



# Program impact report 2019

Developments during 2019  
highlighted in red throughout this document

A more detailed analysis of the impact of each Grattan report, supporting the assessments in this report, is available on request

## Summary

Program	Policy shift	Reform direction	Policy status	Grattan contribution
<b>Australian Perspectives</b>	All three <b>priority issues</b> identified in <i>Game Changers</i> further up the political agenda. Some Childcare Assistance reforms in place. Government has backed off increasing Pension age. Little movement on stamp duty/land tax swap.	—	Government partly committed	Substantial influence
• Prioritisation	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
• Regional development	<b>Regional analysis</b> picked up by Productivity Commission recommendations, but little change in government policy	—	Public awareness	Leading voice
<b>Budget Policy Institutional Reform</b>	<b>Budget reform</b> a commitment of both sides of politics. But public concern about budget pressures falling. Government budgets close to balance with strong fiscal drag and cost control. <b>ALP took platform of ambitious structural reform to 2019 election.</b>	—	Government partly committed	Substantial influence
• Budgets	Some <b>budget repair</b> through tightening super tax concessions. In practice bracket creep the primary means of budget reform. ALP <b>platform at 2019 election involved</b> substantial repair through winding back negative gearing/capital gain tax discount and franking credits refunds.	↑	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. <b>Intergenerational equity a theme of the 2019 federal election.</b>	↑	Opposition promoting	Leading voice
• Institutions	<b>Integrity reforms</b> proposed by government, opposition, <b>minor parties</b> and independents, with commitment from both sides of politics to a Commonwealth Integrity Commission. <b>Cross-benchers and</b> influential groups picking up proposals on lobbying, and political funding reforms.	↑	Government partly committed	Substantial influence
<b>Economic Growth</b>	<b>Protection for industries affected by structural change</b> largely avoided in response to mining boom	—	Temptations resisted	Some influence
• Shape of economy	<b>Company tax cuts</b> abandoned. ALP committed to better designed investment allowance. <b>Government considering an investment allowance for 2020 budget.</b>	↑	Government considering policy	Substantial influence
• Competition reform	<b>Natural monopoly regulation</b> under discussion, but PC did not recommend change in airport regulation. 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 all States. 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

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Energy	<ul style="list-style-type: none"> <li>• Emissions reductions</li> </ul> <p><b>Design of carbon reduction policy</b> under NEG used “third best” policy design proposed by Grattan but abandoned by Cwth government. <b>All states and territories States adopt net-zero emissions by 2050. Policy alternatives uncoordinated but actively under review.</b></p>	↓	Government becalmed; Labor and States supportive	Leading voice
	<ul style="list-style-type: none"> <li>• Electricity generation</li> </ul> <p><b>Support of low-emissions technology</b> frozen by lack of general emissions reduction mechanism. ACT has adopted reverse auction mechanism as deployment mechanism rather than technology support. Vic, Qld and NSW Labor looking to follow.</p> <p><b>Electricity generation market reform</b> a government priority, extended beyond affordability to include security of supply. Grattan an important external influence on Finkel Review and Commonwealth NEG, and provided direct senior level advice to NSW and Vic governments. <b>Escrow fund to manage coal closure being actively considered.</b></p>	—	Becalmed except for ARENA.	Substantial influence
Electricity networks	<ul style="list-style-type: none"> <li>• Wholesale electricity <b>market gaming</b> referred to AEMC review, but report unsupportive</li> </ul>	↑	Some States considering escrow fund mechanism to manage coal closure	Direct adviser to reviews
	<ul style="list-style-type: none"> <li>• <b>Rate of regulated return for distribution networks</b> tightened by AER</li> </ul>	—	No movement post review	Leading voice
	<ul style="list-style-type: none"> <li>• <b>Electricity network tariffs</b> reformed in AEMC determination, but no movement at retail level</li> </ul>	—	Policy in place	Substantial influence
	<ul style="list-style-type: none"> <li>• <b>Write down of electricity networks</b> recommended by ACCC</li> </ul>	—	Policy partly in place	Substantial influence
Electricity retail	<ul style="list-style-type: none"> <li>• <b>Electricity retail pricing</b> under review by both Federal and State governments</li> </ul>	—	In too hard basket, although on the states’ agenda	Leading voice
Gas	<ul style="list-style-type: none"> <li>• <b>Gas reservation</b> so far not adopted by Governments on east coast despite manufacturing industry pressure</li> </ul>	—	New regulations and tariff limitations underway	Leading voice
			Policy remains in place	Substantial influence

