
2 Recent developments in the Report

2.1 Developments in reporting

This is the eleventh Report on Government Services produced by the Review. Reporting is an iterative process, and the Review endeavours each year to build on developments of previous years. Since the Review published its first Report in 1995 (SCRCSSP 1995), there has been a general improvement in the data collected.

Enhancements to the Report fall into two categories:

- improvements to the data reported against performance indicators, including:
 - improved comparability, timeliness and/or quality of data
 - expanded reporting for special needs groups (such as Indigenous Australians)
 - improved reporting of full costs to government
- the inclusion of new indicators, reporting against performance indicators for the first time and refinements to those already reported.

Improvements in reporting for the 2006 Report

Education

The scope of reporting in chapter 3 ('School education'), has been enhanced by including nationally comparable learning outcomes data for:

- year 6 primary science literacy performance
- year 7 reading, writing and numeracy performance
- year 3, 5 and 7 reading, writing and numeracy performance by geolocation
- reading literacy, mathematical literacy, scientific literacy and problem solving for 15 year olds.

This year, chapter 4 ('Vocational education and training'), has been enhanced by:

- reporting on 'government recurrent expenditure per load pass' and 'cost of capital per load pass'
- developing a stand-alone indicator for Indigenous people participating in vocational education and training (VET)
- revising data items following the redesign of the student outcomes survey
- replacing indicators 'students meeting main objective for doing a course' and 'vocational outcomes' with 'student satisfaction with VET' and 'student employment and further study outcomes' respectively
- reporting on skills output from VET.

Justice

Development work continues in chapter 5 ('Police services') and chapter 6 ('Court administration') but no significant improvements were introduced in this Report. In chapter 7 ('Corrective services'), the indicator framework was revised and indicators for 'escapes/absconds' and 'completion of community orders' reclassified as outcome rather than output indicators.

Emergency management

No significant improvements have been made to reporting on chapter 8 ('Emergency management') for this report.

Health

Reporting in chapter 9 ('Public hospitals') has been improved this year through the inclusion of three new indicators:

- 'pre-anaesthetic consultation rates' are reported as an indicator of the safety aspect of quality
- 'patient satisfaction' and 'sentinel events' are reported as indicators of outcomes for public hospitals.

The following significant improvements have been made in chapter 10 ('Primary and community health'):

- data on the Pharmaceutical Benefits Scheme (PBS) are included for the first time, including the 'availability of PBS medicines' indicator

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- the ‘availability of GPs by region’ indicator is now reported by State and Territory
 - the previously reported ‘management of diabetes’ indicator has been split into ‘management of diabetes’ and ‘hospitalisations for diabetes’ indicators
 - the inclusion of Indigenous data for the ‘hospitalisations for vaccine preventable conditions’ and ‘hospitalisations for diabetes’ indicators (previously reported in the public hospitals chapter).

No significant improvements have been made to reporting on chapter 11 (‘Health management issues’) for this Report.

Community services

In chapter 12 (‘Aged care services’) additions and improvements this year include:

- provision of age and sex specific usage rates by jurisdiction and remoteness category for high and low care residential services, Community Aged Care Packages (CACP) and the Extended Aged Care at Home (EACH). (For Indigenous populations, these data are combined for high and low care residential services and for CACP)
- reporting of outcomes of appraisals of Home and Community Care (HACC) agencies over the three year period to 2003-04 for the indicator ‘compliance with service standards for community care’.

Significant improvements in the reporting of chapter 13 (‘Services for people with a disability’) include:

- the reporting of data on community access to services against the ‘service use by severity of disability’ indicator
- the reporting of data by special needs groups against the ‘labour force participation and employment’ outcome indicator
- the inclusion of Commonwealth State/Territory Disability Agreement (CSTDA) National Minimum Data Set (NMDS) service user data collected over a whole year (2003-04 data) — this is an improvement over the six months of data reported in last year’s report (2002-03 data) and the data for previous reports sourced from the CSDA NMDS snapshot day collections.

Major improvements in chapter 14 (‘Children’s services’) include reporting for the first time of data on preschool service costs, and hospital admissions resulting from injuries sustained in children’s services. There are also improvements to data quality and comparability.

In chapter 15 ('Protection and support'), the Supported Accommodation Assistance Program (SAAP) outcome indicator 'goals achieved on exit from service' is reported on a comparable basis for the first time.

Housing

In chapter 16 ('Housing'), the performance indicator framework for Commonwealth Rent Assistance has been revised and simplified. Data are reported for the first time on customer satisfaction with State owned and managed Indigenous housing.

2.2 Progress with indicator development

A revised Review framework was implemented for all chapters in the 2005 Report. The implementation of the framework has led to the development of new indicators in particular areas, and to a reassessment of indicators reported. Refinement of performance information is continuing as new research and data become available.

An examination of reporting against the framework across service areas identified the following issues:

- There continues to be a paucity of information about cost-effectiveness (that is, measures of cost per outcome achieved). The lack of cost-effectiveness data partly reflects the difficulty of collecting robust quantitative information on outcomes. No cost-effectiveness indicators are reported, and only one notional indicator of cost-effectiveness has been identified (for breast cancer detection and management) and the indicator has not been developed.
- Few outcome indicators relate directly to equity. This lack has been emphasised by the revised framework's distinction between equity and access.
- Similarly, there are relatively few output indicators of equity or access.
- There are relatively few indicators of output quality compared with those for other output characteristics (effectiveness, access and appropriateness).

