

Roles and responsibilities of Review participants

Steering Committee for the
Review of Government
Service Provision

The Review of Government Service Provision

CONTENTS

Role of the Steering Committee	2
Role of the working groups	5
Interaction between Steering Committee and working groups	7
Role of the Secretariat	8
Role of other working parties/related exercises	9
Role of non-government bodies	9
Attachment 1 Steering Committee Terms of reference and Charter of operations	10
Attachment 2 Report on Government Services Terms of reference	14
Attachment 3 Overcoming Indigenous Disadvantage Report Terms of reference	15
Attachment 4 Indigenous Expenditure Report Terms of reference	17

The Review of Government Service Provision (the Review) is a cooperative COAG process involving the Australian, State and Territory governments. It is an integral part of the national performance reporting system, and is responsible for producing a range of reports that enable performance comparisons and benchmarking between jurisdictions and within a jurisdiction over time.

The Review operates under COAG-endorsed terms of reference (tor) and charter of operations (at attachment 1).

The Steering Committee for the Review is committed to a principles-based approach to refining the content of reports and improving the processes of managing the Review. The following guidelines explain the roles and responsibilities of Review participants, and should be read in the context of the terms of reference and charter of operations.

The guidelines are refined periodically, based on experience and feedback from Review participants and users of Review publications, and to reflect COAG developments. This version was created in July 2017.

Role of the Steering Committee

Steering Committee approach

Under the separate Report on Government Services (RoGS) and Review terms of reference, in addition to specific reporting tasks, the Steering Committee is also required to:

- exercise overall authority within the RoGS reporting process (RoGS tor)
- implement a program of review and continuous improvement that will allow for changes to the scope of the RoGS over time (RoGS tor)
- review the RoGS every three years and advise COAG on jurisdictions' compliance with data provision requirements, potential improvements in data collection and other relevant matters (RoGS tor)
- exercise stewardship and drive improvements in the data it reports, in association with the COAG Council for Federal Financial Relations, other COAG Councils and data agencies (Review tor)
- keep abreast of national and international developments in performance management, including the measurement and reporting of government service provision (Review tor).

In order to achieve these tasks, the Steering Committee is committed to:

- a principles-based approach to continuous improvement in review processes and report content, as outlined in its Charter of Operations
- an active role in identifying gaps in reporting against priority policy areas and bringing these to the attention of other groups that develop, prepare and maintain data used in Review reports, and reporting outcomes of Steering Committee data
- reviews to authorities such as Heads of Treasuries and COAG.

Structure and governance

The Steering Committee, on behalf of COAG, oversees the Review, including the Secretariat, working groups and publications. The Steering Committee comprises central agency representatives from each Australian, State and Territory government.¹ The Steering Committee is chaired by the Chairman of the Productivity Commission. In recognition of the value of expert technical advice, and the need for collaborative action, the Steering Committee also includes observers from relevant data agencies, currently: the Australian Bureau of Statistics and the Australian Institute of Health and Welfare. This structure ensures that Review publications are an independent and objective source of information, not beholden to any one jurisdiction or service area.

The Steering Committee adopts a consensus approach to decision-making. In the context of the Review, consensus can mean that a majority of members agree, with the remainder content to give way, if necessary with a mention of any objections in the minutes. Where consensus is not reached decisions are based on majority vote of Steering Committee members, with each jurisdiction's members having one joint vote. Should the Steering Committee be equally divided, the Chairman has a casting vote.

¹ Initially a representative from local government was also included, but resigned in 2003 and has not been replaced. The appropriate entity to select a new member is the Australian Local Government Association.

When the Chairman or the Secretariat seeks feedback from Steering Committee members, silence on a matter is taken as assent.

Outputs and responsibilities

The Steering Committee is the author of all Review publications and ultimately decides report structure, content and timing. The Steering Committee:

- measures and publishes annually data on the equity, efficiency and cost effectiveness of government services through the *Report on Government Services* — terms of reference are at attachment 2
- produces and publishes the *Overcoming Indigenous Disadvantage: Key Indicators* report — terms of reference are at attachment 3
- produces and publishes the *Indigenous Expenditure Report* — terms of reference are at attachment 4
- collates performance data for the National Indigenous Reform Agreement — and for other National Agreements where data are relevant for inclusion in the Report on Government Services
- initiates research and reports on improvements and innovation in service provision
- may perform other tasks referred to it by COAG or related bodies (such as the COAG Council for Federal Financial Relations).

