1 About this report

## The National Partnership Agreement and the Productivity Commission’s role

This report assesses the performance of State and Territory governments against the four benchmarks set out in the National Partnership Agreement on Essential Vaccines.

### The Productivity Commission’s role

Under the Intergovernmental Agreement on Federal Financial Relations, the COAG Reform Council (CRC) was responsible for assessing State and Territory performance against the benchmarks in the National Partnership Agreement on Essential Vaccines (the NP) associated with reward payments. The CRC produced three annual assessment reports (the latest for the period 1 April 2012 to 31 March 2013) before it was abolished in mid‑2014.

In February 2015, the Department of the Prime Minister and Cabinet advised the Commission that, with the agreement of COAG, the NP had been varied to allow the Commission to undertake this assessment, with the first assessment report relating to the period 1 April 2013 to 31 March 2014. The Productivity Commission provided the first assessment report to COAG on 30 April 2015.

### The National Partnership Agreement on Essential Vaccines

The NP aims to improve the health and wellbeing of Australians through the cost-effective delivery of immunisation programs under the National Immunisation Program. The NP is ongoing, with 4 per cent of the annual total essential vaccine funding expenditure available for incentive payments, and from 2011-12 onwards up to 60 per cent of incentive payments available as reward payments (Schedule F, paras 1-2).

Under the NP, the States and Territories have agreed to maintain and where possible improve immunisation coverage rates (para 15). The NP contributes to the following four outcomes:

* minimise the incidence of major vaccine preventable diseases in Australia
* maintain and where possible increase immunisation coverage rates for vulnerable groups and, in particular, minimise disparities between Indigenous and non-Indigenous Australians
* all eligible Australians are able to access high quality and free essential vaccines through the National Immunisation Program in a timely manner
* increase community understanding and support for the public health benefits of immunisation (para 16).

### The assessment task

The Productivity Commission’s role is to provide an independent assessment to COAG on whether States and Territories have achieved the agreed performance benchmarks (Schedule F, replacement clauses 4 and 41). The assessment is provided to COAG before reward payments are made (Schedule F, replacement clause 2). The Productivity Commission does not recommend whether payments should be made under the NP (Schedule F, replacement clause 41).

The four benchmarks with reward payments in the NP for which an assessment is made are:

* Benchmark 1: maintaining or increasing vaccine coverage for Indigenous Australians
* Benchmark 2: maintaining or increasing coverage in agreed areas of low immunisation coverage
* Benchmark 3: maintaining or decreasing wastage and leakage
* Benchmark 4: maintaining or increasing vaccination coverage for four year olds (para 37).

Each State and Territory must achieve at least two of the four performance benchmarks to be eligible to receive a reward payment (para 38).

The National Immunisation Program Schedule sets out the vaccination program for children and adults. The benchmarks under the NP include children in the following age groups:

* 12–15 months (1 year olds)
* 24–27 months (2 year olds)
* 60–63 months (4 year olds).

A four year old can be vaccinated at any time during that year so long as they are fully vaccinated by five years of age. A three month lag period for all age groups allows for late immunisation notifications.

Data for this assessment task was provided by the Commonwealth Department of Health to the Productivity Commission.

### The Productivity Commission’s assessment

Specifications for the four benchmarks were endorsed by the Australian Health Ministers Advisory Council out of session on 4 January 2011 and are included in appendix A. Three of the four benchmarks in the NP require annual maintenance of performance or improvement relative to previous performance. There are agreed methods for establishing new annual baselines and tracking improvement for each benchmark in the assessment period. These are described in further detail in appendix A and summarised below:

**Benchmark 1**: **maintaining or increasing vaccine coverage for Indigenous Australians**

* The baseline for each assessment year for each State and Territory for each of the three age groups is the higher of:
* its lowest coverage rate from the previous three assessment periods or
* its baseline in the previous assessment period.
* The benchmark is met if at least two of the three age groups have coverage rates equal to or greater than the baseline or 92.5 per cent.

**Benchmark 2: maintaining or increasing coverage in agreed areas of low immunisation coverage**

* The average coverage rate for each State and Territory for the current assessment period must be greater than or equal to its average coverage rate for the previous assessment period.
* The benchmark is met if this is achieved in both of the 12–15 and 60–63 month age groups.[[1]](#footnote-1)

**Benchmark 3: maintaining or decreasing wastage and leakage**

* The benchmark is met for each State and Territory if its wastage or leakage is less than or equal to 10 per cent.

**Benchmark 4: maintaining of increasing vaccination coverage for four year olds**

* The baseline for each assessment year for each State and Territory is the higher of:
* its lowest coverage rate from the previous three assessment periods or
* its baseline in the previous assessment period.
* The benchmark is met if the coverage rate is greater than or equal to the baseline or 92.5 per cent.

1. Areas of low immunisation coverage are specified as areas with coverage rates 5 per cent or lower than the national rate and with at least 2 per cent of the State population for the relevant age group (see Appendix A). The specification for benchmark 2 does not state how to assess jurisdictions which have no low coverage areas. For this cycle of reporting, the Productivity Commission has taken the approach whereby a jurisdiction that has no low coverage areas for both age groups (and for which this has been independently verified by the Commonwealth Department of Health) is assessed as having met the benchmark. The intent of the benchmark is to improve coverage in low coverage areas, therefore a result of no low coverage areas indicates the intent has been met. This approach differs to that used for the previous cycle of reporting, where independent verification of the low coverage areas was not available within the required timeframes for reporting (this did not impact on the eligibility of jurisdictions for reward payments). [↑](#footnote-ref-1)