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Health	<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  <b>Public hospital efficiency</b> activity based funding now confirmed as national approach.  <b>Reduction of unnecessary operations</b> underway by private health insurers, and increasingly on government radar  Vic and Qld adopted public reporting to improve <b>safety of hospital care</b> : trials of reformed accreditation underway  <b>Pathology</b> costs remain high, but pathology MBS fees remain frozen	–	Policy partly in place	Leading voice	
		–	Policy in place	Substantial influence	
		–	Review in process	Substantial influence	
		–	Policy partly in place	Substantial influence	
		–	Policy partly in place	Leading voice	
	• Waste	<b>Additional roles</b> for nurses in Queensland and for allied health assistants in some Victorian local health districts; <b>substantial expansion of roles of pharmacists underway</b>  <b>End of life care policy</b> adopted in Victoria, and other states ( <b>often as part of assisted dying discussion</b> )  <b>Chronic disease management</b> with ↑ role for Primary Health Networks under discussion, <b>2019 Budget included hesitant start to new payment model for GPs</b>  <b>Dental care</b> scheme adopted by Opposition, both before and after election, partly adoption in Victoria	↑	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
			–	Under active consideration	Substantial influence
• Access	<b>Hotspots analysis</b> increasingly used by AIHW ACSQH, SA, and WA  <b>Sugary drink tax</b> under discussion	–	On the public agenda	Substantial influence	
		–	On the public agenda	Substantial influence	
		–	On the public agenda	Substantial influence	
• Prevention	<b>Hotspots analysis</b> increasingly used by AIHW ACSQH, SA, and WA  <b>Sugary drink tax</b> under discussion	–	Under active consideration	Substantial influence	
		–	On the public agenda	Substantial influence	
• Private health	<b>‘Death spiral’</b> of deteriorating risk pool placed clearly on policy agenda, and picked up by APRA  <b>Inefficiency of private hospitals</b> (including excess admissions) more accepted	↑	Issue on agenda of public and regulator	Leading voice	
		–	Issue put onto public agenda	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	Leading voice
• Funding	Government required all universities to provide <b>activity-based costing</b> of teaching and research activities	—	Policy implemented	
• HELP	Proposal to recover student debt from <b>deceased estates</b> considered by Government and supported by Productivity Commission but not pursued			Leading voice
	Legislation passed to require <b>overseas debtors</b> to repay HELP debt		Legislation in place	
	Legislation passed to Index HELP repayment thresholds to CPI		Legislation in place	
	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	—		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	Leading voice
• Vocational education interface	Government considering approach to vocational education / higher education trade-off	—	Discussed with government but no movement	Some influence

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<b>Household Finances</b>	Better <b>targeting of superannuation tax breaks</b> implemented in 2016-17 Budget. ALP committed <b>in 2019 election</b> to further tightening super tax breaks <b>and removing franking credit refunds</b> (current ALP policy unclear).	↑	Legislation in place	
• Retirement incomes	Renewed public conversation about the <b>adequacy of retirement incomes</b> . PC recommended review before raising the rate of <b>compulsory superannuation contributions</b> to 12 per cent, <b>review since commissioned by Government</b> , but ALP reaffirmed on election platform	↑	Retirement Income Review under way	Leading voice
	Competitive mechanism to reduce fees for <b>default superannuation</b> endorsed by Financial Services Inquiry, referred to Productivity Commission, which recommended “best in show” mechanism. Government yet to commit to “best in show” recommendation.	↑	Productivity Commission supported	Leading voice
	<b>Legislation to consolidate duplicate accounts and unnecessary insurance arising from Productivity Commission review passes Parliament.</b>	↑	Legislation in place	
• Housing affordability	Widespread recognition of <b>worsening housing affordability</b> , especially falling home ownership. Growing recognition that current policy inadequate. <b>NSW has recommitted to substantial density in west, but not in east Sydney. WA promoting density in Perth with planning code and independent panels</b>	–	Sporadic government intervention	Substantial influence
	Some recognition of the need for <b>property tax reform</b> but little political appetite for wholesale changes. <b>NSW Federal Financial Relations Inquiry promoting reform</b>	↑	NSW inquiry promoting case	Some influence