The Steering Committee:

- represents each State and Territory government, and the Australian Government, from a whole of government perspective²
- decides the policy directions for the Review, such as scope of and principles for reporting
- functions complementarily to other entities within the national performance reporting system
- provides final approval on overarching frameworks, the set of indicators and final content of Review publications, and collectively provides final approval on publications
- resolves issues brought to it from working groups
- conducts research associated with the Review
- works to improve the comparability, quality and integrity of reported data
- provides the forum in which participating jurisdictions determine whether they will approve the inclusion of their data. Steering Committee members from one jurisdiction may choose not to publish information relating to their own jurisdiction but may not veto the publication of information relating to other jurisdictions
- authorises funding of research projects or consultancies undertaken by the Review on behalf of their jurisdictions. Individual Steering Committee members are responsible for determining sources of the funding within their jurisdictions. Neither the Steering Committee nor the Secretariat has a budget allocated for such projects

² Initially a representative from local government was also included, but resigned in 2003 and has not been replaced. The appropriate entity to select a new member is the Australian Local Government Association.

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- seeks to maximise the accessibility to governments and the Australian community of the performance data it collects and/or collates.

The Steering Committee typically meets three times a year (at least one meeting is face to face, currently the August meeting):

- around May (includes endorsement of the strategic plan for each RoGS Working Group)
- around August (includes proposed reporting framework developments, and any proposed alteration to the RoGS)
- around December (includes consideration of a Steering Committee draft of the RoGS and distribution strategy).

The Steering Committee may hold additional meetings, telepresences or teleconferences, for specific purposes (for example, to sign off drafts of other Review reports).

The Steering Committee may also consider papers and provide comment or endorse recommendations out-of-session.

Convenors' role

A Steering Committee member convenes each Working Group to facilitate effective communication between the Steering Committee and the working groups:

- A Convenor represents the Steering Committee at Working Group meetings — not their own jurisdiction, or the service area of the Working Group.
- A Convenor is expected to support Steering Committee requests and policies in discussions with Working Group members and to convey dissenting Working Group views to the Steering Committee for consideration by the Committee as a whole.
- A Convenor represents both their Working Group and their jurisdiction at Steering Committee meetings.
- On contentious issues, jurisdictional Steering Committee representatives should support the relevant Convenor by briefing line agencies in their jurisdiction that central agencies support the Steering Committee's approach to reporting.

Role of the working groups

Structure and governance

Cross-jurisdictional working groups have been established by the Steering Committee to provide expert advice on the development, improvement and reporting of performance indicators and related contextual material, to facilitate communication between the Steering Committee and service areas, and to improve the comparability of data.

There are currently 11 working groups, 9 for the RoGS one for the OID and one for the Indigenous Expenditure Report (IER):

- School and Early Education and Care
- Vocational Education and Training
- Police and Emergency Management
- Courts
- Corrective Services
- Overcoming Indigenous Disadvantage
- Health
- Disability and Aged Care Services
- Child Protection and Youth Justice
- Housing and Homelessness
- Indigenous Expenditure Report

Working Group members need appropriate seniority to commit their jurisdictions on Working Group matters and to provide strategic policy advice to the Steering Committee. Working groups may contribute to and comment on drafts of Steering Committee research outputs and make recommendations to the Steering Committee on matters related to their areas of expertise.

As far as practicable, working groups adopt a consensus approach to making recommendations to the Steering Committee. Where working groups do not reach consensus, alternative views should be provided to the Steering Committee for decision.

When the Chairman or the Secretariat seeks feedback from Working Group members, silence on a matter is taken as assent.

Working Group membership comprises a Convenor drawn from the membership of the Steering Committee and State, Territory and Australian government representatives from relevant departments or agencies from each jurisdiction. In recognition of the value of expert technical advice and close relationships with data development bodies and agencies, working groups also include observers from relevant data agencies or, where a data agency is not available (or not applicable), COAG Council data sub-committees or other expert bodies. Working groups may consult with data agencies or other expert bodies, as appropriate, on technical issues requiring expert consideration, and as data providers. Observer status is not generally extended to non-government bodies. Exceptions include:

- the Australasian Fire and Emergency Service Authorities Council and the Council of Ambulance Authorities Incorporated on the Police and Emergency Management Working Group, each of which has an important role in providing data and advising on the development of performance indicators.
- the National Congress of Australia's First Peoples on the Overcoming Indigenous Disadvantage Working Group, which provides advice from the perspective of Aboriginal and Torres Strait Islander Australians.

