



PRIME MINISTER

14 July 2006

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
COAG PRESS CONFERENCE,
PARLIAMENT HOUSE, CANBERRA**

Subjects: COAG.

E&OE.....

PRIME MINISTER:

Well ladies and gentlemen I would like to welcome you to this news conference. I think I can fairly say that this has been another very constructive COAG meeting at which an enormous amount has been achieved in a spirit of cooperation and a desire to get practical results for the Australian people. The major outcome has been agreement on a huge, indeed mammoth National Reform Agenda, which will cover important areas of human capital as well as issues of regulation, red tape, other matters touching on infrastructure. It will particularly deal with early childhood issues and we all know how important they are. We have agreed on approaches regarding a mechanism to ensure that there is no unfair sharing of burdens.

It's always been accepted by the Commonwealth that each jurisdiction is responsible for its own areas of direct accountability but where some kind of agreed reform is going to result in an unfair sharing of the burden then that should be examined and assessed and we've agreed that the National COAG Reform Council, which was mooted in the February COAG Meeting, will be established under the Chairmanship of somebody appointed by the Commonwealth, Deputy Chairman nominated by the states, four other people with proper regard to one having an understanding of regional and rural Australia. Those four people are to be agreed by the parties and we'll be asking the various members of COAG to bring forward proposals for reform, in particular areas. They can be submitted out of session so we can get moving as quickly as possible. And we'll invite the COAG Reform Council where appropriate, to make an assessment of whether there has been any unfair sharing of burdens. The greater cost borne by a state, commensurate with the benefit the state gets and they will make assessments, it will of course be in the entire executive prerogative of a jurisdiction to decide whether or not that assessment is accepted. So this clearly is the biggest single thing that has come out of the COAG. I mean it is a very big process and we're maintaining the momentum of reform in this area.

We've also signed a Commonwealth-State agreement on mental health, which is very welcome. This is an area that's desperately needed more money and we announced a package of \$1.9 billion some months ago. The States have announced in different forms, and so forth, their additional contributions and we have agreed there. And we think this is at the essence of responsible and responsive federalism because people have been crying out for more money for mental health for a long time. It's long overdue and I think it's quite an important reform.

We discussed at some length indigenous issues. There's been broad agreement on an approach there. The Commonwealth, of course, at the meeting chaired by Mr Brough, committed additional funds and the communiqué contains a reference to issues of customary law and the potentially deleterious impact it might have on sentencing practices. And there's a combined expression of view from the Commonwealth and the States on that issue.

There was some discussion of the Lockhart Review. There is a difference of opinion amongst governments on that issue. The Commonwealth's disposition at present is not to agree any legislative changes. That's a view shared by some of the States but not by all of the States and we note that some of the States will look to taking action of their own to the extent that that can be done without facilitating Commonwealth legislation, which would not, at this time anyway, be available.

I won't endeavour to go through all the other things except to mention three particular issues. One of them is the Soccer World Cup. All governments agreed enthusiastically that if the national body, the Football Federation of Australia put in a bid for the 2018 World Cup, then all Governments would support that bid and support that bid very enthusiastically. And the Prime Minister will not enter into any correspondence as to where the final might be played and he's maintaining his State of Origin-like neutrality in these matters.

I raised, not in the sense of the Commonwealth seeking to force this issue, but simply as a citizen of the Commonwealth, I raised the issue of the synchronisation of the commencement of daylight saving in Victoria, the ACT, New South Wales and Tasmania. I think a modest step can be made forward towards greater uniformity in that area and Victoria has indicated its broad agreement. New South Wales will consider it and if it is agreed that New South Wales, Victoria and the ACT will commence daylight saving earlier, that's a matter, I emphasise, for them, then some announcement will be made by them.

And finally the issue of James Hardie. It was discussed and some discussions are going on between my office and Mr Iemma's office in relation to this matter. I've had some comments to make about it this morning and they remain the position of the Commonwealth but we are happy to talk about it and we'll just see how those discussions materialise.

