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## 2 Recent developments in the Report

### 2.1 Developments in reporting in 2002

This is the eighth *Report on Government Services* produced by the Review. Reporting is an iterative process and each year the Review endeavours to build on developments of previous years. Since the Review published its first Report in 1995 (SCRCSSP 1995), there has been a general improvement in the data collected. Improvements in the 2003 Report can be categorised into two broad areas:

- improvements to the data used in performance indicators:
  - in the comparability, timeliness, quality of data;
  - through increased reporting for special needs groups (in particular Indigenous Australians, and people living in rural and remote areas); and
  - in reporting full costs to government; and
- improvements to performance indicator frameworks, by including new indicators, reporting against others for the first time and improving the quality of descriptive data and contextual information.

### Improvements in reporting for the 2003 Report

#### *Education*

Improvements in reporting of existing performance indicators for education services include:

- reporting against nationally comparable numeracy benchmarks at primary school years three and five;
- enhanced reporting for Indigenous school students with reporting on learning outcomes for years three and five and apparent retention rates for year 10;
- providing a jurisdictional breakdown for general employer perceptions of vocational education and training (VET);

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- modifying reporting of the indicator of employment outcomes for VET graduates to account for employment status before the course; and
  - expanding reporting for VET graduates to include national data for special needs graduates on the utility of their VET course.

New performance indicators for education services include:

- a measure of full time participation rates of young people in education and work;
- educational attainment by labour force status;
- nationally comparable learning outcomes for reading, mathematical and scientific literacy of 15 year old secondary school students;
- VET participation, classified by language spoken at home;
- VET load pass rates by gender and language spoken at home;
- employers' mean satisfaction with VET providers; and
- employer views on aspects of VET course delivery and graduate skills.

### *Health*

Improvements in reporting of existing performance indicators for health services include:

- an additional method of reporting elective surgery waiting times;
- more comprehensive reporting on hospital accreditation;
- an effectiveness indicator for early breast cancer detection performance revised to reflect technical improvements in pre-operative diagnosis;
- modifications to the reporting of efficiency indicators for mental health to improve comparability;
- inclusion of an interim indicator for outcomes in mental health; and
- more timely data on cervical screenings in the general practice chapter.

New performance indicators for health services include:

- the overall breast cancer detection rate;
- perineal status after vaginal delivery — an indicator of service quality in the maternity services section of the public hospitals chapter; and
- the birthweights of babies by Indigenous status of mothers.

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In addition, descriptive and contextual information has been included on:

- breast cancer survival rates; and
- the use by Indigenous people of general practice services.

### *Justice*

Improvements in reporting of existing performance indicators for the courts chapter include:

- improvements in data quality as a result of revisions to the definition of the scope of the courts' administration collection and data definitions for specific performance indicators; and
- more extensive reporting on the Federal Magistrates Service and the children's courts as a result of improvements to data collection processes.

The chapter on corrective services includes more comprehensive efficiency reporting with, for example, costs per prisoner/offender now reported for both recurrent and capital cost.

The police services chapter performance framework contains new indicators on:

- hospitalisation rates per registered vehicle; and
- cost of road safety and transport service delivery area/number of fatal or serious accidents.

The police services chapter also contains data on land transport hospitalisation rates for the first time.

### *Emergency management*

Comparability of data has been improved by:

- adoption of a consistent approach to reporting payroll tax;
- revision of definitions of data for ambulance personnel numbers, asset numbers and asset values, caseload and response times;
- reporting of geographic case-based data for ambulance response times and clarified fire data caveats indicating whether data reflect urban or urban and rural areas.

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New performance indicators in the 2003 Report for emergency management include:

- landscape fire incidents; and
- ambulance incidents per 100 000 people.

Descriptive data for ambulance services have been improved by the inclusion of data on the number of ambulance patients transported and/or treated.

### *Community services*

There are improvements to the comparability of data in the disability services chapter with:

- revised definitions and counting rules for accommodation support services;
- adoption of a method for accounting for differences in payroll tax; and
- some quality assurance data for existing indicators included for the first time.

Improvements to the performance indicator frameworks in community services include:

- the protection and support chapter providing Supported Accommodation and Assistance Program data relating to Indigenous clients in the areas of income, housing, and labour force status;
- data for geographic indicators of access to employment services in the disability services chapter; and
- a children's services chapter efficiency measure for jurisdictional total expenditure per child.

### *Housing*

Significant improvements have been introduced to the housing chapter this year, including:

- data from the 2001 Community Housing and Infrastructure Needs Survey on Indigenous community housing;
- revised performance indicators for Commonwealth Rent Assistance, including more information on client satisfaction with housing, and accessibility and affordability outcomes for special needs groups; and

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- more comprehensive reporting against the framework for the community housing sector, with reporting against 10 of the 12 performance indicators compared with eight in the 2002 Report and four in the 2001 Report.

