

# Reporting against the National Indigenous Reform Agreement: what have we learnt so far?



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## Introduction

The COAG Reform Council's core business is monitoring, assessing and publicly reporting across a wide range of COAG's agreements, including competition and regulation reform, healthcare, education and skills, disability, Indigenous reform.

This paper discusses the council's role in publicly reporting against the education targets under National Indigenous Reform Agreement (NIRA) and the opportunities and challenges that arise for the council in fulfilling this role.

## Reforming federal financial relations

The COAG meeting of November 2008 welcomed a 'new era in federal financial relations', with the Intergovernmental Agreement on Federal Financial Relations coming into effect on 1 January 2009.

According to COAG, the Intergovernmental Agreement:

*... represents the most significant reform of Australia's federal financial relations in decades. It is aimed at improving the quality and effectiveness of government*

*services by reducing Commonwealth prescriptions on service delivery by the States, providing them with increased flexibility in the way they deliver services to the Australian people.*

(COAG 2008, p. 2)

There are three main elements of the new financial arrangements: National Agreements; National Partnership Agreements; and a performance and assessment framework to support public reporting and accountability.

National Agreements establish the policy objectives, outcomes, outputs and performance indicators for each sector. Through these agreements, the Commonwealth and States have agreed to greater accountability through simpler, standardised and more transparent performance reporting, and 'a rigorous focus on the achievement of outcomes – that is, mutual agreement on what objectives, outcomes and outputs improve the well-being of Australians' (COAG 2008, p.5).

## The National Indigenous Reform Agreement

At the core of the NIRA are six ambitious targets aimed at improving life expectancy, reducing child mortality

- Close the life expectancy gap within a generation
- Halve the gap in mortality rates for Indigenous children under five within a decade
- Ensure all Indigenous four year olds in remote communities have access to early childhood education within five years
- Halve the gap for Indigenous students in reading, writing, numeracy within a decade
- Halve the gap for Indigenous 20 to 24 year olds in Year 12 attainment or equivalent attainment rates by 2020
- Halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade

Box 1: National Indigenous Reform Agreement: targets

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rates, and improving education and employment outcomes for Indigenous Australians.

To monitor and assess the performance of governments against the targets in the NIRA, COAG has agreed to a further 27 performance indicators. The difference between Indigenous and non-Indigenous outcomes against each of these indicators are used to help assess progress towards the targets.

A unique feature of the NIRA is the inclusion of trajectories to monitor the performance of governments in reaching the six targets within COAG's timeframe. The purpose of the trajectories is to provide guidance as to whether current trends are on track to achieve the targets within the timeframes set by COAG.

### **The role of the COAG Reform Council under the National Indigenous Reform Agreement**

The COAG Reform Council assists COAG to drive its national reform agenda by strengthening accountability for the achievement of results through independent and evidence-based monitoring, assessment and reporting on the performance of governments. The council is funded by all governments but is independent of individual governments and reports directly to COAG.

For each of the six National Agreements, the council provides annual reports to COAG based on a comparative analysis of the performance of governments against agreed indicators. The reports are made public.

The NIRA outlines two specific roles for the council in regards to the six Closing the Gap targets and trajectories. First, the council is required to assess annually whether there has been genuine improvement against each

target by determining if the change is statistically significant. Second, the council is required to assess whether the pace of change, if maintained, is sufficient to meet the target.

The council's analysis compares the performance of jurisdictions against each other and also against their own year-on-year performance, reflecting the importance of achieving continuous improvement against the targets and performance indicators.

To help understand performance, the council is also required to highlight contextual differences between the jurisdictions which are relevant to interpreting the data, such as differences in populations. In the NIRA, the council highlights three factors in particular – the size of the Indigenous population, where Indigenous Australians live and the proportion of Indigenous Australians who speak an Indigenous language at home – to demonstrate important differences between the jurisdictions, which, in turn, influence the performance of governments. For example, in the Northern Territory, nearly 80 per cent of Indigenous Australians live in remote and very remote areas compared to just over 5 per cent of Indigenous Australians in NSW (ABS 2009).