But can I just finally say what a great meeting it's been. I want to thank my colleagues as leaders of the States and Territories for their cooperation, their commitment to responsible and responsive COAG meetings. And finally on a warm, personal note, can I wish Mike Rann and Sasha all the very, very best for their impending nuptials, and as I said this morning, that we ran the meeting so that we could get him to the church on time.

Thank you.

PREMIER IEMMA:

Thank you Prime Minister. Well it has been a very constructive, very cooperative meeting and for New South Wales the major outcomes are the following: a new framework for proceeding on national reform and those important areas of social capital, human capital as well as

regulation and economic activity. It is all about providing more opportunity for our citizens and also boosting investment and jobs for our people. So we're very pleased that an agreed framework for reform is to proceed. Obviously the area of health, and again, significant progress has been made at this meeting in the area of doctor numbers, nurse numbers and allied health professionals, getting more into training through our universities and into our public health facilities to provide better health care for our citizens. These measures are laudable, welcome and represent significant progress. We should also not forget that this requires ongoing national effort and cooperation between all of us to continue the reform in the area of health. It is a most vital area of service provision and providing better health care for our citizens is fundamental and we also need to understand that it's not for the next two, three years, these are measures that are required for the next 30 years to face the challenges that are presented in our public hospitals and our public health services. So significant progress has been made and commitment to examine further areas of reform, particularly with relation to the cost of training in universities and clinical placements in hospitals. That's an area of further examination and further work to be taken as it relates to nurses and doctors and other health professionals.

Of course, a landmark agreement on mental health. At last real hope for those suffering with a mental illness and their carers. A \$4 billion, five year National Action Plan providing more services, more accommodation, better support. And I also want to make this point; it's not just about spending extra money. This National Action Plan reforms the way the services are delivered. It is about thinking smarter about the dollars that we allocate to mental health and providing more support for those living with a mental illness as well as their carers, which in most cases are their family members. And I just stress the point again. At least real hope. A five year, \$4 billion National Action Plan which doesn't just allocate more money, but looks to fundamentally redesign the services so that we can provide better care and sustained improvement in the quality of care for those with a mental illness and more support for their carers.

So they're the major achievements at this conference. The Prime Minister's already mentioned James Hardie, an agreement that we'll continue discussions between our officials and I welcome that. And just stress that it represents for New South Wales progress as far as increased numbers of doctors and nurses and recognition of the Commonwealth's efforts in that area. But also, we signed a Memorandum of Understanding which will give the States more of a say in the determination of places. And one of the changes that will occur with what's been agreed to in health is for the people that provide the service, that is our hospitals in the States, will have an involvement, will have a role in their say. They'll be heard in determining the number of places as we go, as we work ahead and that's a significant change. So that Memorandum of Understanding which will give the state service providers in health, the hospitals, a say in how places are determined and where they are determined. So that's a significant part in addition to just increasing the numbers of health care professionals that this meeting represents.

PREMIER BRACKS:

I think today's COAG meeting is further evidence that the Federation is working. It's working effectively on behalf of all Australians and of course to sign off on a 10 year National Reform Agreement, an initiative, is no small feat and that's exactly what COAG did today. Building on the work that was done in February at the COAG meeting, putting the flesh on the bones, having a COAG Reform Council, independently appointed between the Commonwealth and the States to assess costs, to assess gains, to determine that real outcomes have been achieved in literacy, numeracy, in childcare, in diabetes, in other reforms which are identified as part of that

agenda; this is the third large wave of reform which has occurred in Australia and significantly it's about people. It's about the skills and abilities of our people to go forward, to be more competitive and to compete better on the world stage. It is good for Australian families, and it's good for Australian businesses. And that's what has been forged as part of the COAG agreement today.

For those who are knocking the Federation, knocking the States and Territories and knocking the relationship between the States and Territories and the Commonwealth, today is evidence, further evidence, that we are doing what the public expects, and that is not to continually snipe at each other, but get on with the job of delivering real services to our public, to the public in Victoria and the public in Australia more broadly.

