
2 Governance and liaison

The development of the National Framework for reporting on expenditure on services to Indigenous Australians, and the annual reporting of results, will require the active participation of all jurisdictions and multiple agencies. The efficient management of the process requires a shared understanding of the various roles and responsibilities of those involved and clear lines of reporting. The proposed governance model is presented in section 2.1.

The project will also benefit from the contributions of key stakeholders, particularly Indigenous people and their representatives. Stakeholder consultation is discussed in section 2.2.

2.1 Governance model

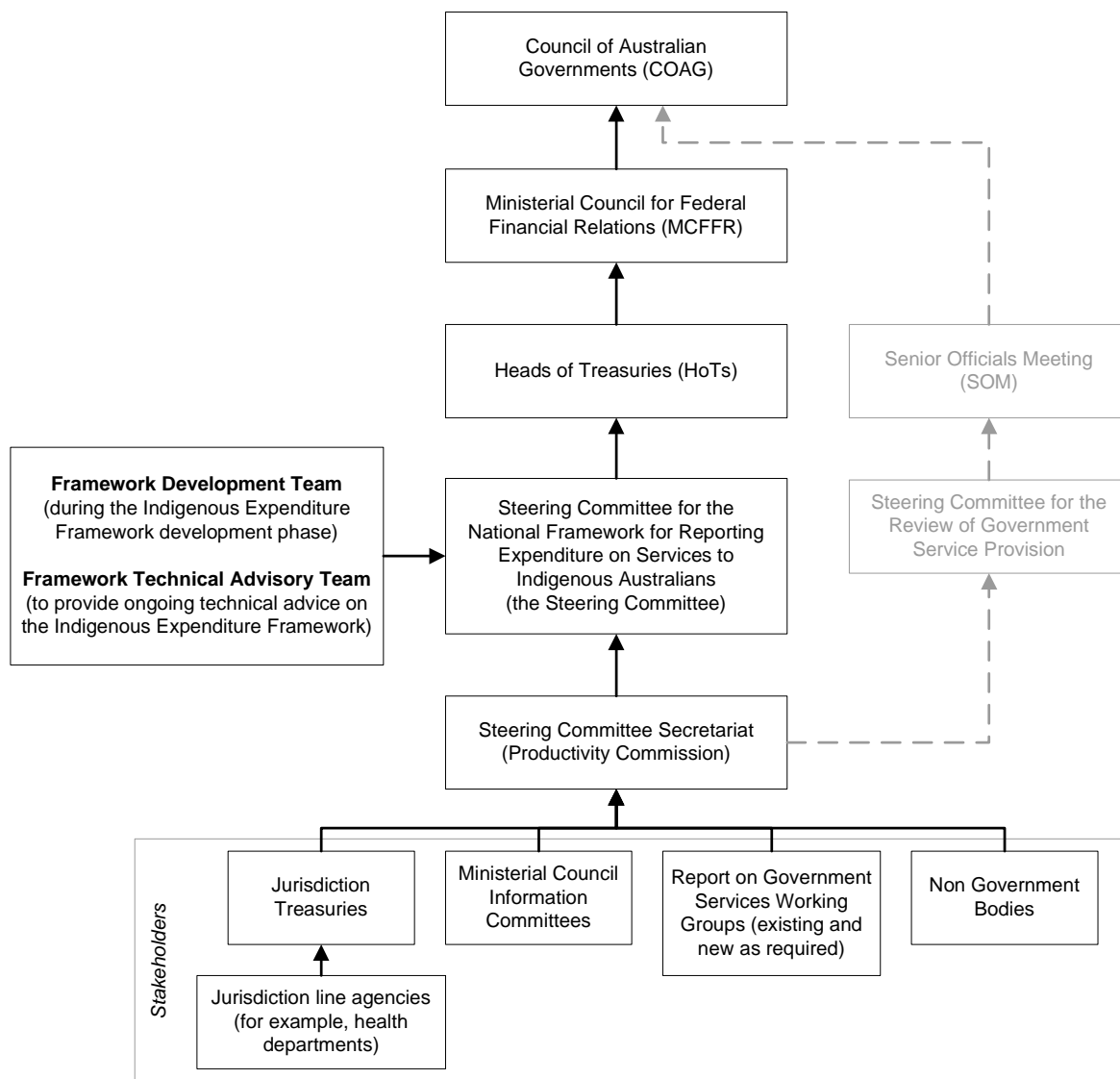
The governance model proposed by the Steering Committee and endorsed by the Heads of Treasuries (HoTs) in January 2009 is presented in figure 2.1. The roles and responsibilities of the key groups and stakeholders are discussed in detail below.

