

**HEADS OF GOVERNMENT MEETING**  
**CANBERRA 11 MAY 1992**

**COMMUNIQUE**

**INTRODUCTION**

The Prime Minister, Premiers and Chief Ministers and the President of the Australian Local Government Association held wide ranging discussions in Canberra today on national issues of mutual concern. These issues included Commonwealth-State financial arrangements and a range of measures for improving national economic and structural efficiency, including measures in the areas of road and rail transport, the electricity industry, mutual recognition of regulation and vocational education and training.

**COMMONWEALTH-STATE FINANCIAL ARRANGEMENTS**

Heads of Government discussed the immediate and medium-term outlook for their respective budgets and intergovernmental financial relations.

In discussing the paper prepared by the States on Commonwealth-State financial relations, the Commonwealth acknowledged that the States needed to be adequately resourced and that the predictability, flexibility and growth of State funding were agreed objectives. The States will decide later this week whether the June Premiers' Conference should consider financial arrangements for 1992-93 only or also for a longer period.

The Conference agreed that a Committee of Commonwealth, State and Territory Treasury officials would prepare a report on budgetary prospects and issues for consideration at the forthcoming financial Premiers' Conference. It would take account of both cyclical and structural factors at both the Commonwealth and State level in the context of a national budgetary strategy for all governments. This report could provide a basis for considering general purpose funding for the States in 1992-93 and, if necessary, longer term financial arrangements.

If the June Premiers' Conference decides only on 1992-93 funding arrangements, a report on longer-term arrangements will be prepared by early 1993.

**MEETINGS OF HEADS OF GOVERNMENT**

Leaders and representatives agreed to establish a "Council of Australian Governments" as a permanent body for on-going consultation between the Prime Minister,

Premiers, Chief Ministers and the President of the Australian Local Government Association.

Leaders and representatives have agreed that there will be a meeting of the "Council of Australian Governments" at least once each year, in addition to the financial Premiers' Conference, and that the Prime Minister will chair the meetings.

The role of the "Council of Australian Governments" is:

- . increasing co-operation among governments in the national interest;
- . co-operation among governments on reforms to achieve an integrated, efficient national economy and single national market;
- . continuing structural reform of government and review of relationships among governments consistent with the national interest; and
- . consultation on other major issues by agreement such as:
  - international treaties which affect the States and Territories and which have not been resolved through the agreed processes;
  - major initiatives of one government which impact on other governments;
  - major whole-of-government issues arising from Ministerial Council deliberations.

The venue for meetings of the Council will rotate between the States and Territories and there will be joint Commonwealth and State/Territory involvement in providing secretariat arrangements.

Leaders and representatives agreed that the first meeting of the Council should consider broad protocols for the operation of Ministerial Councils. Heads of Government noted the significant cooperation and consultation between Governments which now occurs through Ministerial Councils of Commonwealth and State Ministers. However, there are now more than 40 such Councils, many meeting several times a year.

#### MUTUAL RECOGNITION

The Heads of Government of the Commonwealth, States and Territories signed a final Agreement to introduce legislation to eliminate regulatory impediments to a national market in goods and services. It is expected to greatly enhance the international competitiveness of the Australian economy and is recognised by Heads of

Government as a vital initiative in the achievement of microeconomic reform.

The Agreement provides for all jurisdictions to enact legislation so that goods that can be sold lawfully in one State may be sold freely in any other State or Territory. The legislation will not apply to certain products, such as firearms, prohibited and offensive weapons and pornography.

Similarly, with occupations, if a person is registered to carry out an occupation in one State or Territory he or she will be entitled to be registered to undertake the equivalent occupation in any other State or Territory.

The States and Territories agreed that they will request and empower the Commonwealth to pass a single Act which will apply equally throughout Australia and will automatically override any State or Territory laws or regulations which are inconsistent with the principles of mutual recognition. The Commonwealth will be a full Party to the Agreement.

The Agreement also provides a mechanism for achieving negotiated uniform national standards, where necessary in the interests of public health or safety or environmental protection. States and Territories reaffirmed their agreement to be bound by the decisions of two thirds or more of Commonwealth, State and Territory Ministers voting within Ministerial Councils to develop a national standard when the need for such a standard becomes evident as a result of the operation of mutual recognition. The Commonwealth has agreed to be bound by recommendations of the Commonwealth-State Consumer Affairs Product Safety Advisory Committee, approved by Commonwealth, State and Territory Ministers, with respect to standards for goods under the Trade Practices Act.

Heads of Government agreed on a revised timetable for implementation of mutual recognition. It is proposed that States and Territories enact their necessary legislation by 31 October 1992; and that the Commonwealth legislation be enacted by 1 January 1993, with proclamation by 1 March 1993.

Heads of Government noted a report on progress in the development of national competency standards for professions and occupations. They expect that where these are available, national competency standards will do much to facilitate the smooth operation of mutual recognition in respect of the occupations. They also noted work done on the development of uniform standards in relation to occupational health and safety and dangerous goods. They reaffirmed that a national solution to the treatment of partially regulated occupations is a matter of high priority.

Heads of Government also endorsed the other recommendations contained in the Report of the Commonwealth-State Committee on Regulatory Reform.