I think people are sick and tired of the blame game. They want us to get on with the job. They want us to have real reform which is going to sustain our economy and our population for a long time to come, and they want us to look not at just the short term but the long term, that has what's been achieved as part of the COAG agenda. I congratulate my colleagues, the Premiers, the Territory leaders, I congratulate the Prime Minister for the spirit in which this was forged and framed over the last six months. I congratulate the officials who have been working very hard on this, in all our jurisdictions have spent a lot of hours preparing what is going to be long lasting reform to make us a more competitive, a more skilled and better able community in the future. So I'm very pleased with the outcome and thrilled that this reform is now in place.

Secondly I'm also pleased that the Lockhart Review was considered by COAG, as was the intention. It was commissioned by COAG, it has been submitted to COAG and of course whilst there is disparate views around the States, Victoria reserves the right to consider its position in moving on the next wave of reform in stem cell research, in looking at human cells, mixing with embryonic stem cells, seeing that as a way of finding new areas of research which can assist in finding breakthroughs for intractable diseases and certainly we will be pursuing that independently in Victoria. And the COAG, whilst not supporting that reform unilaterally, did recognise and acknowledge at some stage to have a different view, that is certainly the case in Victoria.

In relation to water too, I was also pleased that we reported back on the National Water Initiative and indicated that there are big projects in each state which are well developed, which can come to book very soon and we will certainly be submitting that to the Commonwealth in the future as a further report back on the important reform of our water resources.

So I think it was a very good day. I think we've done what we were required to do on behalf of the public which we serve, and that is to look at both short and long term reforms and to make sure that we don't just simply take pot shots at each other, but work on real reform and change in behalf of the Australian people, that's exactly what we've done today.

PREMIER BEATTIE:

Prime Minister I think it's fair to say that the meeting today, and even indeed the informal discussions at The Lodge last night, show cooperative federalism in action. And I agree with my colleague from Victoria, those who seek to denigrate this relationship don't understand it. Cooperative federalism is producing results for Australia, and indeed this relationship between the States and the Commonwealth is probably the best in Australia's history, and look at the results we've produced today. The second wave of major reform, and it will deal with the things that will give us the competitive edge in the world like skills, literacy, numeracy; and that wave of reform will shape Australia for the rest of this century.

Now I insisted from Queensland's point of view, of course, and I know the rest of the States agreed, to make sure that there was someone with regional experience to be part of it, because the reforms in the past have meant that some in regional Australia have been concerned. I say to those in regional and rural Australia, you should be supportive of these reforms, the second wave, because your views will be heard at that table and your children will be the ones that'll benefit from these reforms in the long term.

On other issues, in terms of health, I'm absolutely delighted with the Prime Minister's offer to the States to provide additional doctors. It means an additional 150 training places in Queensland and I won't go through the nurses and allied health professionals, but that is a significant advance for skilling Australians to actually look after Australians. There are other issues in terms of health reform, national registration of doctors, a range of other things like that, which we also fully embrace. So the numbers in terms of the health workforce area are significant and they will in my view make significant changes in the years ahead.

Mental health, I agree with my colleague from New South Wales, this is the first time we've had a national approach to mental health. For a long time it's been one of those difficult areas that everybody swept under the carpet because it's too hard to deal with. Well as a Council of Australian Governments we've faced up to it and dealt with it, again, cooperative federalism in action. And I think to those who've been working, slaving away in the areas of mental health, they know that the governments of this country have recognised their contribution and are taking this problem seriously, perhaps for the first time.

In terms of water, again this is an issue of major importance and I'm delighted to see that is going to be considered in the future. I think most of the States take the view that we need to see at least one major project in each State, so that we have funding to deal with what is the worst drought in a hundred years and climate change. They are significant issues confronting an arid nation and that's why from our point of view we'll certainly be arguing for a major project in Queensland to partner with the Commonwealth.

Clean coal technology, as you'd be aware, Queensland is totally committed and Victoria has a project planned as well to support the development of clean coal technology in a time of climate change and other issues, we have to use technology to produce not just the growth but to clean up the environment. And we are totally committed to that and we are keen to advance that in partnership. You'll notice in the communiqué when you get it there's specific reference to that and it will be on future agendas of COAG, because that is one of the challenges of the future for us.