Identification of gaps in reporting should also take into account how well currently reported indicators measure the various aspects of service provision. There may be scope to improve the appropriateness or quality of currently reported indicators.

2.3 Progress with key data issues

The Review has identified the following ongoing data issues that affect the quality of information in the Report: timeliness of data; comparability of data; changes to the administrative data collections; full costing of government services; and reporting of data for special needs groups.

Timeliness

As noted in chapter 1, recent data are more useful for policy decision making but there can be a tradeoff between the accuracy of the data and their timeliness. The Review's approach is to publish imperfect data with caveats. This approach allows increased scrutiny of the data and reveals the gaps in critical information, providing the foundation for developing better data over time. Table 2.1 summarises the time periods for data reported this year. The following is of particular note:

- There has been improvement in the timeliness of learning outcomes data, with data for 2003-04 available for several learning domains.
- The most recent police services data on reporting rates is for 2002 for the 2006 Report.
- All data for specialised mental health services are provided one year in arrears (that is, 2003-04 data for the 2006 Report).
- There is significant scope for improving the timeliness of maternity services quality data.
- The 'Children services' data collected by the Australian Government Census of Child Care Services are collected every two years. There were no new data available for the current Report, although previously published preliminary data were updated with final figures. The Australian Bureau of Statistics (ABS) Child Care Survey is conducted every three years. Results from the 2005 survey were not available for this Report, and results from the 2002 survey were republished.
- In the 'Protection and support' chapter, the latest data for 'unmet demand' for SAAP were for 2002-03.
- In the 'Housing' chapter, community housing data for 'total rent collected as a proportion of total rent charged' is collected one year in arrears (2003-04 for the 2006 Report). Summary CSHA funding data were available for the 2003-04 financial year.

Data on the ‘interval cancer rate’ in the breast cancer detection and management section of chapter 11 rely on data matching and follow-up between screening periods and between screening services and medical services. Such processes take a number of years, resulting in a marked lag in reporting.

Timeliness of data for services for people with a disability was affected by the introduction of a new data collection methodology in 2002-03. The shift to a whole-of-year collection based on administrative data (replacing a previous snapshot day collection), has meant that data are provided one year in arrears (that is, 2003-04 data for the 2006 Report).

Table 2.1 Time period of reported performance results, 2006 Report

| <i>Service area/indicator framework</i> | 2002-03 or 2002 | Previous year (2003-04 or 2003) | Current year (2004-05 or 2004) |
|---|---------------------------------------|--|--------------------------------|
| <i>Education</i> | | | |
| School education | Learning outcomes | Learning outcomes and efficiency | ✓ |
| VET | | Number of VET qualifications completed | ✓ |
| <i>Justice</i> | | | |
| Police services | Reporting rates | Higher courts and hospitalisations | ✓ |
| Court administration | | | ✓ |
| Corrective services | | | ✓ |
| <i>Emergency management</i> | | | |
| Fire events | | Hospitalisations and deaths | ✓ |
| Ambulance events | | | ✓ |
| Road rescue events | | | ✓ |
| <i>Health</i> | | | |
| Public hospitals | | Hospitalisations | Quality✓ |
| Maternity services | Quality | Hospitalisations, deaths and efficiency | Quality and outcomes✓ |
| Primary and community health | | Hospitalisations Cervical cancer | ✓ |
| Breast cancer ^a | | | ✓ |
| Mental health | | ✓ | |
| <i>Community services</i> | | | |
| Aged care services | | ACAT, HACC national service standards appraisal and assessment unit cost | ✓ |
| Services for people with a disability | | Services Efficiency ^b | Efficiency ^c ✓ |
| Children's services | Preschool services cost, Unmet demand | Hospital separations | ✓ |
| Child protection and out-of-home care | | Substantiation/ re-substantiation | ✓ |
| SAAP | Unmet demand | | ✓ |
| <i>Housing assistance</i> | | | |
| Public housing | | | ✓ |
| Community housing | | Rent collected | ✓ |
| State owned and managed | | | ✓ |
| Indigenous housing | | | |
| Commonwealth Rent Assistance | | | ✓ |

✓ = All data or all other data. ACAT = aged care assessment teams. SAAP = Supported Accommodation Assistance Program. ^a Data for the 'interval cancer rate' rely on data matching and follow-up between cancer screening periods and between screening services and medical services. Such processes take a number of years, hence the marked lag in reporting. ^b Cost per user of government provided services and the government contribution per user of non-government provided services. ^c Administrative expenditure as a proportion of total expenditure.

Comparability of data

Performance indicator framework diagrams in each chapter are shaded to reflect which indicators are reported on a comparable basis. Table 2.2 summarises the proportion of performance indicators in each service area with comparable data. Emergency management (13 per cent), child protection and out-of-home care (29 per cent), maternity services (30 per cent), public hospitals (36 per cent) and children's services (44 per cent) have the smallest proportions of indicators reported on a comparable basis.