Role of the Steering Committee

In January 2008, the Ministerial Council agreed that the Commonwealth Treasury would consult with agencies such as the Productivity Commission, the Australian Institute of Health and Welfare (AIHW), and the Australian Bureau of Statistics (ABS) to determine their interest and possible contribution to developing the National Framework, as well as possible ongoing involvement in the process. It was also agreed that jurisdictions would provide feedback on issues discussed at the meeting to the Commonwealth. As the scope of the project became clearer, the Commonwealth Treasury established a Steering Committee to oversee the development of the National Framework. Terms of reference for this Steering Committee were endorsed by the HoTs in January 2009 (box 2.1).

The Steering Committee is chaired by the Commonwealth Treasury, and comprises representatives from the Commonwealth Department of Families, Housing,

Figure 2.1 Governance model



Community Services and Indigenous Affairs, all State and Territory Treasuries that wish to participate, the ABS, the AIHW, the Commonwealth Grants Commission (CGC), the Secretariat to the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSI) and the Productivity Commission. A list of current Steering Committee members is provided on page V.

The development of the National Framework and the annual production of the Indigenous Expenditure Report (IER) will be achieved through a cooperative process involving a range of stakeholders. Stakeholders in this process are not limited to those identified in figure 2.1. It is expected that technical advice and inputs will be sought from a variety of sources, as required.

Box 2.1 Steering Committee terms of reference

The Indigenous Expenditure Report aims to contribute to better policy making and improved outcomes for Indigenous Australians, by:

1. reporting on expenditure on services which support Indigenous Australians, including in a manner consistent with the COAG Working Group on Indigenous Reform statement of objectives, outcomes and measures and the COAG Overcoming Indigenous Disadvantage report framework.
2. promoting the collection and reporting of robust Indigenous expenditure data through:
 - a. determining and applying consistent methodology to the collection and reporting of data
 - b. identifying necessary improvements to the collection and availability of relevant data
 - c. developing and implementing strategies to address data deficiencies.

The Indigenous Expenditure Report will:

3. include expenditure by both Commonwealth and State/Territory governments (and local government if possible), and over time will:
 - a. allow reporting on Indigenous and non-Indigenous social status and economic status
 - b. include expenditure on Indigenous-specific and key mainstream programs
 - c. be reconcilable with published government financial statistics.
4. focus on on-the-ground services in areas such as: education; justice; health; housing; community services; employment; and other significant expenditure.
5. report on a regular basis, including:
 - a. completion of an initial 'stocktake' report for the first COAG meeting in 2009, setting out the reporting framework, principles, methodology, and survey of available data and strategies for data development
 - b. staged reporting against the framework (having regard to considerations such as data availability, implementation requirements and costs of reporting)
 - c. report on both Indigenous and non-Indigenous expenditure.
6. provide governments with a better understanding of the level and patterns of expenditure on services which support Indigenous Australians, and provide policy makers with an additional tool to target policies to Close the Gap in Indigenous Disadvantage.

The Indigenous Expenditure Report steering committee will:

7. provide regular updates to Heads of Treasuries on progress in developing the expenditure framework and to the Working Group on Indigenous Reform on progress on data issues
8. recommend to Heads of Treasuries appropriate institutional arrangements for annual reporting on Indigenous expenditure once the framework for reporting has been developed.