#### **Analysing change over time**

With the baseline data published, the second year report shifts to assessing governments' progress against agreed objectives, outcomes and outputs. The shift to assessing progress means a focus on assessing change over time.

'Change over time' can be described as progress, improvement, decline or failure to progress, depending on the direction of change and other considerations. Within the council's comparative analysis framework, change over time is a dynamic construct as it involves analysing change within and across jurisdictions.

The next part of the paper looks at the council's analysis of change over time for the two education targets under the NIRA.

### **Halving the gap in reading, writing and numeracy**

Literacy and numeracy achievement is a key determinant of successful schooling and transition outcomes and a component of the schooling 'building block' under the National Indigenous Reform Agreement. To measure progress, COAG agreed on two performance indicators which report participation and achievement in NAPLAN at Years 3, 5, 7 and 9. These performance indicators are also reported in the National Education Agreement.

The national minimum standard is a measure of basic literacy and numeracy achievement in NAPLAN testing. Due to the smaller proportions of Indigenous students achieving the national minimum standard or above, it is a very important measure in reporting on progress to close the gap in literacy and numeracy achievement. An analysis of the size of the gap over time allows improvements in Indigenous students' achievement to be judged against improvements of the non-Indigenous student population over the same time period.

While the COAG target to close the 2008 gap between Indigenous and non-Indigenous students may be attained over time, the gap may in fact widen as improvements are accelerated in the non-Indigenous student population.

In its second year report on the NIRA, the council found that between 2008 and 2009, there was some decrease in the gap between Indigenous and non-Indigenous students at or above the national minimum standard in Reading and Writing, and to a lesser extent in Numeracy, mainly in the primary years of schooling.

As well as the national minimum standard, the council has also chosen to report on changes in NAPLAN mean scale scores in the NIRA. Figure 1 gives an example of change over time analysis in the second year report, showing an indication of the size of the difference between Indigenous and non-Indigenous students' achievement in Reading across 2008 and 2009. Although the mean scale score for Indigenous students is generally higher in 2009 than in 2008, the same is true for non-Indigenous students, resulting in almost no change in the size of the gap in achievement.

### Halving the gap in Year 12 attainment

Increasing the attainment of Year 12 or its vocational equivalent (Certificate II) plays a vital role in reducing disadvantage amongst Indigenous Australians. While school participation has increased for Indigenous young people over the past decade, in 2006 only 47.4 per cent of Indigenous 20–24 year olds had attained Year 12 or its equivalent compared to 83.8 per cent of non-Indigenous people of the same age (ABS 2006, Census of Population and Housing).

Under the NIRA, Indigenous Year 12 attainment is reported using the Census, with supplementary data available from the National Aboriginal and Torres Strait Islander Social Survey. Apparent retention rates and attendance rates are used as supplementary progress indicators to provide yearly data.

The council has expressed caution in looking at changes in apparent retention rates over time as the data are influenced by a number of factors which affect accuracy (such as school enrolment policies, repeating students, interstate migration and students moving between government, Catholic and independent schools).