#### **ROAD TRANSPORT**

Leaders and representatives noted the Commonwealth's decision to provide an additional \$25 million in 1991-92, \$437.5 million in 1992-93 and \$140 million in 1993-94 for augmenting and rehabilitating the National Highway System, accelerating selected National Arterial projects and expanding the Black Spots program. They also noted the positive employment effects of this expenditure in the period up to 1993-94.

Leaders and representatives agreed to the role and functions of the National Road Transport Commission. An Agreement has been signed by the Commonwealth, New South Wales, Victoria and South Australia to this end. Queensland indicated its intention to sign.

The Commission was established after the July 1991 Heads of Government meeting to develop national road transport legislation and regulations and to recommend on charges to apply no later than 1 January 1993 for vehicles over 4.5 tonnes. It will now also be responsible for developing regulations for all other road users.

In addition, the Commission is to assemble and publish comparative information on the funding and management of roads, performance indicators for the road system and the efficiency and effectiveness of road authorities.

Leaders and representatives agreed that it was important to delineate clearly Commonwealth and State road responsibilities. The Prime Minister indicated that he would shortly be advising the States of the Commonwealth position on the National Highway System.

It was confirmed that \$350 million of the Commonwealth roads program would be untied. The Prime Minister indicated that he would be writing to other Heads of Government soon on an appropriate basis for this distribution, including continuing the distribution currently applying to the road funding being untied, with a view to settling the matter before the June Premiers' Conference.

#### **RAIL REFORM**

The Commonwealth's readiness to provide \$454 million over the next two years to complement the National Rail Corporation's 10-year \$1.7 billion investment program was noted.

Leaders and representatives agreed that further rail reform is required if the significant potential economic gains are to be realised.

They noted that a number of the reforms were consistent with measures already adopted by the States, but that there was still considerable scope for increasing the efficiency of the rail sector.

Acknowledging this and the importance of early reform, the New South Wales, Victorian, Queensland, and Western Australian Premiers agreed to continue to pursue and accelerate reform of their rail systems over the next three years.

#### **ELECTRICITY GENERATION, TRANSMISSION AND DISTRIBUTION**

It was agreed to develop an interstate transmission network across the eastern States and that the National Grid Management Council would report on the precise nature and operating guidelines of the structure by the end of 1992. To achieve this, Heads of Government agreed to the principle of separate generation and transmission elements in the electricity sector.

Western Australia, while not part of a national grid, supports the above. South Australia wishes to look further at the implications for its system. Tasmania's participation in a national grid will be dependent on the development of a Basslink proposal.

Heads of Government agreed to finalise the draft national grid protocol prepared by the National Grid Management Council via correspondence by the end of June.

#### **VOCATIONAL EDUCATION AND TRAINING**

Heads of Government agreed on the necessity of achieving a major increase in the level of vocational education and training opportunities across Australia, consistent with the national participation targets arising from the recent report of the Finn Committee.

In line with this objective, Heads of Government resolved that:

- (a) governmental responsibilities for the funding and resourcing of vocational education and training should be settled as a matter of urgency;
- (b) there was an urgent need also to advance the agreed agenda of national training reform, including consideration of the proposals for reform of entry-level training flowing from the recent report of the Employment and Skills Formation Council (Carmichael Report);
- (c) governments should work further to clarify issues for the June Premiers' Conference on funding and administrative arrangements under the Commonwealth model and the National Partnership model for

vocational education and training, with particular reference to:

- . the detailed financial implications;
- . responsibility for decision making; and
- . the relationship between proposals for government schools and TAFE and training.

Heads of Government agreed that the issue of youth employment and training is one of national priority and will be further progressed at the June meeting.

#### **ABORIGINAL AFFAIRS**

Heads of Government endorsed the document "Achieving Greater Coordination of Aboriginal and Torres Strait Islander Programs and Services". This establishes a framework of principles and a plan of action for improved intergovernmental relations in Aboriginal affairs.

Heads of Government recognised the role of ATSIC, but noted that its creation had introduced complexities into the relationship between governments. These would be addressed in the period ahead, in particular the operation of section 18 of the ATSIC Act in relation to grants to States and Territories.

The great majority of the 339 recommendations of the Royal Commission into Aboriginal Deaths in Custody had been accepted by governments. Heads of Government were committed to continuing to address issues of Aboriginal disadvantage. The Prime Minister reiterated the Commonwealth's commitment to announce an additional package of measures by mid-year and Premiers and Chief Ministers indicated that they would continue to give Aboriginal needs high priority in their 1992-93 budgets.

#### **ENVIRONMENT**

##### Intergovernmental Agreement on the Environment

Leaders and representatives noted that the Agreement has now been signed by all parties and affirmed their commitment to co-operating on its implementation. It provides a framework for co-operation in this area to achieve better environment protection and greater certainty of government and business decision making.

##### ESD/Greenhouse

Leaders and representatives noted progress on the development of national strategies on Ecologically Sustainable Development (ESD) and Greenhouse. In the light of the range and complexity of issues involved and in order to facilitate effective public consultation, leaders and representatives agreed that the draft

strategies should be released by the end of June as officials' discussion papers. They further agreed that officials should bring forward proposals for the definitive strategies by the end of October with a view to agreement being reached in time for the release of the strategies by the end of 1992.

Leaders and representatives emphasised the importance of linkages between the ESD process and other relevant Commonwealth environmental initiatives and activities.