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<ul style="list-style-type: none"> <li>School Education</li> <li>Measuring outcomes</li> <li>Global comparisons</li> <li>Teaching techniques</li> <li>Teacher management</li> <li>School management</li> <li>School systems</li> <li>School funding</li> </ul>	<p>Metrics of <b>student learning progress</b> to get <b>top billing on MySchool website from March 2020</b>. Policy discussion increasingly focused on progress not attainment</p>	↑	Policy in place	Leading voice
	<p>“<b>Years of learning</b>”, rather than NAPLAN points, being used to compare progress and achievement by increasing number of organisations. Gonski and Finkel reviews measure low v high SES gap with years of learning; <b>PC review used it to measure impact of mental health</b></p>	↑	Reviews underway	Leading voice
	<p>More recognition of need for systematic reports on <b>how student learning progress differs</b> among states / sectors / schools, and between advantaged and disadvantaged students</p>	–	Public awareness	Leading voice
	<p>Many education commentators (including Gonski 2.0 report) note Australia falling behind Asian country outcomes. Asian models influencing state government strategic thinking</p>	–	Governments committed	Leading voice
	<p><b>Targeted teaching</b> central to Gonski 2.0 report, part of Vic gov’t policy plus some school systems. <b>National partnership on learning progressions, online formative assessment tool</b></p>	↑	Governments committed	Substantial influence
	<p>Victoria adopting strategy to increase <b>student engagement</b>; <b>NSW gov’t report supported the importance of engagement and broad findings</b></p>	–	Public awareness	Substantial influence
	<p>Several States have committed to better <b>teacher appraisal and feedback</b> in schools, but far from international best practice</p>	–	Gvts partly committed	Substantial influence
	<p>Gonski 2.0 supported <b>new career path for expert teachers</b> with higher pay &amp; explicit roles to improve teaching and <b>attract high achievers</b>; <b>several states partly implementing; strong interest from state shadow ministers; federal shadow is supportive</b></p>	↑	Gvts partly committed	Leading voice
	<p>Some schools making more explicit trade-offs about how best to use <b>teacher time</b>, and supported by Gonski 2.0; <b>two reviews into teacher time use being initiated</b></p>	–	Reviews underway	Substantial influence
	<p>Federal ALP, Gonski 2.0, NT schools adopting <b>adaptive education systems</b> model of strong central support with local evidence of impact;</p>	–	Public awareness	Leading voice
	<p>National school agreements in 2018 largely <b>avoid prescriptive Commonwealth policy</b>. <b>LNP and ALP both committed to federal evidence institute</b>.</p>	↑	Policy largely in place	Substantial influence
	<p><b>Class size reductions</b> removed from political agenda and all parties now focused on improving teacher quality instead</p>	–	Policy in place	Leading voice
	<p><b>Over-funding to private schools</b> reduced, <b>funding indexation</b> reduced to be in line with cost; States lifting <b>contributions to gvt schools</b>, NSRB in place, government support for <b>better SES model</b>; backsliding through “Choice and affordability fund” relatively small</p>	–	Policy in place	Leading voice

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<b>Transport and cities</b> <ul style="list-style-type: none"> <li>Pricing</li> <li>Investment – project selection and delivery</li> <li>investment - funding</li> <li><b>Spatial regulation</b></li> <li>City decision making</li> <li>Social connection in cities</li> </ul>	<p>Road congestion still considered a major political issue, but <b>congestion pricing</b> is being taken far more seriously in public debates and by central city councils, infrastructure advisory bodies and politicians.</p>	↑	More public acceptance	Leading voice
	<p>Commonwealth Grants Commission now publishes whether <b>Commonwealth funding for projects quarantined from GST distribution</b></p>	–	Information more available	Substantial influence
	<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>	–	NSW opposition partly committed	Substantial influence
	<p>Infrastructure Australia Principles state that governments should conduct and publish <b>post-completion reviews</b> of all projects</p>	–	Agency policy	Substantial influence
	<p>Cwth Dept of Finance pushing requirement to <b>manage cost contingencies</b> centrally</p>	–	Public service awareness	Substantial influence
	<p><b>Unfreezing discount rates</b> widely discussed in public service and ministers' offices, NSW Opposition committed to review, <b>Secretary to Cwth Treasury publicly in favour</b></p>	↑	NSW Opposition committed	Leading voice
	<p><b>Value capture</b> no longer spruiked as a viable method to fund transport infrastructure.</p>	–	Issue no longer live	Substantial influence
	<p>Widespread acceptance that <b>commutes are unchanged</b> in the face of population growth, and that <b>jobs are highly dispersed</b> across capital cities.</p>	–	Public awareness	Leading voice
	<p>More serious <b>public engagement in planning strategy</b> accepted bureaucratic wisdom, but little adoption in practice except Brisbane city Council</p>	–	Public service awareness	Substantial influence
	<p>Councils sporadically <b>designing to increase social connection</b></p>	–	Public service awareness	Substantial influence