



# Program impact report 2018

The sections highlighted in red indicate  
what has changed in 2018

## Summary

Program	Policy shift	Reform direction	Policy status	Grattan contribution
<b>Australian Perspectives</b> • prioritisation	All three <b>priority issues</b> identified in <i>Game Changers</i> further up the political agenda. Some Childcare Assistance reforms in place. <b>Co tax cut abandoned, but ALP committed to increased investment allowance. Government has backed off increasing Pension age.</b> Little movement on stamp duty/land tax swap.	↓	Government partly committed	Substantial influence
	Impact of <b>childcare costs on female workforce participation</b> a core part of Productivity Commission analysis and the government's Childcare Assistance Package.	—	Legislation in place	Substantial influence
• Retirement incomes	Better <b>targeting of superannuation tax breaks</b> implemented in 2016-17 Budget. <b>ALP committed to further tightening super tax breaks, and removing franking credit refunds.</b>	↑	Legislation in place	Substantial influence
	<b>Renewed public conversation about the adequacy of retirement incomes.</b> PC recommended review before raising the rate of <b>compulsory superannuation contributions</b> to 12 per cent, but ALP reaffirmed on election platform	↑	Public awareness	Dominant voice
	Competitive mechanism to reduce fees for <b>default superannuation</b> endorsed by Financial Services Inquiry, referred to Productivity Commission, <b>which recommended "best in show" mechanism.</b>	↑	Productivity Commission Review supported	Dominant voice
• Housing affordability	<b>Widespread recognition of worsening housing affordability</b> , especially falling home ownership. Growing recognition that current policy inadequate. Real danger that States will unwind apartment planning permissions	—	Public awareness	Substantial influence
	<b>Some recognition of the need for property tax reform</b> but little political appetite for wholesale changes.	—	Public awareness	Some influence
• Regional development	<b>Regional analysis</b> a significant influence on Productivity Commission thinking, but little change in official policy	—	Public awareness	Dominant voice

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<b>Economic Growth</b>	<b>Protection for industries affected by structural change</b> largely avoided in response to mining boom	–	Temptations largely resisted	Some influence
	• Shape of economy <b>Company tax cuts</b> abandoned in part because not sustainable with current budget. ALP committed to better designed investment allowance.	↑	Government abandoned tax cuts	Substantial influence
• Competition reform	<b>Natural monopoly regulation</b> under discussion, but PC supine on airports	–	Public awareness	Some influence
	Ease of <b>consumer switching between providers</b> under discussion	–	Public awareness	Some influence
• Market shaping	<b>Peer-to-peer ride-sourcing</b> legalised in <b>all States</b> . Legal frameworks for <b>peer-to-peer labour hire platforms</b> under discussion	↑	Policy in place	Some influence
	Acceleration of <b>cloud computing to drive productivity for SMEs</b> under discussion	–	Public awareness	Some influence
<b>Budget Policy and Institutional Reform</b>	<b>Budget reform</b> a commitment of both sides of politics. <b>But public concern about budget pressures falling. Government sliding to surplus with strong fiscal drag and reasonable cost control. ALP policy would deliver better outcome than Government in short and long term (better than 2016 election)</b>	–	Government partly committed	Substantial influence
	• Budgets Some <b>budget repair</b> through tightening superannuation tax concessions. <b>In practice bracket creep the primary means of budget reform. ALP committed to substantial repair through winding back negative gearing/capital gain tax discount and franking credit refunds.</b>	↑	Government & opposition committed	Substantial influence
• Inter-generational	<b>Intergenerational equity</b> a spreading theme in public discussions both around tax and welfare policy and housing policy.	–	Public awareness	Dominant voice
• Institutions	<b>Integrity reforms</b> have been proposed by the government, opposition and independents, with commitment from both sides of politics to a Commonwealth Integrity Commission. Influential groups picking up our proposals on lobbying, and political funding reforms	↑	Government partly committed	Substantial influence

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Energy	<b>Design of carbon reduction policy</b> under NEG used “third best” policy design proposed by Grattan, <b>but abandoned by Cwth government, although States attempting to resurrect</b>	↓	Government becalmed; Labor and States supportive	Dominant voice
	<b>Support of low-emissions technology</b> frozen by lack of general emissions reduction mechanism. ACT has adopted reverse auction mechanism <b>as deployment mechanism rather than technology support. Vic, Qld and NSW Labor looking to follow.</b>	–	Becalmed except for ARENA.	Substantial influence
Electricity generation	<b>Electricity generation market reform</b> a government priority, extended beyond affordability to include security of supply. <b>Grattan an important external influence on Finkel Review and Commonwealth NEG, and provided direct senior level advice to NSW and Vic governments.</b>	↑	Review process ongoing; Labor supportive	Direct adviser to reviews
	<b>Wholesale electricity market gaming</b> referred to AEMC review, but report unsupportive	–	No movement post review	Dominant voice
Electricity networks	<b>Rate of regulated return for distribution networks</b> tightened by AER	–	Policy in place	Substantial influence
	<b>Electricity network tariffs</b> reformed in AEMC determination, but no movement at retail level	–	Policy partly in place	Substantial influence
	<b>Write down of electricity networks</b> recommended by ACCC	↑	In too hard basket, although on the states’ agenda	Dominant voice
Electricity retail	<b>Electricity retail pricing</b> under review by both Federal and State governments	–	New regulations and tariff limitations underway	Dominant voice
Gas	<b>Gas reservation</b> so far not adopted by Governments on east coast despite manufacturing industry pressure	–	Policy remains in place	Substantial influence