Table 2.2 Indicators reported on a comparable basis, 2006 Report

| <i>Service area/indicator framework</i> | <i>Indicators with data reported</i> | <i>Indicators reported on a comparable basis</i> | <i>Proportion comparable</i> | <i>Change since last year in number reported on a comparable basis</i> |
|---|--------------------------------------|--|------------------------------|--|
| | no. | no. | % | no. |
| <i>Education</i> | | | | |
| School education | 12 | 9 | 75 | – |
| VET | 12 | 10 | 83 | 4 |
| <i>Justice</i> | | | | |
| Police services | 26 | 13 | 50 | – |
| Court administration | 6 | 3 | 50 | – |
| Corrective services | 12 | 10 | 83 | – |
| Emergency management | 15 | 2 | 13 | – |
| <i>Health</i> | | | | |
| Public hospitals ^a | 14 | 5 | 36 | – |
| Maternity services | 10 | 3 | 30 | – |
| Primary and community health | 22 | 22 | 100 | 2 |
| Breast cancer | 11 | 7 | 64 | – |
| Mental health | 8 | 4 | 50 | – |
| <i>Community services</i> | | | | |
| Aged care services | 13 | 12 | 92 | – |
| Services for people with a disability | 14 | 8 | 57 | – |
| Children's services | 16 | 7 | 44 | 3 |
| Child protection and out-of-home care | 14 | 4 | 29 | – |
| SAAP | 12 | 6 | 50 | 1 |
| <i>Housing</i> | | | | |
| Public housing | 12 | 12 | 100 | – |
| Community housing | 10 | – | – | – |
| State owned and managed | | | | |
| Indigenous housing | 11 | 11 | 100 | 2 |
| Commonwealth Rent Assistance ^b | 8 | 9 | 89 | -3 |

SAAP = Supported Accommodation Assistance Program. ^a Data previously reported as three indicators have been moved to the descriptive section of the chapter. ^b The performance indicator framework was revised and the total number of indicators reduced (rather than a decrease in comparability). – Nil or rounded to zero.

Changes to administrative data collections

The discontinuation of data sets and the commencement of reporting from new data sets have implications for performance reporting by the Review. Time series comparisons, scope, comparability and accuracy of data can be affected, as can the ability to develop performance indicators.

Review requirements are not necessarily a priority in the development or refinement of national minimum data sets (NMDSs) or other types of information infrastructure. There can be, for example, a significant delay between the first data collection period and when data from a new data set become publicly available. This delay is partly due to implementation problems that can affect data quality for several years. In other cases, collection of data is staged, so comprehensive data sets are not immediately available. For the purposes of the Review, this can mean that reporting scope and data quality are diminished for some time until the new data sets are fully operational.

Specialised mental health services

Mental health care NMDSs have been developed covering public community mental health services and specialised psychiatric care for patients admitted to public and private hospitals. These data will be collated by the Australian Institute of Health and Welfare (AIHW) and will eventually replace the National Survey of Mental Health Services (the current source of national performance-related data). The aim is to mainstream data for mental health services, and there is a long term plan to restructure and combine mental health and broader health data sets. Limited data from the admitted patient mental health care NMDS are available (for separations and patient days) and are reported in the descriptive section of the chapter 11 ('Health management issues').

Justice

The ABS is coordinating a National Information Development Plan (NIDP) for crime and justice statistics. The plan outlines the nationally agreed needs for data in crime and justice, current key data sources (both ABS and other agencies) and information gaps with reference to national data requirements. The NIDP lists priority areas for improving the quality, coverage and use of crime and justice information across Australia and provides a map of the work planned over the next three years.

Juvenile justice

The AIHW has developed a NMDS set for juvenile justice. Detailed reporting for the period 2000-01 to 2003-04 is due to be published in 2005-06. A performance indicator framework is also being developed. The 'Community services' preface of the Report continues to include descriptive information on juvenile justice until performance-related data are available for future reports.

Services for people with a disability

A new Commonwealth State/Territory Disability Agreement (CSTDA) NMDS collection — developed jointly by the National Disability Administrators and the AIHW — was implemented in 2002-03. Full year data for 2003-04 were available for this Report.

Children's services

The National Community Services Information Management Group (NCSIMG) is developing a children's services NMDS. In September 2005, the data items were endorsed by NCSIMG, completing the development phase. The project is now moving to the implementation phase. Outstanding issues to be addressed are agreement about the best mechanism for data collection, funding arrangements and the creation and maintenance of a register of service providers.

Costing of services

In addition to the Review objective that funding of, or costs for, service delivery be measured and reported on a comparable basis, a further objective of the Review is that efficiency estimates reflect the full costs to government. The Review has identified three priority areas for improving the comparability of unit costs, and developed appropriate guidelines in each case:

- including superannuation on an accrual basis (SCRCSSP 1998b)
- accounting for differences in the treatment of payroll tax (SCRCSSP 1999b)
- including the full range of capital costs (for asset measurement only, see SCRCSSP 2001).

Other issues influence the comparability of cost estimates. Where possible, the Review has sought to ensure consistency in:

- accounting for the goods and services tax

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- reporting accrued benefits to employees (such as recreation and long service leave)
 - apportioning relevant departmental overhead costs
 - reporting non-government sourced revenue.

Reforms to treasury and finance department accounting guidelines in most jurisdictions require government agencies to adopt accrual accounting, rather than cash accounting, in their financial reporting frameworks. Accrual accounting is based on the principle that the agency recognises revenue and expenses when they are earned and incurred respectively. Cash accounting, in contrast, recognises revenue and expenses when they are collected and paid respectively.