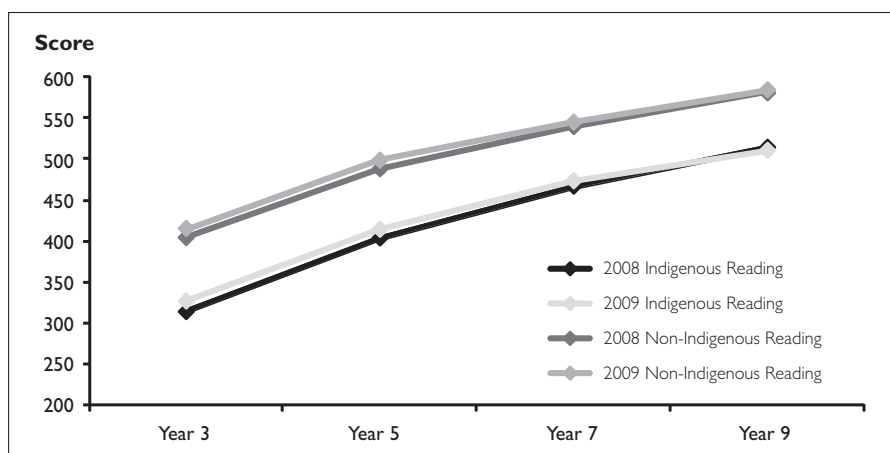


Figure 1: Mean scale scores, Reading, by Indigenous status, 2008 and 2009

Source: MCEECDYA (2008), ACARA (2009) National Assessment Program – Literacy and Numeracy: Achievement in Reading, Writing, Language Conventions and Numeracy 2008, 2009.

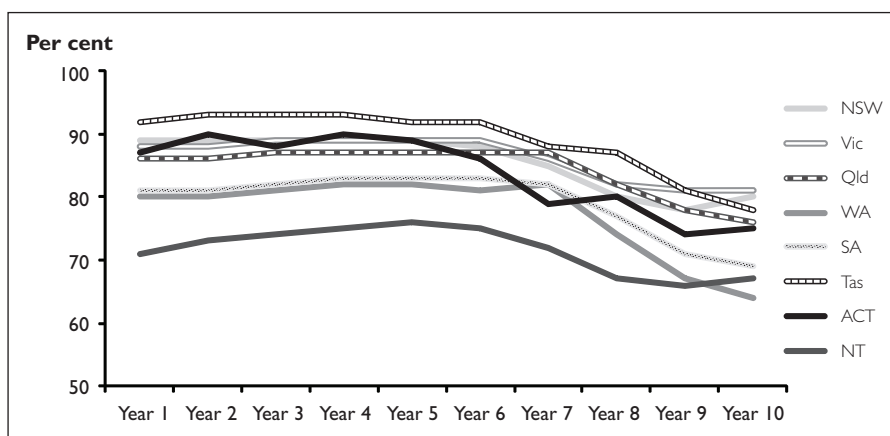


Figure 2: Attendance rates for Indigenous students, government schools, by State and Territory, 2009, per cent

Notes: No national average is available.

Source: ACARA (unpublished).

Nationally between 1995 and 2009, the retention rate to Year 12 for Indigenous students increased from 30.7 per cent to 45.4 per cent, an increase of 1.2 percentage points each year. The rate for the non-Indigenous population also increased, from 73.2 to 77.3 per cent, but at a slower rate of 0.3 percentage points per year.

Between 2007 and 2009, there was no improvement in Indigenous students' attendance in Year 10 in government schools.

Figure 2 presents data for all school years for government schools in 2009. It shows, the decrease in student attendance rates is marked at Years 7 and 8 – the first years of high school – in all States and Territories. Overall,

there was a decline in attendance rates after Years 7 and 8 until the lowest rates recorded in Years 9 and 10.

In its reports, the council has noted that the measure of Year 12 attainment could be based on the actual number of Year 12 completions by Indigenous students as identified through certificate information, allowing yearly reporting of progress. Currently, however, although this information is collected by each jurisdiction, it is based on different definitions and is not comparable across jurisdictions. The council would like to see the development of a comparable measure of Year 12 attainment based on administrative data. This would provide both a more robust and timely measure of this important performance indicator and target.

### Highlighting good practice and performance

In analysing performance, COAG has clearly stated that the council does not have a policy advising role, meaning it does not analyse the effectiveness of the governments' policies and programs behind the results of performance. However, the council does have a role in highlighting good practice and performance. The aim of reporting on good practice and performance is that, over time, innovative reforms or methods of service delivery within a jurisdiction(s) may be adopted by other jurisdictions.

In the context of National Agreements, good practice and performance emerges from the comparative analysis of jurisdictions' performance against nationally agreed performance indicators. It is intended to identify *good performance* as high relative achievement, or progress or improvement over time, in relation to COAG objectives and desired outcomes. Good practice is achieved through innovative reforms or methods of service delivery that are known to

be linked to the attainment of high-level outcomes.