And finally in terms of stem cell research, and it'll be no surprise to any of you that we share Victoria's view in relation to this and we supported one another on this matter when it was discussed at COAG today, and we will obviously reserve our right to pursue independently research we believe that stem cell research provides an opportunity for many Australians to be given a second chance at real life. And that's one of the reasons why we passionately support this in partnership with Victoria.

So finally, let me conclude by saying this. If you look at that weighty agenda, and you look at the areas where we've agreed, these sorts of COAG meetings, and you've been coming along here I guess as journalists and seeing us every time come in and talk about them getting better, well they do just get better. And that's because we have cooperative federalism, we put party politics aside and work in the interest of Australia. For those who seek to undermine it, I just simply say look at the outcomes today and anyone with half a brain will fully support it.

PREMIER CARPENTER:

Well speaking with someone with at least half, as someone with at least half a brain, Peter, I was happy with the outcome. There were two things, basically two things that we were looking for when we came here. One was that WA would be better off when we left than when we arrived and that's happened and two, that the National Reform Agenda that the States and the Commonwealth have been looking at, would proceed, and that's happened, and I think that's cause for some celebration and cause for some optimism for the future. There's a theme that is running in Western Australia, in politics in Western Australia from our government, and that is investing for the longer term, not just the short term, making decisions about tomorrow and not just today. And I think the National Reform Agenda fits beautifully into that paradigm. We have taken the opportunity to put ourselves on a pathway that can deliver very significant, long term benefits to the Australian community. I was apprehensive at the beginning of this week and as the week went on, Prime Minister, that there were other events on the national political discourse that might derail this opportunity, but it hasn't. And today's outcome, I think, is very good. In the immediate short-term benefit, Western Australia was seeking for example 60 additional medical school places and we got 60 additional medical school places. I was surprised that we got 60 and I am very grateful, I think it's a very good result and there are other allocations that we've got in the health reform process, the health workforce. We're very pleased with the outcome of the mental health reform process and other premiers have spoken about that as well. But the big reform for the National Reform Agenda is there, sitting there waiting for us and, to some extent, the community to take forward. It's a great opportunity we've got now and I think the outcome of today was as good as, or better than most of us expected.

This is the second COAG meeting I have attended, the first one was good, this one was even better and I just worry about how good this could get. But I am very pleased, very pleased and I can go back faithfully to report to the West Australian community that we have succeeded in what we were seeking to achieve.

PRIME MINISTER:

Thank you Alan.

PREMIER RANN:

Prime Minister, I just first of all, I want to, I think congratulate everyone on the work done on the National Reform Agenda, but particularly Steve Bracks and Victoria who put in a huge amount of work into the National Reform Agenda which I think is something that will be one day, be recognised as an historic move forward in terms of investing in the people of Australia. On mental health, this is an area that we as a government have been pumping in a considerable amount of extra money, and I think that again it is an example of a partnership in an area which has been neglected for too long, and we've, on the area of doctors, along with Western Australia, the last round in 2003, we didn't get one extra place in our medical schools to train local doctors. We went for 60 this time to be shared by Adelaide and Flinders and we are delighted, Prime Minister, that we've had your commitment for an extra 60 places.

In terms of some other areas, I guess in terms of indigenous Australians, and some of the agreements made in a difficult area, I think we've all agreed that this is of central concern to Australian nationhood. I mean in 2006, the first Australians still on so many social indices remain the last Australians whether it's in education outcomes, health outcomes, longevity, imprisonment and even in terms of areas such as child mortality. So this is an area where we are all committed to move forward.

On the area of climate change, something very dear to heart as the Minister for Sustainability and Climate Change in South Australia, that I think we've made a significant step forward today with an agreement to set up a working party to come back to the next COAG on mandatory reporting by companies on greenhouse gas emissions. If we are serious as a nation in tackling the threat of greenhouse gases and climate change, then obviously mandatory reporting is essential and this require us to set up national legislation to set up a specific mechanism to enable companies to report their emissions. I think this is a terrific step forward.