A key role of Working Group members is to provide information on the sensitivities of performance reporting issues. This does not mean that sensitive data will not be reported, but rather, that the Steering Committee is made aware of potential issues and reports include appropriate caveats to address sensitivities.

Working Group members also provide key links with related working parties/related reporting exercises, providing the opportunity to draw from and align with closely related data development, collation and reporting activities. Working groups may seek the advice of related groups, particularly where such groups are responsible for the data collections drawn on for Review reports. The particular approach to liaising with related exercises varies across working groups. It can take the form of cross-membership of Review working groups and related bodies (including Secretariat participation in a range of related technical and data sub-committees), holding adjunct meetings with related groups, or formal feedback procedures.

Outputs and responsibilities

The role of working groups includes:

- developing strategic plans for current and future reports, in the context of the Steering Committee's strategic directions
- suggesting the boundary of services for the purposes of reporting exercises and providing comments on boundary issues
- suggesting revisions to the service-sector performance indicator frameworks
- developing agreed performance indicators, and selecting from indicators developed elsewhere for the services within the frameworks
- developing agreed definitions for variables that are the components of the indicators
- identifying appropriate data sources and where appropriate, initiating and contributing to a data collection system
- reading and commenting on drafts of relevant Steering Committee material
- endorsing jurisdiction-specific material for their service area in Working Group materials and proposing jurisdiction-specific material in Steering Committee reports
- providing the Review point of contact for relevant jurisdictional feedback and data.

Interaction between Steering Committee and working groups

The Steering Committee represents the whole-of-government view of each jurisdiction participating in the Review process.

Working groups are advisory bodies and do not endorse report content. The Steering Committee draws on the expert advice of its working groups and of specialist data agencies and other organisations, but it is not bound by such advice.

Working groups may provide input to the Steering Committee in two ways.

- First, each Working Group provides advice to the Steering Committee through its Convenor. At Steering Committee meetings, each Convenor provides a report on progress against the strategic plan and any issues raised by the Working Group. This is the conduit for a Working Group to raise issues of concern.

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- Second, individual Working Group members may raise jurisdiction-specific issues with their jurisdiction's Steering Committee member(s). The Steering Committee member will then decide whether to raise the issue at a Steering Committee meeting.

For example, the typical process for adding or removing a performance indicator from a framework is:

- the Working Group discusses a performance indicator that its members would like to add or no longer considers meaningful/useful
- each jurisdiction's Working Group member provides formal advice on whether their jurisdiction supports the revision, addition, or removal of the indicator
- the Working Group as a whole considers jurisdictional responses and agrees a joint recommendation to be made to the Steering Committee
- the Convenor presents the Working Group recommendation to the Steering Committee
- the Steering Committee considers the recommendation. The Steering Committee may accept or reject the recommendation, request further information from the Working Group, or agree an alternative course of action. The Steering Committee considers working group advice from a whole-of-government perspective, taking into account the objectives of the Review. Typically, the Steering Committee has been reluctant to remove a useful, if flawed, indicator, before a replacement indicator can be reported. In recognition of the growing maturity of the RoGS, in some circumstances indicators may be removed where there is no suitable replacement — for example: where the relevant Working Group and the Steering Committee agree that a particular indicator is no longer meaningful; or where an indicator adopted as a result of aligning with a National Agreement is removed in the National Agreement and/or is no longer considered otherwise of value to RoGS reporting.

Role of the Secretariat

The Steering Committee and its working groups are supported by a Secretariat located within the Productivity Commission. The Secretariat is a neutral body and does not represent any jurisdiction. The Secretariat provides administrative support to the Steering Committee and working groups, and provides advice on:

- performance measurement and reporting issues, particularly those that benefit from a Review wide perspective, or where the Secretariat has particular expertise
- improving consistency, where appropriate, across the Review.

The main, regular tasks undertaken by the Secretariat are:

- drafting agendas (distributed approximately 4 weeks prior to a meeting), agenda papers (distributed approximately 1-2 weeks prior to a meeting) and minutes of Steering Committee and Working Group meetings (distributed approximately 2-4 weeks after a meeting)
- assisting the coordination of Review work with that of related exercises
- drafting of correspondence, submissions and activity reports
- undertaking research as approved or directed by the Steering Committee
- liaising with Working Group members and related parties to progress agreed tasks out-of-session

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- data collection, where necessary and managing data requests
 - drafting reports
 - addressing questions and comments from Steering Committee and Working Group members and observers on drafts,
 - implementing applicable COAG initiatives on behalf of the Steering Committee.

