Reform (WGIR) will report to COAG in mid-2010 on the further development of the Strategy.

4. Early Childhood Education and Care

The 7 December 2009 meeting of Council of Australian Governments (COAG) agreed to a National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care. This agreement seeks to improve the quality early childhood education and care by creating new national quality standards, including higher staff to children ratios and better qualified early childhood workforce. The new national standards will be phased in over the next decade. A new ratings system is meant to give parents better information on the quality of childcare services so that they can make the best decisions for their children. Early childhood education and care providers are meant to benefit through streamlined regulatory arrangements that will cut red tape.

4.1 Staff to child ratios

The staff-to-child ratios for long day care and preschool will be:

- 1:4 for children aged from birth to 24 months by no later than 1 January 2012;
- 1:5 for children aged from 25 months to 35 months by no later than 1 January 2016; and
- 1:11 for children aged from 36 months to school age by no later than 1 January 2016 (note that in NSW the current ratio of 1:10 for this group remains in place).

The staff-to-child ratios for Family Day Care will be 1:7 with a maximum of 4 children not yet attending school by January 2014.

4.2 Qualifications

All long day care and preschool services staff will be required to have at least a Certificate III (or working towards one) by 1 January 2014. Further, 50% of staff will be required to have a Diploma (or working towards one) by 1 January 2014 (teachers can be included in counting the 50%).

Long day care and preschool services will be required have at least one early childhood teacher by 1 January 2014. Further services with 60 to 80 children will be required at least 1.5 early childhood teachers and services with more than 80 children will be required to have at least 2 early childhood teachers by 1 January 2020. Note that the current requirements in NSW for for a second teacher for services with more than 40 children, and a further teacher for every 20 children thereafter will be retained.

All carers in Family Day Care are to have at least a Certificate III level qualification (or working towards one) by 1 January 2014. All Family Day Care coordinators are to have a Diploma qualification by 1 January 2014.

4.3 National Quality Standard

A new National Quality Standard comprises quality areas, standards and elements will be introduced and will apply to long day care, preschools, family day care, and out of school hours care. The quality areas are:

1. Educational program and practice;
2. Children's health and safety;
3. Physical environment;
4. Staffing arrangements, including staff-to-child ratios and qualifications;
5. Relationships with children;
6. Collaborative partnerships with families and communities; and
7. Leadership and service management.

4.4 Legal Framework

There will be a new national legal framework, incorporating an Act, Regulations and Schedules which will support the introduction of the National Quality Standard. This will be administered and enforced by State and Territory regulatory agencies guided by a new national body. The NSW Act and regulations will be repealed.

For further information see: www.coag.gov.au/coag_meeting_outcomes/2009-12-07/docs/nap_national_quality_agenda_early_childhood_education_care.pdf

5. Health Reform

No specific agreement was reached on reform to the health and hospital system. However, COAG agreed that national health reform would be a central priority for 2010. COAG also made National Partnership Agreement's on E-health, the Elective Surgery Waiting List Reduction Plan, Health Services, and Health Infrastructure.

5.1 Health System Reform

No decision made about reform to the health and hospital system or in relation to the recommendations of the National Health and Hospital Reforms Commission (NHHRC). The Prime Minister, in consultation with the Premiers and Chief Ministers will develop a decision-making process on long-term health and hospital reform by the end of 2009 and COAG agreed to commence work on the development of national health reform plan as a priority in 2010. The Commonwealth will look to develop specific reform proposals for discussion with the States and Territories in the first half of 2010.

5.2 E-Health

Governments signed the *National Partnership Agreement on E-Health*. This sets out the objectives and scope for the operation of a National Healthcare Identifier Service, as well as relevant governance, legislative, administrative and financial arrangements. The purpose of the Healthcare Identifier Service is to facilitate reliable healthcare-related communication through the identification of individuals and healthcare providers by a unique identifier. Medicare Australia will initially operate the Healthcare Identifier Service, which is anticipated to be established by 1 July 2010.

COAG has allocated \$52.02m to fund the operation of the Healthcare Identifier Service until 30 June 2012. This is part of the \$218m allocated by COAG (50:50 cost-shared between the Commonwealth and State and Territory Governments) to the National E-Health Transition Authority in November 2008. COAG also agreed to release draft legislation establishing the healthcare identifiers for further consultation. (The exposure draft Healthcare Identifiers Bill 2010 is now publicly available at www.health.gov.au/internet/main/publishing.nsf/Content/consultation-exposedraftlegislation (comments close 7 January 2010.)

However, no decision was made in relation to the framework for a broader e-health system, including Individual Electronic Health Records, or timeframe for development.

5.3 Elective Surgery

COAG signed the *National Partnership Agreement on Elective Surgery* as the next stage in COAG's Elective Surgery Waiting List Reduction Plan. The Agreement provides for payments of up to \$300 million from the Commonwealth to States and territories to reduce the number of Australians waiting longer than clinically recommended times for elective surgery by improving the efficiency and capacity in public hospitals.