People know that on the issue of the World Cup, about four weeks ago I wrote to all of the Premiers, Chief Ministers, and to the Prime Minister and to Football Federation of Australia, it's something that I have been going on about for some years having visited FIFA's headquarters in Zurich some years ago. I think that Football Federation Australia are highly likely to mount a bid. It is critically important that all governments commit to supporting that bid and therefore what's happened today underpins that. I understand that Frank Lowy met with Sepp Blatter the world head of FIFA just a few days ago, he's been very encouraging of a bid by Australia for 2018 and so has Mohammed Bin Hammam who is the head of the Asian Pacific Soccer Confederation, which has about 57 countries. But we have to get cracking and I think it was terrific that COAG today has given its backing of all Australian governments towards a bid for 2018. Thank you.

PRIME MINISTER:

Thank you. Paul.

PREMIER LENNON:

Thank you Prime Minister. Well the interests of Tasmania have been well served at today's meeting. I am extremely pleased on the health workforce issue that the Prime Minister has agreed to amend the documentation that was released yesterday to include five additional medical school places for Tasmania to help us deal with our doctor shortage, as well as existing elsewhere. I think it is a very clear example of the dynamics that exist within COAG meetings, that when a strong argument and a good case is put then there is a preparedness to amend a position that had already been released and to me, that more than anything else it demonstrated why it is that that is so important for these meetings to continue in the spirit of which they are being held currently. Others have mentioned the importance of the National Reform Agenda, it is extremely important for us as well if we are to continue with strong progress that we have been making economically, socially, and culturally in Tasmania over the past eight years. I cant let this go by without mentioning daylight saving and the lifestyle reform that has been progressed today with the agreement of Victoria, New South Wales and the ACT to look at getting into the real world and joining Tasmania with extended daylight saving into the future. It is an important lifestyle reform, if you want to see good lifestyle just have a look at Tasmania.

The other area I wanted to talk about was skills training, it hasn't been mentioned today, but there has been some very important work happening by COAG, particularly through our officials over the past months in mutual recognition of key trade areas. It couldn't be more important for us today because today we've learnt that Gunns have formally lodged their \$1.5 billion pulp mill proposal before our planning authority for official approval. That of course will place enormous pressure on a number of skills trades areas, not just within Tasmania, but within south-east Australia. There is a very clear example why it is important for states to join together on mutual recognition of some of these matters.

So today as others have said is yet another example of how certainty and stability can be provided for Australia as a nation, though good co-operation between the different jurisdictions

CHIEF MINISTER STANHOPE:

Thank you Prime Minister. Prime Minister I also record that I felt today's meeting to be particularly good, I thought it was an excellent meeting and I agree with all the comments that have been made in relation to the importance of the National Reform Agenda and human capital and the great progress that was made today. I also acknowledge the very significant leadership that Steve Bracks and Victoria have shown together with yourself in relation to the reform agenda. I do believe that it was the force of Mr Bracks' advocacy today that led to some of the processes that have been put in place and agreed by the Commonwealth in relation to a way forward into sharing the cost of the burden and the gain of this particular reform agenda that led to the very positive results that we have achieved so I congratulate both yourself and Mr Bracks particularly. I also acknowledge the significant agreements in relation to health and mental health as you know, you and I are to correspond on the fact that the ACT didn't receive any additional medical places and I do look forward of course to a positive outcome to that correspondence.

A couple of other issues that I would particularly mention in relation to the position of myself and the ACT Government relating to both indigenous affairs and the discussion that was held today around cultural background and customary law. I have a particular view that it is very, very important that governments and not just governments but that nobody send the message that customary law in anyway condones violence and that it is very importance in the context of advancing reconciliation and issues in relation to indigenous disadvantage that we not seek to identify aspects of Aboriginal culture and customary law as incidences, or sources of some of the behaviours which we all abhor. That it is important that we separate the causes of indigenous disadvantage from issues such as customary law and cultural background and the ACT has a particular position in relation to the role and place in sentencing courts to take account of issues such as cultural background, perhaps as mitigating circumstances, but I acknowledge the position which COAG has taken to condemn violence in all its forms.