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Health	<p><b>Pharmaceutical Benefits pricing regime</b> less vigorously supported by government than in the past, other mechanisms put in place to reduce excess costs, but still room to improve</p> <p><b>Public hospital efficiency</b> activity based funding now confirmed as national approach.</p> <p><b>Reduction of unnecessary operations</b> underway by private health insurers, and increasingly on government radar</p> <p>Vic and Qld adopted public reporting to improve <b>safety of hospital care</b>: trials of reformed accreditation underway</p> <p><b>Pathology</b> costs remain high, but <b>pathology MBS fees remain frozen</b></p>	↑	Policy partly in place; opposition considering extension	Dominant voice	
		–	Policy in place	Substantial influence	
		↑	Review in process	Substantial influence	
		↑	Policy partly in place	Substantial influence	
		↑	Policy partly in place	Dominant voice	
	Access	<p><b>Vaccination by pharmacists</b> adopted or in trial in all states and territories; <b>additional roles</b> for nurses in Queensland and for allied health assistants in some Victorian local health districts</p> <p><b>End of life care policy</b> adopted in Victoria, and under active consideration elsewhere</p> <p><b>Chronic disease management</b> with increased role for Primary Health Networks under discussion</p> <p><b>Dental care</b> scheme under consideration by Opposition</p>	↑	Policy largely in place	Substantial influence
			↑	Policy in place in some States	Substantial influence
			–	Under active consideration	Substantial influence
			↑	Issue put onto public agenda	Substantial influence
	Prevention	<p><b>Hotspots analysis</b> increasingly used by AIHW ACSQH, SA, and WA</p> <p><b>Sugary drink tax</b> under discussion</p>	↑	Under active consideration	Substantial influence
–			Under active consideration	Substantial influence	

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<b>Higher Education</b>	Government abolished <b>demand driven system</b> , but ALP has promised to restore	↓	Policy in wrong direction	Dominant voice
	• Funding Government required all universities to provide <b>activity-based costing</b> of teaching and research activities	↑	Policy implemented	Substantial influence
	• HELP Proposal to recover student debt from <b>deceased estates</b> considered by Government and supported by Productivity Commission but not pursued	–	Rejected for now	Dominant voice
	Legislation passed to require <b>overseas debtors</b> to repay HELP debt	–	Legislation in place	Substantial influence
	Legislation passed to Index HELP repayment thresholds to CPI	↑	Legislation in place	Substantial influence
	Legislation passed to lower <b>initial threshold</b> for repayment of HELP debt to \$46,000 and create gap of 6% between thresholds – but benefit undermined because of large gap between first two thresholds	–	Legislation in place but largely fruitless	Substantial influence
	Government considered <b>loan fee</b> for new HELP debt in 2017, but did not pursue, although it was heavily supported by OECD	–	Public discussion	Substantial influence
	• Teaching Universities have Increased <b>teaching-only academic jobs</b> from 8% to 15% of non-casual academics between 2012 and 2018	↑	Practice in right direction, although not driven by policy	Some influence
	• Learning outcomes Government publishing more information to students on <b>attrition risk</b> , but not where they are likely to find it	↑	Policy partly in place	Substantial influence
	Higher Education Standards Panel and Government have suggested universities should make better use of <b>census date</b> and actively remind students of its implications, but no teeth to the policy	–	Discussed within government but no policy change	Dominant voice



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<b>Transport and cities</b> <ul style="list-style-type: none"> <li>Transport infrastructure investment</li> <li>Transport funding</li> <li>Transport pricing</li> <li>City decision making</li> <li>Social connection in cities</li> </ul>	<p>Governments and oppositions now highlight failures of their rivals to conduct <b>rigorous appraisal before committing to infrastructure projects</b>. Commonwealth published a 10 year project pipeline, and business cases are timely more often. Infrastructure Australia Principles state that governments and oppositions should not announce preferred project before analysing alternative options; projects should be independently assessed, with all relevant information published</p> <p>Commonwealth Grants Commission now publishes whether <b>Commonwealth funding for projects quarantined from GST distribution</b></p> <p>Departments now publicly accept that premature commitment is the primary reason for cost overruns. NSW ALP committed to <b>involve community and business before committing</b> to projects worth more than \$1m, but legislation not required, and parties routinely announce prematurely</p> <p>Infrastructure Australia Principles state that governments should conduct and publish <b>post-completion reviews</b> of all projects</p> <p>Cwth Dept of Finance pushing requirement to <b>manage cost contingencies centrally</b></p> <p><b>Unfreezing discount rates</b> widely discussed in public service and ministers' offices, and NSW Opposition committed to review</p>	<p>↑</p> <p>↑</p> <p>↑</p> <p>↑</p> <p>—</p> <p>↑</p> <p>—</p> <p>↑</p> <p>—</p> <p>—</p>	<p>Some Governments committed on paper</p> <p>Information more available</p> <p>NSW opposition partly committed</p> <p>More public acceptance</p> <p>Public service awareness</p> <p>NSW Opposition committed</p> <p>Issue no longer live</p> <p>More informed public debate</p> <p>Public service awareness</p> <p>Public service awareness</p>	<p>Substantial influence</p> <p>Substantial influence</p> <p>Substantial influence</p> <p>Substantial influence</p> <p>Substantial influence</p> <p>Dominant voice</p> <p>Substantial influence</p> <p>Some influence</p> <p>Substantial influence</p> <p>Substantial influence</p>