Accrual accounting has assisted the Review to meet its full costing principle, but has produced a break in the time series for financial data. Government finance statistics data published by the ABS since 1998-99 are based on accrual methods, but are not consistent with earlier data collected on the basis of cash accounting methods. As a general rule, care needs to be taken when comparing financial data in cases where some agencies adopted accrual accounting later than others.

Table 2.3 provides an overview of the Review's progress in reporting on an accrual basis, meeting the principle of reporting full cost to government (incorporating depreciation and the user cost of capital) and adjusting for differences in superannuation and payroll tax. A brief discussion of each of the issues follows.

Superannuation

The treatment of superannuation is a significant issue when measuring the unit cost for many services because it often makes up a major component of overall costs and can be treated differently across services and jurisdictions. The Review researched the current treatment of superannuation costs and developed approaches to improve the consistency of treatment of superannuation in cost estimates (SCRCSSP 1998b). The extent to which individual agencies consistently report actuarial estimates of superannuation costs depends on the respective jurisdictions' implementation of accrual accounting systems.

Table 2.3 Progress of unit cost comparability, 2006 Report

| Service area/indicator framework | What is the accounting regime? ^a | Full cost to government | | | |
|--|---|---------------------------|---------------------------------------|---|--|
| | | Is depreciation included? | Is the user cost of capital included? | Is superannuation included on an accrual basis? | Is payroll tax treated in a consistent manner? |
| <i>Education</i> | | | | | |
| School education | Accrual | ✓ | ✓ | ✓ | ✓ |
| VET | Accrual | ✓ | ✓ | ✓ | ✓ |
| <i>Justice</i> | | | | | |
| Police services | Accrual | ✓ | ✓ | ✓ | ✓ |
| Court administration | Accrual | ✓ | na | ✓ | ✓ |
| Corrective services | Accrual | ✓ | ✓ | ✓ | ✓ |
| <i>Emergency management</i> | | | | | |
| Fire events | Accrual | ✓ | ✓ | na | ✓ |
| Ambulance events | Accrual | ✓ | ✓ | na | ✓ |
| <i>Health</i> | | | | | |
| Public hospitals | Accrual | ✓ | ✓ | ✓ | ✓ |
| Maternity services | Accrual | ✓ | ✓ | ✓ | ✓ |
| Primary and community health ^b | Accrual | .. | .. | .. | .. |
| Breast cancer | Accrual | na | na | na | na |
| Mental health | Accrual | x | x | ✓ | na |
| <i>Community services</i> | | | | | |
| Aged care services ^b | Accrual | .. | .. | .. | ✓ |
| Services for people with a disability | Accrual | ✓ | x | ✓ | ✓ |
| Children's services | Accrual | ✓ | x | x | x |
| Child protection and out-of-home care ^b | Accrual | ✓ | x | ✓ | ✓ |
| SAAP ^b | Accrual | .. | .. | .. | .. |
| <i>Housing assistance</i> | | | | | |
| Public housing | Accrual | ✓ | ✓ | na | ✓ |
| Community housing | Transition | x | x | x | x |
| State owned and managed Indigenous housing | Accrual | x | x | na | ✓ |
| Commonwealth Rent Assistance ^c | Accrual | .. | .. | .. | .. |

SAAP = Supported Accommodation Assistance Program. ✓ Majority of jurisdictions have included this item or reported it separately, or have included it on an accrual basis. x Majority of jurisdictions have not included or reported this item, or not included it on an accrual basis. ^a Accrual: the majority of jurisdictions have reported in accrual terms for the data in the 2006 Report. Transition: the majority of jurisdictions have not reported on either a pure cash or accrual basis. ^b Costs comprise mostly Australian Government transfer payments to private service providers or households. ^c Costs comprise mostly Australian, State or Territory government transfer payments to households. na Not available. .. Not applicable.

Payroll tax

Payroll tax makes up a small but significant part of the cost of many government funded and delivered services. It is particularly significant for services with a high

proportion of labour costs. Differences in the treatment of payroll tax therefore can affect the comparability of unit costs across jurisdictions and services. These differences include payroll tax exemptions, marginal tax rates, tax-free thresholds and clawback arrangements. Accounting for the effect of payroll tax can be particularly important for improving the comparability of the unit costs of private and public service providers where the tax treatment of the two types of organisation differ.

The Steering Committee (SCRCSSP 1999b) recommended two approaches for managing the comparability of cost data affected by payroll tax issues:

- when the majority of services are taxable, include a hypothetical payroll tax amount in cost estimates for exempt services, based on the payroll tax liability had the service not been exempt from payroll tax
- when the majority of services are tax exempt, deduct the payroll tax amount from the costs of those government services that are taxable.

The Steering Committee subsequently expressed a preference for removing payroll tax from reported cost figures, where feasible, so cost differences between jurisdictions are not caused by differences in jurisdictions' payroll tax policies. In some chapters, however, it has not been possible to separately identify payroll tax, and a hypothetical amount has been included where relevant.

The chapters on school education and VET add a hypothetical payroll tax amount for exempt jurisdictions. The chapters on police services, court administration, corrective services and public hospitals, public housing and State owned and managed Indigenous housing deduct the amount from those services that are taxable. Reporting for services for people with a disability presents and residential aged care services present the data adjusted in both ways. In the chapter on protection and support services, payroll tax is included for jurisdictions that are liable, but data difficulties mean no adjustment is made for those jurisdictions that are not liable. The Review is examining the treatment of payroll tax in some service areas — for example, breast cancer detection and management, and mental health management.