Simply in relation to Lockhart and the Lockhart Review, the ACT Government's position is that the preferred position is that the Lockhart recommendations be implemented and I certainly look forward to working with Victoria and Queensland in relation to a possible way ahead for those jurisdictions that believe that we need to make available to our research institutes and scientists the possibility to be at the cutting edge of research that does have the capacity to make such changes to the lives of Australians and indeed for all people around the world. And I conclude by acknowledging again that I understand the precedent around the world is that World Cup finals are always held in the national capital and I would expect that precedent to be repeated here in Australia.

CHIEF MINISTER MARTIN:

Again reiterating what my colleagues have said, it was a good meeting and we have achieved a number considerable progresses for Australia. The National Reform Agenda is important. The Territory has got the youngest population in Australia and actually developing our population is critical. One of the aspects that fit very well with the National Reform Agenda, and I do pay tribute to Victoria and Steve Bracks for the work done, is a component of that that we have agreed to today, and that's for indigenous Australians to have a commitment for generational change. There's a lot of work that's been done across all the States but to actually give that a considerable focus, to bring the efforts together and have a proposal, a plan for generational

change for Aboriginal Australians is, I think, one of the most significant things that this country can do. And I pay tribute to my colleagues for supporting the initiative I took to COAG.

We will work on that over the next six months and at COAG in the New Year have that plan put forward. So I want to thank everyone for your support. We've had a lot of discussion over the last few months about some of the problems in Aboriginal communities, particularly in the Northern Territory and those discussions will happen again I'm sure over the next few months and next years. And as a country we really need to focus our efforts on seeing change. And it's going to take a generation at least. These problems have developed over many years. We've got reports, number of reports that indicate the disadvantage that indigenous Australians faced. The difference between outcomes for indigenous Australians and non-indigenous Australians, and it's time we really grasped it, and went for change, and that is we've decided today. So really it is a very significant component. It fits well with the National Reform Agenda.

And while I have your attention, can I just say that over the last few months there has been a lot of focus on Aboriginal people and some of the considerable problems they face, particularly with alcohol abuse, with substance abuse, the violence towards women, the violence towards children, the sexual abuse. Yes, it happens. But can I also say that one of the things that Aboriginal Territorians have said to me over the last few months is why can't Australia also recognise the incredible things that are being done, the people whose commitment is everyday for change. Those who aren't drinkers, those who are working to see that change. And I just thought while I had your attention to say that there are Aboriginal, there are thousands of Aboriginal Australians who are really working hard for that change. And I just want to put their voice here today because when I sit in a room in a little community and they say to me why couldn't you get this across to the national media, I say I tried. Well today I'm trying again because there are some extraordinary things happening and people who are really fighting against the odds to see change.

So thank you for a national commitment for indigenous Australians. I think this is a very important day and there's a number of other issues that have been discussed but can I say that the Northern Territory is strongly supporting the Football World Cup being here in 2018 and a game for Darwin.

COUNCILLOR BELL:

Thank you Prime Minister. Can I just say that the Australian Local Government Association, local government is really, in general, is very heartened by the maintenance of the momentum of the reform that's been adopted here today in regards to the National Reform Agenda. Certainly the areas of human capital, competition and regulation are important to our communities in the future. Certainly to secure that economic growth and I think a fair go for Australians is certainly impingent on us getting this particular agenda right. I congratulate the Prime Minister, the Premiers and the first ministers and certainly to continue this agenda and progressing it in a way they did today. And certainly ensuring that the costs and benefits of reform would be shared between the three spheres of government in Australia.

Secondly, we certainly would like to say that the signing of the intergovernmental statement on cooperation in regards to the National Action Plan for the Human Influenza Pandemics is an important step for our communities. We believe that it's important to get the National Draft Action Plan out. It's been released today and it certainly sets out very clearly how the three spheres of government will cooperate in prevention, how they'll be prepared and certainly be able to respond and to recovery in regards to a pandemic in the future if it ever happens here in Australia. It's important that we have this agreed approach and certainly one that covers the three spheres of government but certainly has national leadership and local government is

clearly seeing that we have a part to play in local leadership and certainly helping our communities in the event of a pandemic in Australia.

