

COAG Communiqué

At its 43rd meeting, in Canberra, COAG committed to a strategic, shared vision with clear reform priorities. Leaders agreed a strategic forward agenda to drive productivity and economic growth, to deliver high quality and responsive health, education and social services systems, and a refreshed agenda to address Indigenous disadvantage.

Leaders took a significant step towards an enduring national economic reform agenda; agreed further work to protect the most vulnerable people in our communities from violence and abuse; reaffirmed our commitment to improving outcomes for Indigenous Australians; and continued efforts to ensure all Australians remain safe, secure and included. COAG reaffirmed its commitment to deliver the Murray-Darling Basin Plan in full and to prioritise energy security, reliability and affordability. There will be a specific focus on education reform and funding in 2017, with schools funding arrangements agreed in early 2017.

Competition and productivity-enhancing reforms

Leaders agreed the importance of ambitious reforms to raise Australia's economic growth potential. The Commonwealth, New South Wales, Western Australia, Tasmania, the Australian Capital Territory and Northern Territory signed the *Intergovernmental Agreement on Competition and Productivity-Enhancing Reforms* to build future productivity, growth and jobs. This important agreement lays the foundations for governments to work together to build a more productive and well-functioning economy, recognising that flexible approaches are required to ensure Australians in regional and remote areas share the benefits of increased competition. This will see efforts to remove unnecessary regulatory barriers to competition; to boost innovation to deliver high quality, effective human services; and, to promote efficient investment and usage of infrastructure for road transport, water and energy.

All Leaders stressed the vital importance of investment for growth and Australia's productive capacity and agreed to look at options to accelerate the infrastructure investment pipeline. Leaders asked that advice be provided to the next COAG meeting on opportunities to increase investment in economic infrastructure above current projections.

National Energy Market

Dr Alan Finkel AO, Australia's Chief Scientist, spoke on his independent review to develop a blueprint to maintain energy security and reliability in the National Electricity Market.

COAG agreed that governments must prioritise energy security, reliability and affordability as the electricity sector transitions to low emissions technologies. As the electricity sector accounts for 35 per cent of Australia's carbon emissions, Leaders agreed it has an important role to play in meeting Australia's commitments under the Paris Agreement. Leaders noted the technical challenges to be overcome to successfully manage this transition and asked the COAG Energy Council to make it easier to expedite changes to frameworks, technical standards and rules that will assist in managing this transition and to accelerate proof of concept projects in relation to new technologies and infrastructure enhancements. Leaders committed to urgently progress work on broader solutions to provide certainty to industry, drawing on the outcomes of Dr Finkel's final review.

Housing and homelessness

Leaders agreed that improving housing affordability and addressing homelessness are key pillars of improving social and economic outcomes.

COAG noted a report from housing ministers on initiatives within jurisdictions to improve housing and homelessness outcomes. Housing ministers and Treasurers are continuing to discuss potential reforms in this critical area, including efforts to improve housing supply and provide sustainable funding for homelessness services. Leaders agreed all governments are facing a number of shared challenges and that COAG will consider housing and homelessness further in 2017.

The Commonwealth confirmed it would extend homelessness funding for a further 12 months, to support front-line services, while future arrangements to reduce the rise in homelessness were explored.

Data transparency

Leaders agreed the need for better and more timely public transparency around government expenditure, outcomes and performance. Expiring performance benchmarks under inter-governmental agreements will be independently reviewed to ensure governments are holding themselves appropriately to account for outcomes achieved. Leaders agreed to commit to the release of more timely, including real-time, performance data in new national agreements.

Health and hospitals funding

As a further step in collaborative efforts to ensure the sustainability of the Australian health system, COAG agreed additional details on the funding approach under the interim *Heads of Agreement on Public Hospital Funding* signed at its last meeting. Leaders also noted the good progress being made on other elements of this agreement intended to improve the quality of care in hospitals and reduce avoidable hospitalisations, with final arrangements to be agreed by early 2017. Consideration of longer term hospitals funding arrangements will begin in 2017 and will be agreed by COAG in 2018.

National Disability Insurance Scheme

Leaders reiterated their commitment to the success of the National Disability Insurance Scheme (NDIS) and ensuring that it delivers better outcomes for Australians living with disability. Leaders reaffirmed the foundational principles of the NDIS and the importance of working collaboratively to manage the transition to full scheme. All jurisdictions have now agreed a new national quality and safeguards framework to protect NDIS participants with disability, commencing from full scheme.

Youth detention and child protection

COAG noted the Royal Commission into Child Protection and Youth Detention Systems of the Northern Territory, and the imperative for swift action following its report in March 2017. Leaders discussed the critical importance of early intervention efforts to reduce the flow of children into the system as well as the benefits of better information sharing and identifying opportunities to reduce the over-representation of Indigenous children. They noted that work is underway in all jurisdictions to coordinate efforts across health, education and housing systems to improve outcomes for children.

Reducing violence against women and their children

COAG reflected on the success of the October 2016 COAG National Summit on Reducing Violence against Women and their Children, which saw the launch of the Third Action Plan of the *National Plan to Reduce Violence against Women and their Children 2010-2022*. This provides a plan for coordinated action over the next three years. Leaders again stressed the need to maintain a national voice on the importance of respecting women in society and committed to ongoing efforts against violence or disrespect in whatever form it may take. Leaders agreed that domestic and family violence is a crime and should be treated as such.

