

The 34th Meeting of COAG

December 2012

The Council of Australian Governments (COAG) held its 34th meeting in Canberra on 7 December 2012. COAG consists of the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association (ALGA).

For more background information on COAG, see Hawker Britton's overview published 5 December 2012, available [here](#).

There were 17 key issues on the agenda for the 34th COAG meeting:

- National Disability Insurance Scheme
- School's Reform
- Mental Health Reform
- Report from the Business Advisory Forum
- National Regulatory and Competition Reform Compact
- Environmental Regulation Reform
- Energy Market Reform
- Seamless National Economy
- Australia in the Asian Century White Paper
- Royal Commission into Child Sexual Abuse in Institutional Contexts
- Royal Succession
- Radio Frequency Spectrum
- Interruption to Telecommunications Services
- Better Value Infrastructure
- GST Distribution Review
- COAG Reform Council
- Record of Appreciation

The outcome of COAG meetings are published in communiqué, which is released following the close of the meeting. To access the seven page communiqué of the 34th COAG [click here](#).

Significant developments or agreements were made in the following areas:

National Disability Insurance Scheme

COAG reaffirmed its ongoing commitment to a National Disability Insurance Scheme (NDIS) by signing an intergovernmental agreement for its first stage. The agreement provides the foundation for all governments to work together to develop and implement the initial phase of the NDIS.

While the Agreement does not cover the roll-out of the Scheme beyond the first stage, it does set out shared roles and responsibilities for working collaboratively on the policy for the full scheme, and establishes arrangements for the review and evaluation of the first stage, which will inform the full roll-out.



The Agreement will be overseen by a new Standing Council on Disability Reform, which will have representation from Ministers and Treasurers from all jurisdictions. The Standing Council will be responsible for making decisions and formulating advice on matters arising from the launch and the transition to a full scheme.

The first stage of the NDIS will launch in locations around the country from the middle of next year. New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory have signed bilateral agreements with the Commonwealth confirming operation and funding details for the roll-out of the NDIS in each launch site. The first stage of the NDIS will launch from the middle of next year.

The launch of the NDIS will cover:

- around 10,000 people in the Hunter region of NSW;
- around 5,000 people in the Barwon region of Victoria;
- children aged 0-14 in South Australia (around 5,000 people with disability);
- young people aged 15-24 years (around 1,000 people with disability) in Tasmania; and
- the whole of the ACT, around 5,000 people with disability.

Discussions on further launch sites are continuing.

The National Disability Insurance Scheme Bill 2012 was introduced into Federal Parliament on 29 November 2012. The bill is to be referred to a Parliamentary committee for consideration and ongoing consultation with stakeholders.

The Council of Australian Governments also noted the agreement between the Commonwealth and New South Wales governments to establish the full NDIS in New South Wales by 1 July 2018.

For more information on the NDIS, see Hawker Britton's Occasional Paper available [here](#).

Schools' Reform

COAG noted the initial advice of the School Education Funding Reform Committee, comprised of all Australian school education Ministers, on the proposed National Plan for School Improvement.

The National Plan, still under discussion by education Ministers, seeks to position Australia to meet the Prime Minister's goals of being a top five high-quality, high-equity school system in the world for reading, maths and science by 2025.

The areas under discussion are:

- quality teaching;
- quality learning;
- empowered school leadership
- transparency and accountability; and
- meeting student need.



The proposed National Plan would recognise the joint and respective roles of the Commonwealth, States and Territories and education authorities.

COAG agreed that it would discuss further development of the proposed National Plan for School Improvement and associated funding arrangements in 2013.

Hawker Britton's Occasional Paper on the National Plan for Schools Improvement is available [here](#).

Report from the Business Advisory Forum

In the second meeting of the Business Advisory Forum, held on 6 December 2012, participants discussed the progress of major reforms to lower costs for business and improve productivity, including reforms to streamline environmental approvals and a package of reforms to improve the operation of energy markets in the long term interests of consumers.

In addition, all governments and business leaders signed a National Compact on Regulatory and Competition Reform. The Compact sets out for the first time how governments and business will work together to develop, implement and review significant national regulatory and competition reforms.

The full communiqué from the meeting is available [here](#).

Energy Market Reform

COAG endorsed a comprehensive package of energy market reforms for jurisdictions in the National Electricity Market.

COAG agreed in principle to adopt the new best-practice framework for reliability standards which are to be developed by the Australian Energy Market Commission and which will give primacy to affordability for consumers at agreed levels of reliability and take account of regional considerations. Further, it will also and to transfer responsibility for applying the framework to the Australian Energy Regulator (AER), with a final decision by the end of 2013.

Key features of the reform package:

Rule changes to ensure no over-investment in networks

- In-principle commitment to a new national framework of best-practice reliability standards as well as in-principle agreement to transfer reliability setting to the Australian Energy Regulator;
- Early implementation of new rules that will ensure investment by network businesses is more efficient.

A strengthened independent regulator

- An additional \$23 million in federal funding over four years for the Australian Energy Regulator to support additional expert resources, clearer and more transparent reporting, and greater consumer engagement.

More choice for consumers



- A commitment to make it easier for retailers to offer innovative products to give consumers the choice to have such things as smart metering, in-home displays, and time-of-use pricing so they may better manage their energy use and reduce costs.

Actions to reduce electricity peaks

- Agreement to provide for greater demand-side participation to make it easier for consumers to reduce demand, particularly at peak periods, to minimise the need for new investment in energy infrastructure – drawing on the AEMC’s Power of Choice review.

COAG will continue to take a direct role in oversight of progress. COAG will require Energy Ministers to report regularly on progress in 2013.

Noting the importance of the domestic gas market to the Australian economy, COAG requested SCER to provide advice to its next meeting on challenges facing domestic gas markets.

Seamless National Economy

The COAG Reform Council presented their report ‘the Seamless National Economy: Report on performance 2011-2012’ to the 34th meeting of COAG. This Report assesses progress on the Seamless National Economy reforms by Commonwealth, State and Territory governments over the period from 2008-09 to 2011-12.

The Report found that of the 49 reforms outlined under the Seamless National Economy, 26 are completed or on track, 15 are overdue or likely to be late, while eight reforms are at risk of not being achieved.

The Report is available [here](#). More information about the Seamless National Economy reforms is available [here](#).

COAG Reform Council

At the 34th meeting of COAG, the Prime Minister announced that the new Chair of the COAG Reform Council will be the Hon John Brumby. Mr Brumby takes over from outgoing Chair, Mr Paul McClintock AO, who retires from the role in December 2012.

The COAG Reform Council assists the Council of Australian Governments with its reform agenda. More information on the COAG Reform Council is available on their website www.coagreformcouncil.gov.au

Mr Brumby was Premier of Victoria from 2007–10 and is currently a Vice Chancellor’s Professorial Fellow at both Melbourne and Monash Universities. Mr. Brumby’s biography is available [here](#).

The Prime Minister’s press release is available [here](#).

Next Meeting

COAG agreed to meet again in the first half of 2013.