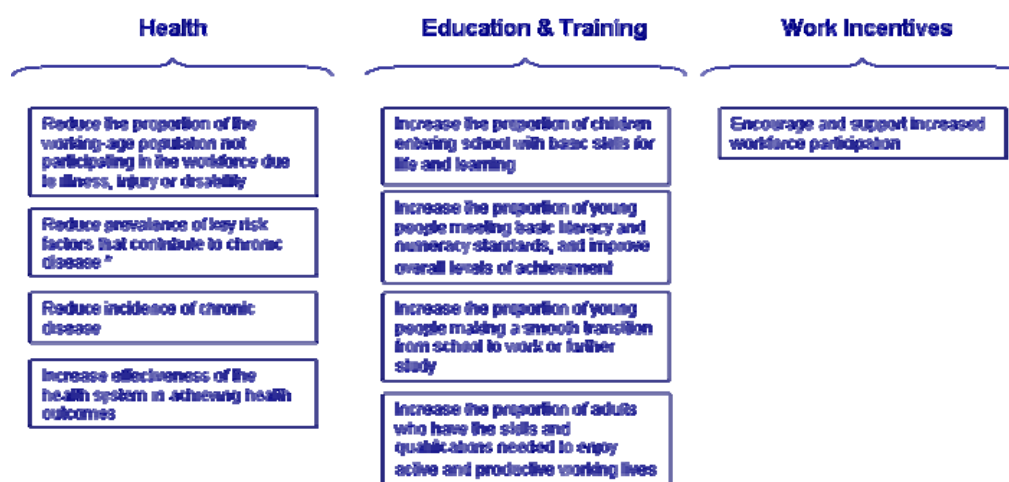


## ATTACHMENT A

### NATIONAL REFORM AGENDA: HUMAN CAPITAL STREAM

The Council of Australian Governments:

- agreed that the new national reform agenda should be based on an overarching theme of enhancing productivity and participation, with human capital as a key component;
- agreed that the priority areas of reform in the human capital component of the new national reform agenda are health, education and training, and work incentives;
- agreed to play a leadership role to facilitate policy integration and the adoption of a longer-term policy perspective across governments and portfolios;
- agreed that the new national reform agenda be based on the principle of improving outcomes in the priority areas of reform;
- noted the following indicative outcomes to boost productivity and participation will require further analysis as part of a framework for the development of Intergovernmental Action Plans (IAPs);



\* Chronic diseases include but are not limited to coronary heart disease, stroke, lung cancer, colorectal cancer, depression, diabetes, asthma, chronic obstructive pulmonary disease, chronic renal disease, oral diseases, arthritis and osteoporosis.

- agreed that the performance of all governments in pursuing these outcomes will be subject to measurement and reporting against appropriate progress measures;
- accepted the principle that health promotion, prevention and early intervention strategies are required to reduce the incidence of chronic disease, and improve overall health outcomes;
- accepted the principle that improving the effectiveness of the health sector is necessary to enhance significantly overall productivity, given the health sector accounts for nearly 10 per cent of GDP, and is expected to grow as a proportion of GDP;

- agreed that:-
  - Commonwealth-State specific purpose payments (SPPs) that impact significantly on the health system should be reviewed prior to their renegotiation. Such reviews should consider the appropriateness of SPPs as a mechanism to improve the health outcomes in Recommendation 5, without compromising health outcomes more generally. To this end, reviews should identify any elements of agreements that, if changed, could contribute to improved outcomes,
  - any such reviews should be passed to Heads of Government prior to the commencement of renegotiations on health SPPs, and
  - in light of the experience of reviews of SPPs in health, consideration be given to whether the design of major SPPs in other areas would benefit from a similar process before their renegotiation;
- accepted the principle that improvements in workforce productivity and participation require continuing skills development from the early childhood years – through school and working life – to retirement;
- agreed to give priority to improving early childhood development outcomes as part of a collaborative national approach;
- requested the Ministerial Council on Education, Employment, Training and Youth Affairs report back to it by June 2006 on strategies to ensure that policies and programs relating to transition pathways from school to work are developed and delivered to achieve nationally-agreed objectives, and to ensure that information is collected to track youth transitions;
- adopted the principle that all governments should pursue strategies to improve the workforce participation of key groups such as those on welfare, mature age and women; and
- agreed that:-
  - COAG Senior Officials, in consultation with other relevant bodies such as the Report on Government Services (ROGS) Steering Committees, should continue to develop and refine progress measures, and identify how data limitations may be addressed recognising the different circumstances of jurisdictions,
  - the Prime Minister, on behalf of COAG, should write to the Chair of the ROGS Steering Committee requesting that it support COAG in addressing the new national reform agenda's data needs; and
  - as a first step, COAG Senior Officials will report back to COAG by June 2006 with an overarching Intergovernmental Action Plan (IAP) for human capital. This is to encompass health, education and training, and work incentives, and include:-
    - principles,
    - outcomes, and
    - progress measures.