The Secretariat does not possess the resources to undertake major research projects or fund consultancies in support of individual working groups. The Secretariat does advise the Steering Committee of progress with performance reporting, and may manage consultancies on behalf of working groups and/or the Steering Committee.

The Secretariat provides the only permanent staff to the Review, and as such acts as a central repository of information and knowledge. The Secretariat needs to make regular operational decisions on administration, liaison with Review participants and drafting. However, every effort is made to consult with relevant working groups on issues that affect them, and all significant decisions are referred to the Steering Committee at its regular meetings, or if necessary, out-of-session for consideration and decision.

Role of other working parties/related exercises

Other working parties and related exercises are active in many of the service areas covered by the Review. These can be statistical groups (such as the ABS National Aboriginal and Torres Strait Islander Social Survey reference group) or COAG Council sub-committees (such as the National Health Information Standards and Statistics Committee.) Some related groups have similar membership to working groups, but often report to line agency ministers. Other related groups also include non-government representation, for example in the education sector, both Catholic and Independent schools are represented in fora that the School and Early Education and Care Working Group is also represented.

The Review is an independent COAG exercise, with reporting lines through the Steering Committee members to heads of government. While the Steering Committee values the input of related exercises, decisions about significant changes in Review reporting are made by the Steering Committee with advice from relevant working groups. Although the Steering Committee or working groups may seek the advice of related groups, the Steering Committee and working groups are not bound by such advice.

Role of non-government bodies

As noted, observer status is not generally extended to non-government bodies. However, in some circumstances, feedback on development of performance indicators, data collection and reporting may be sought from non-government bodies, for example:

- when data are to be disaggregated by government and non-government service providers
- where non-government groups, such as service providers and client peak bodies, can be expected to be sensitive to the reported performance results

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- where non-government groups are custodians of data sets or have undertaken research relevant to Review reports.

The work of non-government groups should be acknowledged in the Review's publications, where relevant.

Attachment 1 Steering Committee Terms of reference and Charter of operations

STEERING COMMITTEE FOR THE REVIEW OF GOVERNMENT SERVICE PROVISION *Terms of Reference and Charter of Operations*

Terms of Reference

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|---|---|
| <p>(1) The Steering Committee for the Review of Government Service Provision (the Steering Committee) was established by the Council of Australian Governments (COAG) and comprises representatives of the Commonwealth, State and Territory governments.</p> <p>The Steering Committee will operate according to a Charter of Operations.</p> | <p>Constitution and authority of Steering Committee</p> |
| <p>(2) As an integral part of the national performance reporting system, the Steering Committee informs Australians about services provided by governments and enables performance comparisons and benchmarking between jurisdictions and within a jurisdiction over time. The Steering Committee and its working groups are supported by a Secretariat located within the Productivity Commission as a neutral body that does not represent any jurisdiction.</p> | <p>Objectives</p> |
| <p>(3) Better information improves government accountability and contributes to the wellbeing of all Australians by driving better government service delivery. To this end, the Steering Committee will:</p> <ul style="list-style-type: none">i. measure and publish annually data on the equity, efficiency and cost effectiveness of government services through the <i>Report on Government Services</i>ii. produce and publish biennially the <i>Overcoming Indigenous Disadvantage</i> reportiii. collate and prepare performance data under the Intergovernmental Agreement on Federal Financial Relations, in support of the analytical role of the COAG Reform Council and the broader national performance reporting systemiv. initiate research and report annually on improvements and innovation in service provision, having regard to the COAG Reform Council's task of highlighting examples of good practice and performance and perform any other related tasks referred to it by COAG. | <p>Outputs</p> |
| <p>(4) The <i>Report on Government Services</i> and the <i>Overcoming Indigenous Disadvantage</i> report will be produced subject to additional terms of reference.</p> | |