These terms of reference were endorsed by HoTs in January 2009.

Further, Commonwealth, State and Territory Treasuries will be responsible for liaising with line agencies in their jurisdictions to ensure agency-level contribution to the National Framework's development, and ongoing contribution of best-available data for reports. State and Territory line agencies are also expected to have an opportunity to contribute their views through Report on Government Services (RoGS) working groups, information committees and other parallel exercises.

The Steering Committee is to undertake the following:

1. Determine the information to be included in the National Framework for national-level and jurisdiction-specific reporting. The Steering Committee should liaise with the Council of Australian Governments (COAG) Working Group on Indigenous Reform (WGIR) in relation to the outcomes Framework to be used in monitoring progress towards the COAG agreed closing the gap targets, with a view to facilitating consistency of approach between that work and the National Framework.
2. Determine necessary enhancements to existing arrangements for making data available and improving data to support the development of the Indigenous National Framework, as well as to monitor progress towards the COAG agreed closing the gap outcome targets.
3. Determine an appropriate methodology to ensure consistency in collecting and reporting expenditure data and to deal with data deficiencies.
4. Determine, as necessary, a possible staging in reporting against the National Framework (having regard to considerations such as data availability, implementation requirements and costs of reporting).
5. Determine the institutional arrangements for preparing the expenditure reports once the National Framework for reporting has been developed.

The Steering Committee will provide regular updates to Heads of Treasuries (HoTs) on progress in developing the National Framework and liaise with the WGIR on common strategies to address data gaps and data quality issues.

It is anticipated that the Steering Committee will meet as required by the development work plan ahead of the first report to COAG, then on a regular scheduled basis as the National Framework evolves.

There may be scope, once the IER development phase has been completed, to shift responsibility for the report to the Steering Committee for the Review of Government Service Provision. The Review Steering Committee has a similar membership, responsibility for related reports, and is also supported by a Productivity Commission Secretariat. Under this arrangement, the Indigenous

Expenditure Steering Committee could continue to convene to consider any significant changes to the National Framework as required.

Secretariat to the Steering Committee

Secretariat services to the Steering Committee were provided initially by Commonwealth Treasury. Since October 2008, Secretariat services have been provided by the Productivity Commission, an arrangement endorsed by the HoTs in January 2009.

The main tasks undertaken by the Secretariat are:

- convening meetings of the Steering Committee ‘as required’
- drafting agendas, agenda papers and minutes of Steering Committee and working group meetings
- coordinating the work of the Steering Committee with that of information committees and other parallel groups developing expenditure data for particular services
- providing a conduit for communication between the Steering Committee and working groups and information committees
- managing consultancies that may arise in support of the work of the Steering Committee or working groups
- data collection, where necessary
- drafting of reports and papers
- undertaking research and critical analysis in support of issues as approved or directed by the Steering Committee.

Generally, the Secretariat does not possess the resources necessary to undertake major research projects, but will provide critical analysis on an ongoing basis and advise the Steering Committee of progress with expenditure reporting.

The Secretariat provides the only permanent staff on the project, and as such acts as a central repository of files, information (including data) and knowledge. Although the Secretariat needs to make day-to-day decisions on administration and drafting, significant decisions are referred to the Steering Committee.

Development team/technical advisory team

To provide for the timely development of the National Framework, a development team comprising representatives of the ABS, AIHW, Productivity Commission and

Commonwealth Treasury has been established. The development team works with all stakeholders and reports regularly to the Steering Committee on progress in developing the National Framework.

Once the National Framework is established, it is expected the Development Team will be available as required as a technical advisory team to the Secretariat and/or Steering Committee, to provide specialist technical advice on issues relating to the National Framework.

Stakeholders

As noted in figure 2.1, the Steering Committee anticipates the need to seek expert advice from a range of sources, (including, but not limited to Treasuries and line agencies, RoGS working groups and ministerial information committees) in the development of the Framework and reporting of Indigenous expenditure.