Capital costs

Under accrual accounting, the focus is on the capital used (or consumed) in a particular year, rather than on the cash expenditure incurred in its purchase (for example, the purchase costs of a new building).

Capital costs comprise two distinct elements:

- depreciation — defined as the annual consumption of non-current physical assets used in delivering government services
- the user cost of capital — the opportunity cost of funds tied up in the capital used to deliver services (that is, the return that could be generated if the funds were employed in their next best use).

It is important to incorporate the full impact of capital costs in cost comparisons. Capital can be a significant component of service delivery costs. Given that it is costed in full for contracted elements of service delivery, any comparison with non-contractual government services requires the inclusion of an appropriate capital component in the cost of non-contractual services. Unit costs calculated on the basis of recurrent expenditure underestimate the underlying costs to governments. The inclusion of capital expenditure in unit cost calculation, however, does not guarantee accurate or complete estimates of these costs in a given year.

To improve the comparability of unit costs, the Steering Committee decided that both depreciation and the user cost of capital should be included in unit cost calculations (with the user cost of capital for land to be reported separately). The Steering Committee also agreed that the user cost of capital rate should be applied to all non-current physical assets, less any capital charges and interest on borrowings already reported by the agency (to avoid double counting). The rate used for the user cost of capital is based on a weighted average of rates nominated by jurisdictions (currently 8 per cent).

Depreciation and the user cost of capital are derived from the value assigned to non-current physical assets. Differences in the techniques for measuring the quantity, rate of consumption and value of non-current physical assets may reduce the comparability of cost estimates across jurisdictions. In response to concerns regarding data comparability, the Steering Committee initiated a study — *Asset Measurement in the Costing of Government Services* (SCRCSSP 2001) — to examine the extent to which differences in asset measurement techniques applied by participating agencies affect the comparability of reported unit costs. The study considered the likely materiality of differences in asset measurement techniques for corrective services, housing, police services and public hospitals.

The study found that differences in asset measurement techniques can have a major impact on reported capital costs, and have the potential to affect the cost rankings among jurisdictions. Its results suggested that the differences created by these asset measurement effects are generally relatively small in the context of total unit costs because capital costs represent a relatively small proportion of total cost (except for housing). In housing, where the potential for asset measurement techniques to

influence total unit costs is greater, the adoption under the Commonwealth State Housing Agreement of a uniform accounting framework has largely prevented this from occurring. The adoption of national uniform accounting standards across all service areas would be a desirable outcome from the perspective of the Review.

Other costing issues

Other costing issues include accounting for the goods and services tax, the reporting of accrued benefits to employees, the apportionment of costs shared across services (mainly overhead departmental costs) and the treatment of non-government sourced revenue.

Government agencies are treated in the same manner as other businesses for goods and services tax (GST). That is, government agencies are not exempt from GST on their purchases, and can claim input tax credits for the GST paid on inputs. Data reported in this Report are net of GST paid and input tax credits received unless otherwise specified. The GST appears to have little quantifiable impact on the performance indicators in this Report.

The issue of accrued benefits to employees is addressed primarily through the adoption of accrual accounting and the incorporation of explicit references to these benefits within the definition of costs.

Full apportionment of departmental overheads is consistent with the concept of full cost recovery. The practice of apportioning overhead costs varies across the services in the Report.

For non-government sourced revenue, some services deduct such revenue from their estimates of unit costs where it is relatively small (for example, in police services and court administration). The costs reported are therefore an estimate of net cost to government. However, where revenue from non-government sources is significant (such as with public hospitals, fire services and ambulance services), the net cost to government does not enable an adequate assessment of efficiency. In these instances, it is necessary to report both the gross cost and the net cost to government to obtain an adequate understanding of efficiency.

Reporting for special needs groups

Some chapters of the Report focus on the performance of agencies in providing services to specific groups in society — for example, the chapters on aged care services, services to people with a disability, and children’s services. Across the Report, the Review also seeks to report on the performance of agencies providing

services for three identified special needs groups: Indigenous people; people living in communities outside the capital cities (that is, people living in other metropolitan areas, or rural and remote communities); and people from a non English speaking background. There is a paucity of data on outcomes for these groups (tables 2.4, 2.5 and 2.6).

Indigenous Australians

In May 1997, the Prime Minister asked the Review to give particular attention to the performance of mainstream services in meeting the needs of Indigenous Australians. The Council of Australian Governments (COAG) reinforced this request at its 3 November 2000 meeting, where heads of government agreed that ministerial councils will develop action plans, performance reporting strategies and benchmarks to facilitate review of progress in this area. Table 2.4 provides an indication of which service areas report at least one data item on Indigenous Australians.

COAG report on Indigenous disadvantage

In April 2002, COAG commissioned the Steering Committee to produce a regular report on key indicators of Indigenous disadvantage. The Review released the second edition of this Report, *Overcoming Indigenous Disadvantage: Key Indicators 2005* (SCRGSP 2005a), in July 2005.

Indigenous compendium

Since 2003, the Steering Committee has compiled all of the data items on Indigenous Australians included in the Report on Government Services into a separate Indigenous compendium. The most recent compendium (of data from the 2005 Report) was released in May 2005 (SCRGSP 2005b). A compendium of Indigenous data from this Report will be released in mid-2006.

