

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates 11-14 February 2013

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet

Outcome/Program: 1.1.1 Domestic Policy

Topic: Mr McClintock's Final Speech

Senator: Senator Payne

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Question:

Senator PAYNE: Can I refer you on notice as well as that to Mr McClintock's final speech, which he made on 19 November, where he made some observations about the national agreement model? I will give you the part of the speech that I mean on notice obviously (Attachment A). I would be interested to know whether the government is looking at or whether the CRC has provided advice to the government on any steps that could be taken to address the concerns that he raises in that particular area.

Mr Hazlehurst: Sure.

Answer:

COAG considers all reports produced by the CRC, and publishes a response to all recommendations made to COAG. This includes each annual performance report on the six National Agreements, the annual report on the progress of the COAG reform agenda, and every report on the seamless national economy reforms.

The Commonwealth considers closely the findings of each report to consider ways to improve outcomes for Australians.

In February 2011, COAG agreed to review the six National Agreements under the Intergovernmental Agreement on Federal Financial Relations to address performance reporting issues, including those identified in the reports of the CRC. These reviews and the associated recommendations were endorsed by COAG in 2012, which resulted in revised performance benchmarks across all six National Agreements.

Relevant excerpt from Address by Mr Paul McClintock *Harnessing federalism – the missing key to successful reform*

“.....But in my view, the really radical parts of the reworked funding arrangements under the IGA are the National Agreements which are associated with the transfer of billions of dollars from the Commonwealth to the States.

In return, the States - and the Commonwealth Government where there are joint responsibilities - are held accountable for high-level outcomes.

It is much harder to judge if the council’s National Agreements reports influence government action, which in turn improves progress towards outcomes.

We refer to our National Agreement data as ‘catalyst data’.

We do not explain why there is a difference in performance between jurisdictions – we’re not asked to - or why there has been no change over time in the data.

Rather, the data should prompt debate...lead governments to search for answers...to take action.

And there are instances where data of this kind has led to action.

A good example being when the first NAPLAN results for literacy and numeracy of primary school students were released – they showed Queensland languishing, unexpectedly, near the bottom of the list.

Because it is very clear that education is a state government responsibility, there was a strong reputational risk with inaction, so Premier, Anna Bligh, immediately ordered an inquiry to find out the ‘why’ of the results.

To cut a long story short, the data led to the Queensland Government introducing new education measures and turning around its NAPLAN results in primary school. That is performance reporting doing what it is meant to do.

But this example also illustrates the correlation between clear responsibility and the impetus to take action.

Unfortunately, it is also a rarity. There is not a lot of evidence that governments are improving their performance in response to the council’s findings in the National Agreements reports – a weakness the council has highlighted since we first began.

We have argued that performance monitoring of the kind contemplated in the National Agreements takes time and consistent political focus - it needs the governments themselves to champion the system, and this has not happened.

More significantly, COAG has not only failed to champion the National Agreement model, it has in fact moved away from the outcomes model of the National Agreements.”