

## COAG REFORM COUNCIL RECOMMENDATIONS TO COAG

1. The Council recommends that COAG supports the Queensland Government's intention to report to the Ministerial Council on Energy (MCE) by July 2009 with a timetable for the implementation of pilots to inform a decision on a Queensland smart meter roll-out, desirably sooner than June 2012.

Response: COAG supports the recommendation, noting that a roll-out in Queensland should not commence before the national framework agreed to be developed by the MCE is in place (expected before June 2012).

2. The Council recommends that COAG requests that the Western Australian Government commits to finalising the Electricity Retail Market Review, including reporting to the MCE by July 2009 with a timetable for a decision on a Western Australian smart meter roll-out, desirably sooner than June 2012.

Response: COAG supports the recommendation, noting that a roll-out in Western Australia will require the State to develop its own arrangements to regulate the roll-out while seeking consistency with national arrangements where possible.

3. The Council recommends that COAG notes that it will continue to monitor and report on work toward the achievement of a staged national roll-out of electricity smart meters.

Response: COAG supports the recommendation.

4. The Council recommends that COAG requests that the MCE develop a revised timetable for the review and removal or harmonisation, as appropriate, of derogations from the national framework, and other state-specific differences, to proceed expeditiously after the legislation for the national framework is in place.

Response: COAG supports the recommendation.

5. The Council recommends that COAG requests that the MCE commit to a review of the effectiveness of the Energy Community Service Obligations National Framework in achieving COAG's objectives after it has been in place for three years (that is, October 2011).

Response: COAG supports the recommendation.

6. The Council recommends that, once agreed, COAG refers any revisions or additional components under Phase II of the COAG Road Reform Plan to the Council for monitoring. Outstanding implementation milestones should be clearly identified and sound governance arrangements put in place to support implementation of Phase II, including detailed responsibilities for milestones and regular and specific reporting requirements.

Response: COAG broadly supports the recommendation, and notes that the Australian Transport Council (ATC) will consider at its forthcoming May 2009 meeting a report to COAG on the transport pricing work under Phase I of the COAG Road Reform Plan. The

ATC will also provide advice to COAG on Phase II. COAG notes that accountability for delivering the agreed COAG work plan will rest with the ATC. COAG will consider the need for CRC oversight when it considers the ATC advice on Phase II. As the responsible Ministerial Council, the ATC will need to put in place necessary governance arrangements and resources to support implementation.

7. The Council recommends that COAG:
  - a. notes the delays in implementing rail safety reform;
  - b. recommits to the existing reform agenda as agreed by COAG in April 2007;
  - c. notes that COAG has agreed through the National Partnership Agreement to Deliver a Seamless National Economy that those jurisdictions yet to enact the model legislation must do so by the end of 2009; and
  - d. agrees revised timeframes for all outstanding initiatives.

Response: COAG broadly supports the recommendation but is concerned that any revised timeframes do not result in further slippage in implementation of the reforms.

8. The Council recommends that COAG asks the ATC to continue to develop proposals which address national train driver licensing, particularly reforms which would facilitate greater consistency across jurisdictions and improved national standards in training and safety.

Response: COAG notes that the Rail Industry Safety and Standards Board is currently developing a code of practice to assist rail operators with a number of regulatory and safety issues, including driver training. It recommends that the ATC should carefully monitor the implementation and performance of this industry initiative. COAG notes that the ATC is also currently developing a Regulatory Impact Statement (RIS) on the establishment of a single framework for national rail safety regulation and investigation, and will report to COAG in 2009 on the RIS outcomes.

9. The Council recommends that COAG agrees that all jurisdictions will cooperate to remove the remaining barriers to the expeditious transfer of existing trade measurement staff and assets into the national trade measurement system.

Response: COAG agrees that all jurisdictions will cooperate to remove any remaining barriers to the expeditious transfer of existing trade measurement staff and assets into the national trade measurement system. To achieve this:

- the Commonwealth agrees to provide:-
  - formal offers of employment to affected State and Territory employees by July 2009, and
  - details of the assets required from States and Territories for the operation of the National Trade Measurement System together with a market valuation of those assets by the end of May 2009; and
- the States and Territories agree to:-

- provide relevant employment details of staff currently engaged in trade measurement activities to the National Measurement Institute by 1 May 2009,
- provide employment options to affected staff should they not accept the offer of transfer to the National Measurement Institute,
- maintain necessary resourcing, including staffing, funding and specialised equipment to pre-2007 levels until the establishment of the national system, and
- offer to transfer specialised equipment at no cost to the National Measurement Institute.

10. The Council recommends that COAG agrees that measurement systems within new and developing markets should be consistent across jurisdictions and the national system.

Response: COAG agrees that measurement systems within new and developing markets should be consistent across jurisdictions and the national system and that any amendments will be coordinated by the National Measurement Institute to ensure consistency with the *National Measurement Act 1960*.

11. The Council recommends that COAG:

- a. notes that reform is being implemented within the Building Code of Australia (BCA) as agreed but that it may not be achieving the objective of a more nationally consistent system of building regulation due to regulation being pursued outside the BCA; and
- b. agrees that the development, consideration and implementation of proposals to deal with such regulation should remain a priority for governments.

Response: COAG supports the recommendation, noting that reviews are currently being undertaken into the review of the Intergovernmental Agreement (IGA) on the Australian Building Codes Board and in-principle COAG commitment to a National Construction Code. The outcome of these reviews will need to be considered by the Building Ministers' Forum, taking account of the need to deliver national consistency as a matter of priority. Additionally, COAG's imminent finalisation of measures associated with the National Strategy for Energy Efficiency should provide a more consistent approach to energy efficiency provisions which may need to be incorporated in the BCA.

12. The Council recommends that COAG requests the Commonwealth to expedite the development of its package of reforms to Part IIIA of the *Trade Practices Act 1974* (TPA) and the necessary consultation on the reforms with a view to the urgent implementation of the already agreed reforms and any further reforms emanating from this process by the end of 2009.

Response: COAG notes that the Commonwealth has developed a package of reforms to Part IIIA of the TPA, and consulted with the States and Territories, with a view to introducing amending legislation in mid 2009.

13. The Council recommends that COAG notes that the task of establishing a national rail access regime has not been completed and that the review of the Competition and Infrastructure Reform Agreement (CIRA) due to commence in 2011 may need to reconsider if and how it is to be achieved.

Response: COAG notes that the approach recommended by the Business Regulation and Competition Working Group to progress a national system of rail access is consistent with the CIRA commitment. COAG further notes that a review of the CIRA is scheduled for 2011 and that all aspects of the agreement will be reviewed at that time.