
2 Recent developments in the Report

2.1 Developments in reporting

This is the twelfth 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 reporting.

Enhancements to the Report fall into two categories:

- the inclusion of new indicators and reporting against performance indicators for the first time
- 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.

Improvements in reporting for the 2007 Report

Education

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

- year 4 and year 8 students achieving at or above the intermediate international level in science achievement, 2002-03
- year 4 and year 8 students achieving at or above the intermediate international level in mathematics achievement, 2002-03
- year 6 and year 10 civics and citizenship performance, 2004.

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

- reporting on employer outcomes

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- replacing the Rural, Remote and Metropolitan Area (RRMA) classification with the Australian Standard Geographical Classification of remoteness areas currently used by the Australian Bureau of Statistics (ABS)
 - reporting annual growth in skill outputs from VET
 - reporting on a broadened Student Outcomes Survey of all VET providers (TAFE and private and community education providers) and including government funded students and those training on a fee-for-service basis.

Justice

Development work continues in chapter 5 ('Police services'), chapter 6 ('Court administration') and chapter 7 ('Corrective services'). In the Police services chapter the performance indicator framework has been reorganised to improve the clarity and accuracy of the data. Apart from these changes, no significant improvements were introduced in this report.

Emergency management

No significant improvements have been made to the performance indicators in chapter 8 ('Emergency management').

Health

Reporting in chapter 9 ('Public hospitals') has been improved this year through the development of an indicator on 'workforce sustainability'. This indicator measures the proportion of the workforce who are new entrants (aged under 30 years) and who are near retirement (aged 55 years and over) for each of the nurse and medical practitioner workforces, and are reported by region and over time.

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

- data are reported for the 'availability of dentists' indicator for the first time
- Indigenous data are now reported for the 'hospitalisations for vaccine preventable conditions', 'potentially preventable acute conditions' and 'potentially preventable chronic conditions' indicators.

In chapter 11 ('Health management'), the basis of the indicator 'services reviewed against national standards' has been changed from specialised public mental health services reviewed against national standards for mental health services to the percentage of services that had completed an external review and had achieved all

or most standards. For the ‘consumer/carer participation’ indicator, the number of paid consumer and carer consultants employed within public sector mental health services are now reported as part of this indicator.

Community services

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

- provision of information on the Transition Care Program
- reporting ‘aged care recipients from special needs groups’ as an indicator of equity of access
- reporting on expenditure by jurisdiction on the National Respite for Carers Program
- relocation of the technical component of the age standardisation discussion to the Statistical appendix and the inclusion of descriptive material on age specific usage rates into the main body of the chapter.

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

- data on disability prevalence rates among Indigenous people
- descriptive information on a program aimed at addressing the issue of younger people with a disability in residential aged care facilities
- access indicators for community support and respite services
- data reported against the ‘service use by severity of disability’ and ‘service use by special needs groups — Indigenous people’ indicators for community support and respite services
- data on the participation of people with a disability in education and training and their highest level of educational and training attainment.

Major improvements in chapter 14 (‘Children’s services’) this year include:

- updated data from the ABS Child Care Survey and the Australian Government’s Census of Child Care Services
- reporting on utilisation rates in centre-based long day care and family day care
- improvements to the comparability of data for the ‘accredited child care services’ and ‘non-standard hours of care: child care services’ indicators.

In chapter 15 (‘Protection and support services’), experimental data is included for the first time in relation to the ‘pathways’ project. This project develops an activity-based costing methodology to assess efficiency indicators for child protection and

out-of-home care services. The existing proxy indicators will remain until the pathways project is further developed. As a result of the implementation of the Supported Accommodation Assistance Program (SAAP) V agreement, some changes have also been made to the structure of SAAP performance indicators together with refinements in related data.

Housing

In chapter 16 ('Housing'), major improvements in reporting this year include:

- the amalgamation of the public housing and state owned and managed Indigenous housing (SOMIH) performance indicator frameworks
- the reporting of customer satisfaction with SOMIH at the jurisdictional level for the first time
- reporting of national data on 'running costs per 1000 customers' and 'ratio of running costs to total outlays' for Commonwealth Rent Assistance.

2.2 Gaps in reporting

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 is emphasised by the 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 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 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:

- The most recent police services data on reporting rates is from 2005 for the 2007 Report.
- All data for specialised mental health services are provided one year in arrears (that is, 2004-05 data for the 2007 Report).
- There is significant scope for improving the timeliness of maternity services quality data.
- 'Children's services' data collected by the Australian Government's Census of Child Care Services are collected every two years. Preliminary data from the 2006 Census were available for this Report. The ABS Child Care Survey, on the other hand, is conducted every three years, with the results from the 2005 survey available for this Report.
- For public housing, community housing and SOMIH in the 'Housing' chapter, the 'location/amenity' and 'customer satisfaction' data are reported for 2005 as the survey collections are conducted bi-annually. For community housing, the most recent data for 'average turnaround time' was for 2004-05 and the 'total rent collected as a proportion of total rent charged' is collected one year in arrears and so reported for 2004-05. Latest available Commonwealth State Housing Agreement funding data were for the 2004-05 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, 2004-05 data for the 2007 Report).