Data collection issues

The task of collecting data on Indigenous Australians is complicated by the fact that many administrative data collections do not distinguish between Indigenous and non-Indigenous clients. The method and level of identification of Indigenous people appear to vary across jurisdictions. Further, surveys do not necessarily include an Indigenous identifier and, when they do, may not undertake sufficient sampling of Indigenous people to provide reliable results.

The ABS plays an important role in this area. Work being undertaken by the ABS includes:

- an ongoing program to develop and improve Indigenous data flowing from Australian, State and Territory administrative systems
- work with other agencies to ensure Indigenous people are identified in relevant systems and that statistics are of adequate quality. Priority is initially being given to the improvement of births and deaths statistics in all states and territories. Other priorities include hospital, community services, education, housing, and crime and justice statistics
- work with other agencies to develop and support national Indigenous information plans, Indigenous performance indicators and Indigenous taskforces on a number of topics
- an expansion of its Household Survey Program to collect more regular Indigenous statistics, including regular Indigenous general social surveys, Indigenous sample supplementation in regular health surveys, and annual Indigenous labour force estimates.

The Ministerial Council on Aboriginal and Torres Strait Islander Affairs has established a working party to develop an Indigenous Demographics paper, that aims to identify methodological issues in Indigenous data collections, outline how these are being addressed and identify any remaining gaps.

The Review will draw on these initiatives in future reports.

Table 2.4 Reporting of at least one data item on Indigenous Australians, 2006 Report

| <i>Service area/indicator framework</i> | <i>Descriptive</i> | <i>Outcomes</i> | <i>Outputs</i> | | |
|--|--------------------|-----------------|----------------|----------------------|-------------------|
| | | | <i>Equity</i> | <i>Effectiveness</i> | <i>Efficiency</i> |
| <i>Education</i> | | | | | |
| Education preface | ✓ | x | x | x | x |
| School education | ✓ | ✓ | ✓ | ✓ | x |
| VET | ✓ | ✓ | ✓ | ✓ | x |
| <i>Justice</i> | | | | | |
| Justice preface | x | x | x | x | x |
| Police services | ✓ | ✓ | ✓ | x | x |
| Court administration | x | x | x | x | x |
| Corrective services | ✓ | x | x | ✓ | ✓ |
| <i>Emergency management</i> | | | | | |
| Fire events | x | x | x | x | x |
| Ambulance events | x | x | x | x | x |
| Road rescue events | x | x | x | x | x |
| <i>Health</i> | | | | | |
| Health preface | ✓ | ✓ | x | x | x |
| Public hospitals | ✓ | x | x | x | x |
| Maternity services | x | ✓ | x | x | x |
| Primary and community health | ✓ | ✓ | x | x | x |
| Breast cancer | x | ✓ | x | x | x |
| Mental health | ✓ | ✓ | x | x | x |
| <i>Community services</i> | | | | | |
| Community services preface | ✓ | x | x | x | x |
| Aged care services | ✓ | x | ✓ | x | x |
| Services for people with a disability | x | x | ✓ | ✓ | x |
| Children's services | x | x | ✓ | x | x |
| Child protection | ✓ | x | x | ✓ | x |
| Out of home care | ✓ | x | x | ✓ | x |
| SAAP | x | ✓ | ✓ | ✓ | x |
| <i>Housing</i> | | | | | |
| Public housing | ✓ | x | x | x | x |
| Community housing | ✓ | x | x | x | x |
| State owned and managed Indigenous housing | ✓ | ✓ | ✓ | ✓ | ✓ |
| Commonwealth Rent Assistance | x | ✓ | ✓ | x | x |

SAAP = Supported Accommodation Assistance Program. ✓ At least one data item is reported. x No data are reported.

People living in rural and remote areas

The Steering Committee selectively reports on the performance of governments in delivering services to people in communities outside the capital cities. Table 2.5 indicates which service sectors are reporting at least one data item on services delivered to people in rural and remote areas.

Reporting data on rural and remote communities is complicated by the number of classification systems that exist. The chapters on emergency management, aged care services, disability services, children's services and housing now use the ABS Australian Standard Geographical Classification of remoteness areas. A number of other services (VET, public hospitals, primary and community health, health management issues and protection and support) still use the rural, remote and metropolitan areas classification (or a variant). The chapter on school education uses its own system developed for education ministers.

People from a non English speaking background

A number of chapters in the Review report data on the performance of governments in providing services to people from a non English speaking background. Table 2.6 indicates which services have reported at least one performance indicator for all jurisdictions.

Reporting data on people from a non English speaking background is complicated by the number of classification systems that exist. Different chapters of the Report use different classification systems based on: people speaking a language other than English at home (reported for VET, breast cancer detection and management, and children's services); people with a language background other than English (reported for school education and corrective services); and people born in a non English speaking country (reported for aged care services, services for people with a disability and protection and support services). In addition, some services are considering reporting future data using the cultural and language diversity classification.