Building on the progress by all jurisdictions to prevent technology-facilitated abuse, Leaders took a further step towards preventing online abuse of women by agreeing to develop principles for nationally consistent criminal offences relating to non-consensual sharing of intimate images. The significant work of the Victorian Royal Commission into Family Violence was also recognised, with Leaders agreeing to consider a number of the report recommendations requiring national agreement and cross-jurisdictional cooperation.

COAG noted the importance of encouraging employers to provide appropriate workplace support to employees experiencing family violence. COAG noted that the independent Fair Work Commission (FWC) is currently considering an application to include an entitlement to ten days of paid domestic violence leave in all modern awards and is expected to report in early 2017. COAG agreed that this issue will be considered at the first COAG meeting following the FWC decision.

Indigenous affairs

Leaders reaffirmed that improving the lives of Indigenous Australians is a priority of COAG's strategic forward agenda and agreed that the 'Closing the Gap' framework has played a significant role in driving unprecedented national effort to improve Indigenous outcomes. With the current framework approaching its 10 year anniversary and some targets due to expire in 2018, Leaders have committed to work together and with Indigenous leaders, organisations and communities to refresh this agenda with renewed emphasis on collaborative effort, evaluation and building on what works in each jurisdiction.

The Prime Minister has also extended an invitation to Premiers and Chief Ministers to join him for the 2017 'Closing the Gap' statement in Canberra.

COAG noted the report on progress to improve Indigenous school attendance and attainment. Leaders agreed that individualised learning strategies for Indigenous students at risk of not achieving their full potential will be important to improving Indigenous educational outcomes and faster progress toward the critical year 3 'Closing the Gap' reading target.

COAG released the *Prison to Work Report*, which recognises the alarming rates of Indigenous incarceration and recidivism. Leaders indicated a shared commitment to better coordinating government services, especially in-prison training and rehabilitation programs, employment and health and income support services. The report will inform consultations with Indigenous and other stakeholders as governments develop action plans to implement these important reforms.

Leaders also confirmed their commitment to supporting Indigenous economic development, recognising that governments hold significant levers to increase Indigenous employment

and support Indigenous businesses through public sector employment policies, government purchasing practices and government-funded infrastructure projects. Jurisdictions agreed to consider establishing state-specific whole-of-government Indigenous procurement policies, Indigenous employment and indigenous business targets and reporting mechanisms, and making policies easier to find and understand. COAG noted the potential of the NDIS roll out to open up opportunities for Indigenous enterprise in regional and remote communities. Leaders agreed to provide progress updates at the next COAG meeting.

All jurisdictions noted the Commonwealth-led Referendum Council will begin its Regional Dialogues this month, and will report by 30 June 2017. Leaders reaffirmed their shared commitment to the recognition of Aboriginal and Torres Strait Islander peoples in the Commonwealth Constitution. All jurisdictions noted the importance of nationwide activities next year to celebrate the 50th anniversary of the successful 1967 Referendum.

National Security, community safety and social cohesion

COAG discussed current and emerging cyber risks. Leaders noted cooperation to date and agreed to improve collaboration across governments in managing these risks to strengthen public trust and confidence in our online economy. Identified areas of future cooperation included critical infrastructure protection, cyber incident management response, and cyber security education.

Leaders noted the significant achievements made towards implementing a suite of countering violent extremism initiatives agreed in December 2015, thanks to the effective partnership between all jurisdictions. COAG also noted the recent passage of a Commonwealth legislative regime to allow for the ongoing detention of high risk terrorist offenders who continue to pose an unacceptable risk of committing a serious terrorism offence if released, and updates from states and territories on developing a strengthened nationally consistent pre-charge detention scheme for terrorism suspects.

COAG agreed to strengthen the National Firearms Agreement (NFA) by reclassifying lever action shotguns with a magazine capacity of no greater than five rounds to Category B and those with a magazine capacity of greater than five rounds to Category D, and to task the COAG Law, Crime and Community Safety Council to finalise and implement the updated NFA as soon as practicable.

COAG noted the Commonwealth is developing measures to stop child sex offenders from travelling overseas to commit criminal acts and agreed it is critical that all jurisdictions work together to put an end to the international child sex tourism trade.

Per-Poly-fluoroalkyl Substances (PFAS) contamination

COAG noted the initial actions taken to assess the scope and impact of PFAS contamination and committed to ongoing collaboration between all governments to support affected communities. Leaders noted the importance of transparent communication with those affected.

Murray-Darling Basin

The Murray-Darling Basin is of vital economic and environmental significance to a large part of Australia and it is critical that the Basin Plan is implemented on time and in full. Murray-Darling Basin issues will be dealt with through a regular COAG side meeting of First

Ministers of Basin jurisdictions. Leaders asked that the Murray-Darling Basin Ministerial Council provide a plan to COAG by April 2017 that provides a credible and balanced pathway to implement the Basin Plan package agreed in 2012, including:

- supply measures to offset the Basin Plan water recovery target of 2,750 GL by 2019, using the SDL Adjustment Mechanism;
- constraints measures to address impediments to delivering environmental water; and
- efficiency measures to recover an additional 450 GL by 2024, consistent with the Basin Plan legal requirement to achieve neutral or improved socio-economic outcomes.

9 December 2016