Table 2.1 Time period of reported performance results, 2007 Report

<i>Service area/indicator framework</i>	2003-04 or 2003	Previous year (2004-05 or 2004)	Current year (2005-06 or 2005)
Education			
School education		Learning outcomes and financial data	✓
VET		Number of VET qualifications completed	✓
Justice			
Police services		Higher courts and hospitalisations	✓
Court administration			✓
Corrective services			✓
Emergency management			
Fire events		Hospitalisations and deaths	✓
Ambulance events			✓
Road rescue events			✓
Health			
Public hospitals	Effectiveness (workforce sustainability)	Hospitalisations	Quality✓
Maternity services	Quality	Hospitalisations, deaths and efficiency	Quality and outcomes✓
Primary and community health	Availability of dentists and management of diabetes	Hospitalisations and cervical cancer	✓
Breast cancer ^a			✓
Mental health		✓	
Community services			
Aged care services		ACAT, HACC national service standards appraisal and assessment unit cost	✓
Services for people with a disability		Social participation services & efficiency ^b	Efficiency ^c ✓
Children's services ^d		Hospital separations	✓

(Continued on next page)

Table 2.1 (Continued)

Child protection and out-of-home care	Substantiation/re-substantiation	✓
SAAP	Demand for SAAP accommodation and turn away rate	✓
Housing assistance		
Public housing	Location/amenity and customer satisfaction	✓
Community housing	Rent collection rate, average turnaround time, location/amenity and customer satisfaction	✓
State owned and managed Indigenous housing	Location/amenity and customer satisfaction	✓
Commonwealth Rent Assistance	Satisfaction with accommodation	✓

✓ = All data or all other data. ACAT = Aged care assessment teams. HACC = Home and community care. 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. ^d The Children's Services chapter also contains preliminary 2006 performance data from the Australian Government's Census of Child Care Services.

Comparability of data

Data are generally considered to be directly comparable when definitions, counting rules and the scope of measurement are consistent and the sample size is large enough to be statistically reliable (explained in chapter 1). 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), and public hospitals (40 per cent) have the smallest proportions of indicators reported on a comparable basis.

Table 2.2 Indicators reported on a comparable basis, 2007 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.
Education				
School education	13	10	77	1
VET	15	12	80	2
Justice				
Police services	26	13	50	–
Court administration	6	3	50	–
Corrective services	11	10	91	–
Emergency management	15	2	13	–
Health				
Public hospitals	15	6	40	1
Maternity services	10	3	30	–
Primary and community health	23	23	100	1
Breast cancer	11	7	64	–
Mental health	8	4	50	–
Community services				
Aged care services	13	12	92	–
Services for people with a disability ^a	13	7	54	–
Children's services	18	11	61	6
Child protection and out-of-home care	14	4	29	–
SAAP	16	12	75	6
Housing				
Public housing	11	11	100	–
Community housing	10	–	–	–
State owned and managed Indigenous housing	11	11	100	2
Commonwealth Rent Assistance	10	9	90	2

SAAP = Supported Accommodation Assistance Program. ^a Three access indicators have been amalgamated into one for presentation purposes. – 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 the public release of data from a new data set. 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 for juvenile justice. A detailed report on juvenile justice in Australia for the period 2000-01 to 2003-04 was published in February 2006. A performance indicator framework is also being developed. The 2007 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 2004-05 were available for this Report.

Children's services

The National Community Services Information Management Group (NCSIMG) has developed a NMDS for children's services. The NMDS provides a framework for collecting a set of nationally comparable data and assist the development of comparable performance indicators and descriptors. It covers information about the organisations that provide child care and preschool services, the characteristics of workers delivering these services and the characteristics of the children who attend them.

The data items in the NMDS have been pilot tested and were endorsed by the NCSIMG in 2005. The project has since received funding from the Community and Disability Services Ministers' Advisory Council (CDSMAC) to conduct a cost benefit analysis of the various implementation options. This analysis is expected to be completed by June 2007.

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 1998a)
- accounting for differences in the treatment of payroll tax (SCRCSSP 1999a)
- 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
- reporting accrued benefits to employees (such as recreation and long service leave)

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- 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. The majority of agencies and jurisdictions have adopted accrual accounting.