Table 2.5 Reporting of at least one data item on rural and remote communities, 2006 Report

| <i>Service area/indicator framework</i> | <i>Descriptive</i> | <i>Outcomes</i> | <i>Outputs</i> | | |
|--|--------------------|-----------------|----------------|----------------------|-------------------|
| | | | <i>Equity</i> | <i>Effectiveness</i> | <i>Efficiency</i> |
| <i>Education</i> | | | | | |
| Education preface | x | x | x | x | x |
| School education | ✓ | ✓ | x | x | ✓ |
| VET | x | ✓ | ✓ | x | x |
| <i>Justice</i> | | | | | |
| Justice preface | x | x | x | x | x |
| Police services | x | x | x | x | x |
| Court administration | x | x | x | x | x |
| Corrective services | x | x | x | x | x |
| <i>Emergency management</i> | | | | | |
| Fire events | x | x | x | ✓ | x |
| Ambulance events | x | x | x | x | x |
| Road rescue events | x | x | x | x | x |
| <i>Health</i> | | | | | |
| Health preface | x | x | x | x | x |
| Public hospitals | ✓ | x | x | x | x |
| Maternity services | x | x | x | x | x |
| Primary and community health | x | x | ✓ | ✓ | x |
| Breast cancer | x | ✓ | x | x | x |
| Mental health | x | ✓ | x | x | x |
| <i>Community services</i> | | | | | |
| Community services preface | x | x | x | x | x |
| Aged care services | ✓ | x | ✓ | ✓ | x |
| Services for people with a disability | x | ✓ | ✓ | ✓ | x |
| Children's services | x | x | ✓ | x | x |
| Child protection | x | x | x | x | x |
| Out-of-home care | x | x | x | x | x |
| SAAP | x | x | x | x | x |
| <i>Housing</i> | | | | | |
| Public housing | ✓ | x | x | x | x |
| Community housing | ✓ | x | x | x | x |
| State owned and managed Indigenous housing | ✓ | x | x | x | x |
| Commonwealth Rent Assistance | ✓ | x | x | x | x |

SAAP = Supported Accommodation Assistance Program. ✓ At least one data item is reported. x No data are reported.

Table 2.6 Reporting of at least one data item on people from a non English speaking background, 2006 Report

| <i>Service area/indicator framework</i> | <i>Descriptive</i> | <i>Outcomes</i> | <i>Outputs</i> | | |
|--|--------------------|-----------------|----------------|----------------------|-------------------|
| | | | <i>Equity</i> | <i>Effectiveness</i> | <i>Efficiency</i> |
| <i>Education</i> | | | | | |
| Education preface | x | x | x | x | x |
| School education | ✓ | ✓ | x | x | x |
| VET | x | ✓ | ✓ | x | x |
| <i>Justice</i> | | | | | |
| Justice preface | x | x | x | x | x |
| Police services | x | x | x | x | x |
| Court administration | x | x | x | x | x |
| Corrective services | x | x | x | x | x |
| <i>Emergency management</i> | | | | | |
| Fire events | x | x | x | x | x |
| Ambulance events | x | x | x | x | x |
| Road rescue events | x | x | x | x | x |
| <i>Health</i> | | | | | |
| Health preface | x | x | x | x | x |
| Public hospitals | x | x | x | x | x |
| Maternity services | x | x | x | x | x |
| Primary and community health | x | x | x | x | x |
| Breast cancer | x | ✓ | x | x | x |
| Mental health | x | x | x | x | x |
| <i>Community services</i> | | | | | |
| Community services preface | x | x | x | x | x |
| Aged care services | x | x | ✓ | x | x |
| Services for people with a disability | x | ✓ | ✓ | ✓ | x |
| Children's services | x | x | ✓ | x | x |
| Child protection | x | x | x | x | x |
| Out-of-home care | x | x | x | x | x |
| SAAP | x | x | ✓ | ✓ | x |
| <i>Housing</i> | | | | | |
| Public housing | x | x | x | x | x |
| Community housing | x | x | x | x | x |
| State owned and managed Indigenous housing | x | x | x | x | x |
| Commonwealth Rent Assistance | x | x | x | x | x |

SAAP = Supported Accommodation Assistance Program. ✓ At least one data item is reported. x No data are reported.

2.4 'Cross-cutting' issues

There is growing emphasis on the management of policy issues that cover more than one service area or ministerial portfolio — for example, government policies

aimed at specific client constituencies or community groups such as older people, women, children, Indigenous Australians, people in rural and remote areas, and people from non English speaking backgrounds. Improving the management of these issues can contribute to more effective and efficient service provision. Greater efficiency can come from more clearly defined priorities, and from the elimination of duplicated or inconsistent programs. Improved outcomes can result from a more holistic and client centred approach to service delivery.

This issue arises in several areas of the Report. The frameworks in chapter 11 ('Health management issues') are one means of reporting outcomes for a range of different services working in concert. The ultimate aim of that chapter is to report on the performance of primary, secondary and tertiary health services in improving outcomes for people with breast cancer or mental illness. The frameworks and the scope of services reported are evolving over time. The mental health management section, for example, currently reports only on the performance of specialised mental health services, but people with a mental illness also access primary and community health services (such as general practitioners, and drug and alcohol services) (chapter 10), as well as aged care services (chapter 12), services for people with a disability (chapter 13) and public housing (chapter 16). People with a mental illness sometimes also enter corrective services (chapter 7).