The Agreement sets out key performance benchmarks and funding for an 18 month period in three areas:

- Meeting jurisdiction-specific elective surgery volume targets;
- Key Exceeding jurisdiction specific elective surgery volume targets; and
- Improved elective surgery waiting list management

5.4 Health Services and Infrastructure

Two additional national partnership agreements on health services and health infrastructure are provided on the COAG website that are not referenced in the COAG Communiqué of 7 December. These agreements broadly commit the parties to deliver initiatives to support high quality health services and jointly fund physical and technological infrastructure for the health sector. They do not contain any details about funding amounts or the specific initiatives or projects to be undertaken.

NCOSS will continue to monitor these agreements and the progress on the development of a national health reform plan.

6. Housing, Planning and Infrastructure

6.1 Housing

The National Affordable Housing Agreement (NAHA), the Social Housing element of the Stimulus Plan and the National Partnership on Homelessness all include a range of housing reforms that are being driven by the Commonwealth. These reforms include:

- The integration of public and community housing waiting lists,
- Reducing concentrations of disadvantage through redevelopment of public housing estates to create mixed communities,
- Improved tenancy management and maintenance benchmarks, and
- The growth of community housing, with increased contestability in the allocation of funds and a national regulatory and registration system.

It had been expected that COAG would agree to the release of a detailed progress report from Housing Ministers on where this far-reaching reform agenda is up to. This did not occur, with COAG merely noting that 'Housing Ministers have made progress on housing reforms... and will report back to COAG in the first half of 2010 on further progress.' It is clear that the sector will need to become more vocal on the need for public reporting on, and stakeholder engagement with, this important reform agenda.

In a move that further complicates the situation, COAG directed Treasurers (not Housing Ministers) to develop a national housing supply and affordability reform agenda.

Treasurers are to report back to the next COAG meeting on a timetable for housing policy reform. The communiqué makes vague reference to planning reforms and utilising the recently completed audits of government land holdings. Planning Ministers have also been considering planning reforms, including code-based development approval processes. Further clarification is needed on the details of this reform agenda, and how the work of Housing Ministers, Planning Ministers and Treasurers on housing policy reform is to be coordinated.

The communiqué includes a single sentence announcing that the existing 10 year \$5.5 billion National Partnership Agreement on Remote Indigenous 'would be renegotiated.' The accompanying media release by the Prime Minister and Minister Macklin states that the renegotiation 'will enable a more competitive process for allocation of funding by the Commonwealth for capital works', implying that funds will be reallocated from jurisdictions that fall behind with their Implementation Plans. The media release says a revised Agreement will come into effect from 1 July 2010². There has been no indication of the likely impact on NSW of this renegotiation.

6.2 Planning and Infrastructure

COAG agreed that all States and Territories must have in place by 2012 strategic plans for their capital cities that meet national requirements regarding housing, sustainability, transport, and urban development. These plans will be reviewed by the COAG Reform Council, assisted by an expert advisory panel which will be jointly appointed by the Commonwealth and the States.

According to COAG, this work will begin next year, with an initial report on each jurisdiction's plan to be completed during 2011. The key aspect of this decision seems to be the Commonwealth's announcement that from 1 January 2012 it link future infrastructure investment (for public transport, roads etc) to the States and Territories to the attainment of these requirements for capital city plans. COAG foreshadowed that a future Inter Governmental Agreement (IGA) will be negotiated to govern these arrangements.

According to the Attachment B³ to the COAG communiqué, the capital city plans must include a prioritised list of near term infrastructure projects 'backed by appropriately detailed project plans', medium term (5-15 year) prioritised infrastructure and land use

² 'Renegotiation of the National Partnership Agreement on Remote Indigenous Housing', joint media release by the Prime Minister and the Minister for Families, Housing, Community Services and Indigenous Affairs, 7 December 2009, available online at <http://www.pm.gov.au/node/6373>

³ *National Objective and Criteria for Future Strategic Planning of Capital Cities*, Attachment B, p. 20 of the Communiqué.

plans and long term (15-30 year) integrated strategic plans. The Attachment sets out an agreed objective and set of criteria that nobody is likely to disagree with.

This decision by COAG has obvious implications for the NSW Government's current review of its transport planning framework for Sydney and the associated update of the 2005 Metropolitan Strategy. The other likely inference is that the Commonwealth anticipates delivering a further round of funding for major urban infrastructure from 2011-12 and beyond.

7. Transport Regulation

COAG agreed that South Australia will host the national rail safety regulator.

National Partnership Agreements for single national heavy vehicle and maritime regulators will be considered in the first half of 2010. The National Partnership Agreement for the single national rail regulator will be considered in 2011. COAG also agreed to establish a strengthened national regulators' panel to provide better national harmonisation of rail safety regulation in the period in which the national regulator is being established.

A detailed work plan for delivery of the pricing elements of the COAG Road Reform Plan was also agreed. Under the plan, a feasibility study for alternative models of road pricing and funding will be completed by December 2011.

COAG also agreed to release the report of the National Transport Commission (NTC) Review and the Australian Transport Council.