Accrual accounting has assisted the Review in meeting 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 1998a). 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, 2007 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?
Education					
School education	Accrual	✓	✓	✓	✓
VET	Accrual	✓	✓	✓	✓
Justice					
Police services	Accrual	✓	✓	✓	✓
Court administration	Accrual	✓	x	✓	✓
Corrective services	Accrual	✓	✓	✓	✓
Emergency management					
Fire events	Accrual	✓	✓	x	✓
Ambulance events	Accrual	✓	✓	x	✓
Health					
Public hospitals	Accrual	✓	✓	✓	✓
Maternity services	Accrual	✓	✓	✓	✓
Primary and community health ^b	Accrual	..	..	..	..
Breast cancer	Accrual	x	x	x	x
Mental health	Accrual	x	x	✓	x
Community services					
Aged care services ^b	Accrual	..	..	..	✓
Services for people with a disability	Accrual	✓	x	✓	✓
Children's services	Accrual	✓	x	✓	x
Child protection and out-of-home care ^b	Accrual	✓	x	✓	✓
SAAP ^b	Accrual	..	..	..	..
Housing assistance					
Public housing	Accrual	✓	✓	✓	✓
Community housing	Transition	✓	..	✓	✓
State owned and managed Indigenous housing	Accrual	✓	✓	✓	✓
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 2007 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 Government transfers to individuals as part of their social security or family assistance payments. There is no separate appropriation for the Rent Assistance component of these payments and reported expenditure is based on a cash accounting regime. .. 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 may differ.

The Steering Committee (SCRCSSP 1999a) 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, so a hypothetical amount is still 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, public hospitals, public housing and SOMIH deduct the amount from those services that are taxable. Reporting for services for people with a disability 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 other 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. Its results suggested, however, 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. Table 2.4 provides an indication of which service areas report at least one data item on Indigenous Australians.

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 2006 Report) was released in May 2006 (SCRGSP 2006). A compendium of Indigenous data from this Report will be released in mid-2007.

COAG report on Indigenous disadvantage

In April 2002, the Council of Australian Governments (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. The third edition of the *Overcoming Indigenous Disadvantage* report will be released in mid-2007.

Data collection issues concerning Indigenous Australians

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, they may not undertake sufficient sampling of Indigenous people to provide reliable results.

The ABS and AIHW play an important role in this area. Work being undertaken by the ABS and AIHW 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 the ABS 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 (MCATSIA) established a working party to develop an Indigenous Demographics paper to identify methodological issues in Indigenous data collections, outline how these are being addressed and identify any remaining gaps. The findings are presented in a paper titled *Population and Diversity: Policy Implications of Emerging Indigenous Demographic Trends*, released in mid-2006 by the Centre for Aboriginal Economic Policy Research (Taylor 2006).

In 2006, COAG established an Indigenous Generational Reform working group, whose terms of reference includes agreeing on short- and long-term actions to address gaps in national and administrative data collection to support measurement of long term outcomes for Indigenous Australians consistent with the Overcoming Indigenous Disadvantage framework.

The Review will draw on these initiatives in future reports.

Table 2.4 Reporting of at least one data item on Indigenous Australians, 2007 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>
Education					
Education preface	✓	x	x	x	x
School education	✓	✓	✓	✓	x
VET	x	✓	✓	✓	x
Justice					
Justice preface	x	x	x	x	x
Police services	✓	✓	✓	x	x
Court administration	x	x	x	x	x
Corrective services	✓	x	x	✓	x
Emergency management					
Fire events	x	x	x	x	x
Ambulance events	x	x	x	x	x
Road rescue events	x	x	x	x	x
Health					
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
Community services					
Community services preface	✓	x	x	x	x
Aged care services	✓	x	✓	x	x
Services for people with a disability	✓	✓	✓	✓	x
Children's services	x	x	✓	x	x
Child protection	✓	x	x	✓	x
Out of home care	✓	x	x	✓	x
SAAP	x	✓	✓	✓	x
Housing					
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 VET, 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 (public hospitals, primary and community health, health management issues and protection and support services) still use the RRMA classification or a variant (DPIE and DSHS 1994). The chapter on school education uses its own system developed for education ministers, known as the Geographic Location Classification, which draws on the RRMA classification and ABS's Accessibility and Remoteness Index of Australia (Jones 2000).

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 also 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 people born in a non-English speaking country (reported for aged care services, services for people with a disability and SAAP, within 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, 2007 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>
Education					
Education preface	x	x	x	x	x
School education	✓	✓	x	x	✓
VET	x	✓	✓	x	x
Justice					
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
Emergency management					
Fire events	x	x	x	✓	x
Ambulance events	x	x	x	x	x
Road rescue events	x	x	x	x	x
Health					
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
Community services					
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
Housing					
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, 2007 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>
Education					
Education preface	x	x	x	x	x
School education	✓	✓	x	x	x
VET	x	✓	✓	x	x
Justice					
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
Emergency management					
Fire events	x	x	x	x	x
Ambulance events	x	x	x	x	x
Road rescue events	x	x	x	x	x
Health					
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
Community services					
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
Housing					
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), aged care services (chapter 12), services for people with a disability (chapter 13) and public housing (chapter 16). People with a mental illness may 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
- rates of return to prison and community corrections (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 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 2005b). 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 1999b) 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 1999a) and superannuation (SCRCSSP 1998a) in the costing of government services
- data envelopment analysis as a technique for measuring the efficiency of government services delivery (SCRCSSP 1997a).

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 1997b) 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 1998b) 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 1998b).

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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