Other references in this Report relating to cross-cutting issues include:

- mortality rates and life expectancy (reported in the 'Health preface'), with mortality rates being influenced by education, public health, housing, primary and community health, and hospital services (as well as external factors)
- younger people with a disability residing in residential aged care facilities (chapter 13)
- long term aged care in public acute hospitals (chapter 12)
- potentially preventable hospitalisations (chapter 10) — for example, effective primary and community health services can make it less likely that people with asthma or diabetes will require hospitalisation due to these conditions
- the proportion of general practitioners with links to specialist mental health services (chapter 11) — general practitioners often refer people to specialist health and health-related services, and the quality of their links with these services and of their referral practices can influence the appropriateness of services received by clients
- recidivism rates (reported in the 'Justice preface') are influenced by the activities of police, courts and corrective services (as well as other factors)

-
- the contributions of many services to child protection services (discussed primarily in chapter 15). Police services investigate serious allegations of child abuse and neglect, courts decide whether a child will be placed on an order, education and child care services provide services for these children, and health services support the assessment of child protection matters and deliver therapeutic, counselling and other services
 - close links between SAAP services (chapter 15) and other forms of housing assistance reported in the Housing chapter (chapter 16), particularly housing funded under the Crisis Accommodation Program.

Counter-terrorism

A number of service areas included in this Report contribute to government initiatives to improve security throughout Australia. In particular, emergency services, police and public hospitals are key services involved in governments' responsibilities under the National Counter Terrorism Plan.¹ The performance indicator results included in the Report for these services are likely to reflect governments' actions to fulfil their responsibilities under the Plan, including restructuring, coordinating across services, employing extra staff, purchasing extra equipment, training staff, and/or extending working hours. The police, for example, have developed operational procedures for dealing with a broad range of chemical and biological hazards, and have improved their cooperation with emergency services and health professionals to ensure police officers can appropriately analyse risks and implement effective responses.

While performance data do not explicitly include the details of these government activities, such activities need to be kept in mind when interpreting performance results — for example:

- counter-terrorism activities might have led to an increase in government expenditure, but the outputs or outcomes (for example, increased security patrols, emergency planning or improved security) may not show up in the data in the chapters. In this case, performance results for efficiency indicators may suggest a fall in value for money
- counter-terrorism requirements might have been accommodated by an increase in productivity rather than an increase in expenditure, but if the additional

¹ A National Counter Terrorism Committee with officials from the Australian, State and Territory governments has developed a National Counter Terrorism Plan. All governments have responsibilities under the Plan to prevent acts of terrorism or, if such acts occur, to manage their consequences within Australia.

outputs or outcomes are not recorded in the chapters, then performance results will not reflect the improvement in productivity.

The agencies with the primary responsibilities for counter-terrorism (such as the defence forces, the Australian Security Intelligence Organisation and the relevant coordinating bodies) are not within scope for this Report, so comprehensive and detailed reporting of counter-terrorism is not possible.

2.5 Related Review projects

The information in *Overcoming Indigenous Disadvantage: Key Indicators 2005* (discussed earlier) complements the Indigenous data and performance indicators presented in this Report. The *Overcoming Indigenous Disadvantage* report describes high level outcomes for Indigenous people, for which all government departments and agencies are collectively responsible. There is very limited reporting on an individual government agency basis. The Report on Government Services, on the other hand, provides information on the performance of specified government agencies and programs in delivering services to Indigenous people.

The Steering Committee has also undertaken research into other issues relevant to the performance of government services. In previous years, the Steering Committee published reports on:

- patient satisfaction and responsiveness surveys conducted in relation to public hospital services in Australia (SCRGSP 2005c). A major aim of the commissioned consultancy was to identify points of commonality and difference between patient satisfaction surveys and their potential for concordance and/or for forming the basis of a minimum national data set on public hospital 'patient satisfaction' or 'patient experience'
- efficiency measures for child protection and support pathways (SCRCSSP 2003). The study developed and tested a method to allow states and territories to calculate more meaningful, comparable and robust efficiency measures for the protection and support services they deliver
- the extent to which differences in asset measurement techniques applied by participating agencies affect the comparability of reported unit costs (SCRCSSP 2001)
- a survey of the satisfaction of clients of services for people with a disability (Equal and Donovan Research 2000)
- the use of activity surveys by police services in Australia and New Zealand (SCRCSSP 1999a) as a means of drawing lessons for other areas of government

that are considering activity measurement in output costing and internal management

- an examination of payroll tax (SCRCSSP 1999b) and superannuation (SCRCSSP 1998b) in the costing of government services
- data envelopment analysis as a technique for measuring the efficiency of government services delivery (SCRCSSP 1997b).

Earlier research involved case studies of issues and options in the implementation of government service reforms. The Steering Committee has published a case study report (SCRCSSP 1997a) that covers:

- purchasing community services in SA
- using output-based funding of public acute hospital care in Victoria
- implementing competitive tendering and contracting for Queensland prisons

and one (SCRCSSP 1998a) that covers:

- devolving decision making in Victorian Government schools
- using competitive tendering for NSW public hospital services
- offering consumer funding and choice in WA services for people with a disability
- pricing court reporting services in Australian courts.

The Steering Committee has also developed checklists on common issues in implementing these reforms, such as:

- timing program implementation
- decentralising decision making
- measuring and assessing performance
- measuring quality
- directly linking funding to performance
- charging users (SCRCSSP 1998a).

The Steering Committee will continue to focus on research that is related to performance measurement, which is likely to help improve reporting for individual services.

2.6 References

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— 1998b, *Superannuation in the Costing of Government Services*, Productivity Commission, Canberra.

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