The council has developed a framework that involves a two-stage process for identifying good performance and reporting on good practice. In Stage 1, the council, with external assistance if necessary, undertakes in-depth analysis of performance information in selected areas to better understand variations in performance across and/or within jurisdictions.

If a jurisdiction is identified as a high performer (when contextual factors are accounted for), the council will proceed to Stage 2. In Stage 2, jurisdictions with high relative performance are further examined to identify good practice – for example, strategies or interventions – that has helped steer systems or service providers towards the achievement of improved outcomes.

In the second year report on the National Indigenous Reform Agreement, the council reported analysis undertaken by the Australian Council for Education Research (ACER) to examine the performance information relating to the Year 12 (or equivalent) attainment of Indigenous students.

From the council's baseline report it is clear that outcomes for Indigenous students compared with non-Indigenous students varied across the States and Territories. In 2006, the proportion of Indigenous 20–24 year olds who had attained Year 12 or equivalent ranged from only 18.3 per cent in the Northern Territory to 66.2 per cent in the ACT (ABS 2006, Census of Population and Housing)

The broad aims of this project were to better understand variations in performance across and/or within jurisdictions, explore the role of key contextual factors in such variations and provide advice on a set of possible

good practice drivers for development in Stage 2.

Key findings of the ACER project were:

- Nationally, between 1995 and 2009 the retention rate to Year 12 increased from 30.7 per cent to 45.4 per cent, an increase of 1.2 percentage points each year. The Northern Territory and South Australia were exceptional cases in improvement (ABS (2010) *National Schools Statistics Collection*)
- For all Australia in 1996, there were 1 400 Indigenous students completing a VET qualification; by 2008, there were 10 800. This is nearly an eightfold increase. Total VET attainments for the period 1996 to 2008 show a pattern of increasing enrolments for Indigenous and other students, irrespective of the state or territory in which the students reside (ACER analysis of NCVET Students and courses data)
- In exploring different influences on Year 12 or Certificate II attainment, only two factors – achievement and educational intention – were significant predictors for Year 12 attainment for Indigenous students.
- Factors affecting the intention to complete Year 12 itself were higher achievement (nearly twice the chance), gender (Indigenous females nearly twice as likely to report plans to complete Year 12 as Indigenous males) and parental education. For non-Indigenous students, socioeconomic status, geo-location and language spoken at home were also significant.

It became clear to ACER and the council that any model of attainment which is driven by the data remains fledgling. The development of such a model is currently hindered by lack of both statistical data and robust program evaluations. Further analysis, both statistical and program evaluation,

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may be required before there can be a clearer understanding of Indigenous Year 12 attainment. In particular, further analysis would be needed to determine if any identified interventions are applicable across jurisdictions.

## Conclusion

The council's role in holding governments accountable to progress under each of the six targets introduces a stringent level of public accountability and transparency to performance reporting. However, the effectiveness of the council's public accountability role is dependent on the strength of the performance reporting framework – that is, the agreed objectives, outcomes, outputs and performance benchmarks and the associated information and data against which the council makes its assessments.

For many of the targets under the National Indigenous Reform Agreement, comparing the performance of jurisdictions and reporting on change over time presents a number of practical difficulties. As well as the overarching issue of Indigenous identification, for many of the targets and related performance indicators, year-to-year analysis of change is not possible, as data are not provided annually or limitations with the data mean that it is hard to detect change over short periods of time.

However, the data limitations under the NIRA are widely acknowledged and considerable work is being undertaken to address these difficulties. The shift to a focus on outcomes under the NIRA will significantly influence the development of data, and particularly of administrative data which hold great potential for measuring outcomes. As more data become available and longer term trends can be discerned, the council is confident that richer and more comprehensive assessments of progress will be able to be made,

indicating how successfully governments are tracking towards closing the gap.

## References

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