<p>(5) To support the quality and integrity of these products, the Steering Committee will:</p> <ul style="list-style-type: none"> i. ensure the integrity of the performance data it collects and holds ii. exercise stewardship over the data, in part through participation in data and indicator development work of other groups that develop, prepare and maintain data used in Review reports, and through reporting outcomes of Steering Committee data reviews to authorities such as Heads of Treasuries and COAG, to ensure its long term value for comparisons of government service delivery, and as a research and evidence tool for the development of reforms in government service delivery iii. ensure that performance indicators are meaningful, understandable, timely, comparable, administratively simple, cost effective, accurate and hierarchical, consistent with the principles for performance indicators set out under the Intergovernmental Agreement on Federal Financial Relations iv. keep abreast of national and international developments in performance management, including the measurement and reporting of government service provision. 	<p>Data quality and integrity</p>
<p>(6) The Steering Committee’s ability to produce meaningful comparative information requires timely access to data and information. All jurisdictions have committed to facilitate the provision of necessary data, either directly or via a data agency, to meet Steering Committee timelines and to ensure the Steering Committee can meet its obligations to COAG.</p>	
<p>(7) The Steering Committee will seek to maximise the accessibility to governments and the Australian community of the performance data it collects and collates, taking advantage, where appropriate, of developments in electronic storage, manipulation and publication of data. It will work with other government agencies in Australia undertaking similar work to ensure a consistent and best practice approach.</p>	<p>Accessibility</p>
<p>(8) The Steering Committee will also, subject to direction from COAG, and in recognition of its role in the broader national performance reporting framework:</p> <ul style="list-style-type: none"> i. have regard to the work program of the COAG Reform Council and provide such data as is required by the Council for the performance of its functions ii. align, insofar as possible, the data collected and indicators developed with those under the National Agreements, avoiding duplication and unnecessary data collection burdens on jurisdictions iii. drive improvements in data quality over time, in association with the Ministerial Council for Federal Financial Relations, the COAG Reform Council, other Ministerial Councils and data agencies. 	<p>Relationships within the national performance reporting system</p>

Charter of Operations

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|---|----------------|
| (1) This charter of operations sets out the governance arrangements and decision making processes for the Steering Committee for the Review of Government Service Provision (the Steering Committee). It should be read in conjunction with the Council of Australian Governments (COAG)-endorsed terms of reference for the Steering Committee. Additional information on the Steering Committee's policies and principles can be found in the introductory chapters of relevant reports and the 'Roles and responsibilities of Review participants' document. | Preamble |
| (2) COAG established the Steering Committee in 1993, to produce ongoing comparisons of the efficiency and effectiveness of Commonwealth, State and Territory government services (through the <i>Report on Government Services</i> [ROGS]) and to compile and assess service provision reforms. | History |
| (3) In December 2009, COAG confirmed the ROGS should continue to be the key tool to measure and report on the productive efficiency and cost effectiveness of government services, as part of the national performance reporting system. | |
| (4) The Steering Committee comprises senior officials from the central agencies (First Ministers, Treasuries and Finance departments) of the Commonwealth, States and Territories. The Steering Committee is chaired by the Chairman of the Productivity Commission. | Membership |
| (5) In recognition of the value of expert technical advice, and the need for collaborative action, the Steering Committee may include observers from relevant data agencies. | Observers |
| (6) The Steering Committee and its working groups are supported by a Secretariat located within the Productivity Commission. The Secretariat is a neutral body and does not represent any jurisdiction. | Secretariat |
| (7) The Steering Committee may establish working groups, cross-jurisdictional or otherwise, to provide expert advice. Working groups typically comprise a convenor drawn from the membership of the Steering Committee and State, Territory and Commonwealth government representatives from relevant departments or agencies. Working group members should have appropriate seniority to commit their jurisdictions on working group matters and provide strategic policy advice to the Steering Committee. | Working groups |

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- (8) In recognition of the value of expert technical advice and close relationships with data development bodies and agencies, working groups may include observers from relevant data agencies or, where a data agency is not available, Ministerial Council data sub-committees. Furthermore, working groups may consult with data agencies or sub-committees, as appropriate, on technical issues requiring expert consideration.
 - (9) Working groups may contribute to and comment on drafts of Steering Committee reports, and make recommendations to the Steering Committee on matters related to their areas of expertise.
 - (10) Working groups are advisory bodies and do not endorse report content. As far as practicable, working groups adopt a consensus approach to making recommendations to the Steering Committee. Where working groups do not reach consensus, alternative views should be provided to the Steering Committee for decision.
 - (11) As far as practicable, the Steering Committee adopts a consensus approach to decision-making. Where consensus is not reached, decisions are based on majority vote of Steering Committee members, with each jurisdiction's members having one joint vote. (Observers may not vote.) Should the Steering Committee be equally divided, the Chairman has a casting vote.
 - (12) Steering Committee members from one jurisdiction may choose not to publish information relating to their own jurisdiction but may not veto the publication of information relating to other jurisdictions.
 - (13) The Steering Committee may draw on the expert advice of its Secretariat, working groups and of specialist data and other organisations, but it is not bound by such advice.