In regards to skills, as an employer of 165,000 people in our sector across Australia and across 700 councils, we see that certainly the skill shortage is a major issue. But it has been addressed today through COAG's consideration of the progress of the report in regards to the packages and measures that are going to underpin a national approach for apprenticeships, traineeships and skills recognition. It's extremely important for our communities and certainly for our sphere of Government to ensure that we continue to push training and skilling of Australians throughout the whole of Australia and we certainly congratulate the Prime Minister and the States and Territories in the way in which they're bringing a cooperative resolve in that regard.

In health workforce reform, look we've always been supportive of initiatives that assist rural and regional and remote communities in regards to the health and the health workforce and today we've seen COAG, I think, make a significant move in regards to ensuring that Medicare will be able to support general, the disciplines after April 2007 in regards to rural and remote areas. And we really appreciate the moves that have been supported here at COAG and certainly by, I think, asking health ministers to come back to COAG at the end of this year in regards to improved service delivery in rural and remote communities is significantly important for local government throughout Australia. And again, Prime Minister, Premiers and first ministers, congratulations on a good COAG.

PRIME MINISTER:

Thank you. A few questions? Mr Parry.

JOURNALIST:

Prime Minister, does the success of today's meeting put to bed the notion that states would become branch offices of a sort of a beefed-up Federal Government? And secondly, on radio this morning, you said that you would not be Prime Minister if the World Cup was played here in 2018. Is that a glimmer of hope to your deputy that within the next 12 years you will be standing aside as Prime Minister?

PRIME MINISTER:

I think today's been an excellent meeting.

JOURNALIST:

To all the new doctors, all of these leaders are going to go back to their States and say we've got all these new doctors, what guarantee is in place that the...

PRIME MINISTER:

Well there's a guarantee in the communiqué from the States that the clinical places will be made available, and that guarantee has been freely given. Now I accept that guarantee, their men and women of their word and I'm sure the clinical places will be made available. But this is a very important new measure. There are 600 new places, medical school places. I announced 400 in Victoria and that, some months ago, and that included a catch up because Victoria has been proportionately disadvantaged and I announced 1000 nursing places. Now I'm sure the States will provide the clinical places, I have no doubt about that.

JOURNALIST:

Prime Minister in all seriousness, the Premiers have been scathing of Peter Costello's view for the need for a new federalism, now that we have all the Premiers here, how supportive are you of Peter Costello's plan?

PRIME MINISTER:

I'm sorry?

JOURNALIST:

How supportive are you of Peter Costello's....

PRIME MINISTER:

Look I think Peter Costello has made a massive contribution to the economic development of this country over the last 10 years and I do not resile in anyway from the complimentary remarks that I've made in the past about his contribution to the economic success of this country over the last decade.

JOURNALIST:

Mr Bracks, Mr Bracks as the architect of the National Reform Agenda, you were seeking a commitment on funding, you don't have that commitment, you have an agreement that Canberra will look at outcomes based funding, why didn't you press harder for guarantee about funding?

PREMIER BRACKS:

Actually all the commitments that we sought have been met and if you look at the communiqué, which will be issued I'm sure later this afternoon, it actually indicates that the funding available on the basis of an independent assessment of the COAG Reform Council will be made available over and above the existing funding arrangements, it will not be apart of the existing embedded funding arrangements for special purpose grants or other block grants which are given to the States, it will be separate to that, based on real costs, based on benefits independently assessed with jurisdictions obviously deciding on the advice received from the COAG Reform Council. So it has met that. Whilst it doesn't specify a particular amount, it does indicate that that amount will be derived once these particular reforms are undertaken and the costs and benefits determined. I think that's a very good outcome. It's really outcomes based and saying that the cost of the outcome, the benefit that accrues to jurisdictions from the outcome will be that which receives the funding. I think that's a reasonable way of proceeding and one which allows states and territories and the Commonwealth to proceed on these reform arrangements.

JOURNALIST:

Is the Commonwealth prepared to be generous Prime Minister?

PRIME MINISTER:

I beg your pardon?

JOURNALIST:

Is the Commonwealth prepared to be generous on this reform agenda going forward?