As a general rule, the Secretariat will facilitate input from stakeholders who are not represented on the Steering Committee. However, recognising the complex and varied nature and relationships of stakeholders, their input may also come through the development team or jurisdictional representatives on the Steering Committee.

Although it will draw on stakeholders for expert advice, the Steering Committee, which represents the whole-of-government view of participating jurisdictions, reserves the right to make decisions regarding the National Framework and its associated publications (subject to endorsement by HoTs and MCFFR of major changes to the National Framework).

Role of Report on Government Services working groups

The Steering Committee for the Review of Government Service Provision is supported by twelve working groups across a range of education, health, justice and community services. Each working group comprises representatives of relevant line agencies from each jurisdiction, and expert data agencies. An additional working group provides advice to the Steering Committee on the *Overcoming Indigenous Disadvantage: Key Indicators* report.

The Steering Committee may draw on RoGS working groups to strengthen and improve the comparability of data within the National Framework, and across different Indigenous outcome reports.

Role of information committees

A series of information committees provide advice and support to Ministerial Councils. As a consequence of this role, the committees are well placed to advise the National Framework Steering Committee on statistical issues and drive change in the collection and reporting of data.

Role of non-government organisations

Non-government organisations such as service providers and peak client bodies are likely to be able to provide useful advice on methodology and data issues, and are likely to have a strong interest in the results to be reported. The consultation strategy discussed in section 2.2 proposes mechanisms to ensure appropriate engagement of non-government organisations in the development of the National Framework and reporting.

Role of other stakeholders

A number of service areas covered by the National Framework will require data from stakeholders not specifically identified in figure 2.1. These other stakeholders will include statistical agencies (other than the ABS and the AIHW, which are represented on the Steering Committee and Development Group) or parallel exercises (such as the National Health Performance Committee).

The Steering Committee and Secretariat will work closely with these other stakeholders to ensure the IER exercise remains aligned with related exercises, and that work (such as addressing data gaps) is not duplicated. It is expected that the approach will vary between different stakeholders. Many of the parallel exercises have overlapping membership with the RoGS working groups and information committees noted above, allowing for two-way flows of information. Where appropriate, the Steering Committee and Secretariat may also pursue adjunct meetings, combined data collections, provide observers at meetings or formal feedback mechanisms.

The IER nevertheless remains a separate process, with reporting lines through the Steering Committee to MCFFR, HoTs and COAG. As a result, the role of parallel exercises providing advice to the Steering Committee may differ from their decision-making role in relation to other exercises.

It will also be important that in producing annual expenditure reports, the Secretariat consults with potential users of the report and with Indigenous people on the purpose, underlying principles and methodology of the report.

2.2 Consultation

Consultation with Indigenous people and their representatives, non-government organisations, and the potential users of the information to be included in the IER will be essential to ensure that the National Framework and annual reports meet their stated objectives.

In the short term, consultation will rely largely on the linkages between the Steering Committee and parallel exercises, and the previous consultation embodied in existing data collections and reports:

- *linkages with parallel exercises* — The Steering Committee benefits from the consultation undertaken by exercises such as the OID report. The Review of Government Service Provision consulted widely in developing the OID framework.
- *consultation embodied in existing data collections* — The Steering Committee's proposed methodology will draw on data from a wide range of sources. In many cases, these data collections have undertaken broad consultation as part of their development; for example, data collected by agencies such as the ABS, AIHW and CGC.

Subject to COAG endorsement of this stocktake report, the Steering Committee proposes a more structured consultation strategy specific to the IER. This consultation would focus on issues such as: establishing the highest priority uses of the report; seeking advice on refinement of the proposed methodology and potential data sources to inform estimates of Indigenous service use and cost differentials; and identifying where initial efforts for improvement would be best focused.

This strategy could involve:

- production of an issues paper or consultation document
- written responses from government and non-government bodies
- meetings organised by Steering Committee members in each jurisdictional (supported by the Secretariat)
- targeted meetings and visits conducted by the Chairman of the Steering Committee and the Secretariat.