Governance and
decision-making
arrangements

Attachment 2 Report on Government Services Terms of reference

The Report on Government Services

Terms of Reference

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|---|------------------------------|
| (1) The Steering Committee will measure and publish annually data on the equity, efficiency and cost effectiveness of government services through the Report on Government Services (ROGS). | Outputs and objectives |
| (2) The ROGS facilitates improved service delivery, efficiency and performance, and accountability to governments and the public by providing a repository of meaningful, balanced, credible, comparative information on the provision of government services, capturing qualitative as well as quantitative change. The Steering Committee will seek to ensure that the performance indicators are administratively simple and cost effective. | |
| (3) The ROGS should include a robust set of performance indicators, consistent with the principles set out in the Intergovernmental Agreement on Federal Financial Relations; and an emphasis on longitudinal reporting, subject to a program of continual improvement in reporting. | |
| (4) To encourage improvements in service delivery and effectiveness, ROGS should also highlight improvements and innovation. | |
| (5) The Steering Committee exercises overall authority within the ROGS reporting process, including determining the coverage of its reporting and the specific performance indicators that will be published, taking into account the scope of National Agreement reporting and avoiding unnecessary data provision burdens for jurisdictions. | Steering Committee authority |
| (6) The Steering Committee will implement a program of review and continuous improvement that will allow for changes to the scope of the ROGS over time, including reporting on new service areas and significant service delivery areas that are jurisdiction-specific. | |
| (7) The Steering Committee will review the ROGS every three years and advise COAG on jurisdictions' compliance with data provision requirements and of potential improvements in data collection. It may also report on other matters, for example, ROGS's scope, relevance and usefulness; and other matters consistent with the Steering Committee's terms of reference and charter of operations. | Reporting to COAG |

Attachment 3 Overcoming Indigenous Disadvantage Report Terms of reference

Overcoming Indigenous Disadvantage: Key Indicators report

Terms of Reference

Letter from Prime Minister Kevin Rudd, Canberra

Reference: B08/2004

Received: 11 March 2009

Addressed to: Mr Gary Banks AO,
Chairman

Steering Committee for the Review of Government Service Provision

C/-Productivity Commission, Locked Bag 2, Collins Street East Vic 8003

Dear Mr Banks

I am writing in my capacity as Chair of the Council of Australian Governments (COAG) to convey to you updated Terms of Reference for the Overcoming Indigenous Disadvantage (OID) Report.

Since it was first published in 2003, the OID report has established itself as a source of high quality information on the progress being made in addressing Indigenous disadvantage across a range of key indicators. The OID report has been used by Governments and the broader community to understand the nature of Indigenous disadvantage and as a result has helped inform the development of policies to address Indigenous disadvantage. The OID report is highly regarded and I commend the Steering Committee for the Review of Government Services (the Steering Committee) for its efforts in preparing the report every two years.

In December 2007 and March 2008, COAG committed to six ambitious targets to close the gap in Indigenous disadvantage:

- closing the life expectancy gap within a generation;
- halving the gap in the mortality rate for Indigenous Children under five within a decade;
- ensuring all Indigenous four year olds in remote communities have access to quality early childhood programs within five years;
- halving the gap in reading, writing and numeracy achievements for children within a decade;
- halving the gap for Indigenous students in Year 12 attainment rates or equivalent attainment by 2020; and
- halving the gap in employment outcomes within a decade.

Without high quality data, it is impossible to understand where we are headed in terms of overcoming Indigenous disadvantage. Through the National Indigenous Reform Agreement, all Governments have committed to ensuring their data is of high quality, and moreover, is available for reporting purposes. This undertaking has been made with specific reference to the need for data to be provided for the OID report.

In August 2008, the Chair of the COAG Working Group on Indigenous Reform (WGIR), the Hon Jenny Macklin MP, wrote to you requesting the Steering Committee work with the WGIR to align the OID framework to the Closing the Gap targets.

As a result, on 29 November 2008, COAG agreed a new framework for the OID report which takes account of the six ambitious targets to Close the Gap in Indigenous disadvantage. The Steering Committee should take account of this new framework in preparing future OID reports thereby ensuring the report continues to provide Governments and the broader community with an understanding of the progress being made to overcome Indigenous disadvantage.

I have copied this letter to the Treasurer, Ms Macklin and the Chair of MCATSIA the Deputy Premier of the Government of Western Australia and Minister for Indigenous Affairs, the Hon Dr Kim Hames MLA.

Yours sincerely

[signed]

Kevin Rudd

Attachment 4 Indigenous Expenditure Report 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.