PRIME MINISTER:

No the Commonwealth will look at each reform proposal on a case by case basis on its merits. And as we said in February, if there's a disproportionate sharing of the costs as opposed to the enjoyment of the benefits, well we're prepared to look at some compensation. And we will be fair and reasonable as we always are, but we will look at each proposal. I mean self evidently if you have a reform and the State puts more into it than it gets out of it, there's a case for some compensation. On the other hand if all that's happening is that a service that's meant to be delivered by the State is brought up to the standard that you would normally expect should've been reached, then it's a different matter. So you've got to look at these things on a case by case basis. I mean this is commonsense, it's not rocket science, it's not hard, it's just commonsense and we'll be fair and reasonable and always, always fair and reasonable.

JOURNALIST:

When does the new process take effect take affect Mr Howard?

PRIME MINISTER:

Oh immediately.

JOURNALIST:

But as far as the actual funding, when do we see....

PRIME MINISTER:

Well you've got to have a proposal first and you've got to then assess the implications of the proposal according to the broad criteria. Have a look at the communiqué. I mean not every reform proposal is going to bring forth additional funding, it will depend. I mean you can have some reform proposal where the cost contributed, a cost borne by each jurisdiction is roughly equivalent to the benefit. It just depends on the circumstances. Two more questions and then we're hungry.

JOURNALIST:

Prime Minister you've put off a decision on ports and energy markets today...

PRIME MINISTER:

On what?

JOURNALIST:

On ports and energy, you've put off a decision I think until the next COAG on...

PRIME MINISTER:

No, no, I thought we agreed at the last COAG that we would have a new system and a new system for a unified national stream of regulation, of common regulation. We agreed that at the last meeting and what we said, what I said than on behalf of the Commonwealth was that we were quite prepared to give that an opportunity and I mean obviously if it didn't work then we reserve the right under, I think the Trade and Commerce power, to have a look at what we might do. But at no stage have we put, we haven't put anything off. So we are optimistic that the cooperative approach will work but clearly as I said in February if that optimism is not fulfilled we might have to do something else, but I hope it is.

JOURNALIST:

Just on stem cells, some of the States have said they'd like to go it alone, the Treasurer has suggested that the Commonwealth might withhold research funding for some of those states if they do that, if Victoria and Queensland do want to go it alone, are you going to stand in their way?

PRIME MINISTER:

Well what I said today was that we recognise there are a range of different views. There was not a disposition by the Commonwealth to alter the legislation and that's the view of the Federal Government. The disposition, as I interpreted it, of the Party Room, although we are going to have a discussion about this when the Party reconvenes in August, and I recognised the intention of states if they were able to act alone, but I indicated at the meeting that that would not be, there should not be an expectation that that would be facilitated by the Commonwealth. That's what I said and that's a fair statement of the Commonwealth's position.

JOURNALIST:

In relation to funding...

PRIME MINISTER:

Well we haven't made any decision about that.

JOURNALIST:

You haven't made any decision?

PRIME MINISTER:

And people should not assume anything about that.

JOURNALIST:

Prime Minister, why was there no mention yesterday in your draft communiqué of a COAG Reform Council and what finally convinced you to have it in the...

PRIME MINISTER:

Well the COAG Reform Council; I don't know what draft communiqué you're referring to yesterday, how outrageous that you had possession of a draft communiqué, I'm shocked, I'm stunned. But a COAG Reform Council was canvassed in February, there's nothing; we always intended to have a COAG Reform Council because bear in mind that you had a National Competition Council which did assessments under the old 1995 arrangements. So we mentioned the COAG Reform Council in February, but what I think we've done today is to give flesh to it by mentioning how it, but dear me I'm staggered.

[ends]

Unless otherwise indicated in this document, it is Copyright of the Commonwealth of Australia and the following applies:

Copyright Commonwealth of Australia. This material has been reproduced by permission but does not purport to be the official or authorised version. You should make independent inquiries and obtain appropriate advice before relying on the information in any important matter.

If you have any queries, please contact Capital Monitor, a division of LexisNexis Australia, on 02 6273 4899.