## **2.2 Progress on key data issues**

The Review has identified key data issues that affect the Report: the comparability of data; full costing of government services; reporting of data for particular target population groups; and accounting for the goods and services tax (GST). There are also some issues associated with changes to the administrative data collections on which the Review relies to publish the Report.

### **Changes to administrative data collections**

There are some instances where reporting has been affected in the past year by the discontinuation of some data sets used by the Review. One example is the Population Survey Monitor which was produced by the Australian Bureau of Statistics (ABS) but discontinued in 2001. Data from this collection made up a considerable part of the police services chapter and although this survey has been replaced in the chapter by the AC Nielson Survey ‘Community satisfaction with policing’, significant differences in methodology between the two surveys have resulted in a break in the chapter’s time series data.

Review requirements are sometimes not a priority in the development or refinement of national minimum data sets or other types of information infrastructure. There is, for example, sometimes significant delay between the first data collection period and when data from a new data set become publicly available. In part this is due to implementation problems that can affect data quality for several years. In other cases, collection of data is staged, so that 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. The Steering Committee has taken steps to minimise the occurrence and impact of data time lags on the Report.

### **Comparability of data**

To facilitate more informed policy making, where feasible, data are reported on a comparable basis across service areas and jurisdictions. Table 2.1 summarises the Review’s progress in reporting comparable data against the performance indicators for efficiency and each of the four categories of effectiveness — outcomes, access

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and equity, appropriateness and quality. Data are considered to be comparable where they are collected using the same definition across jurisdictions.

Some service areas have not explicitly adopted the above categories in their frameworks. Where services have adopted their own categories (such as in breast cancer management and emergency management), the service's performance indicators have been allocated to the most suitable broad category. Response times, for example, are a 'response' performance indicator in emergency management, but in table 2.1 they are reported as a 'quality' performance indicator.

Table 2.1 indicates the first year in which at least one indicator under each category was reported across all jurisdictions on a comparable basis and sourced from a regularly published report or data collection and not from a one-off collection. However, assessment is not made of the quality of the indicator itself (for example, whether it is necessarily the most appropriate indicator).

The pace of improvements in reporting across services is also illustrated in table 2.1. With the exception of the NT, all services in all jurisdictions report on an accrual basis. Some service areas, however, are still unable to provide comparable data for a number of specific performance indicators. Despite the inclusion of some descriptive data, the housing chapter, for example, still does not report nationally comparable data on mainstream community housing for any performance indicators, seven years after the inclusion of these measures in the Review.

**Table 2.1 First reporting of at least one comparable indicator<sup>a, b</sup>**

Framework service	When at least one nationally comparable indicator was first reported <sup>c</sup>						
	First coverage of service	Outcomes	Access and equity	Appropriateness	Quality	Client views	Efficiency
<i>Education</i>							
School education	1995	1995	2001	na	na	na	1995
VET	1995	1995	1995	1995	1995	1995	1997
<i>Health</i>							
Public hospitals	1995	na	1995	1995	1995	na	1995
Maternity services	2001	2001	na	na	na	na	na
General practice	1999	1999	1999	2000	2000	na	2000
Breast cancer	1998	2000	2002	na	2000	na	na
Mental health	1999	1999	na	1999	2000	na	1999
<i>Justice</i>							
Police services	1995	1995	1999	na	1995	1997	1997
Courts administration	1995	na	1995	na	1995	na	1995
Corrective services	1995	1995	1998	na	1995	na	1995
<i>Emergency management</i>							
Fire services	1998	1999	na	na	na	2000	2001
Ambulance services	1998	na	na	na	na	2000	2001
<i>Community services</i>							
Aged care services	1997	na	1999	2000	2000	2000	2000
Services for people with a disability	1997	1997	1997	1997	2000	2000	na
Children's services	1997	na	1997	na	2002	na	2003
Child protection and out-of-home care	1995	na	na	na	1997	na	na
Supported accommodation	1995	1998	na	1999	1998	na	na
<i>Housing assistance</i>							
Public housing	1995	1995	1995	1995	1997	1997	1997
Community housing	1997	na	na	na	na	na	na
State and Territory owned and managed Indigenous housing	2002	2002	2002	2002	na	na	2002
Commonwealth Rent Assistance	1999	2000	2000	2000	2000	2000	2000

<sup>a</sup> In the *Report on Government Services*. <sup>b</sup> Not all frameworks in this Report necessarily follow the general framework set out in chapter 1, however, all services report indicators that cover these general areas. Where this framework is not followed, the service's performance indicators have been allocated to the most suitable broad category. <sup>c</sup> Refers to year in which Report was published, not year of data. **na** Nationally comparable data are not available.

## Costing of services

In addition to the objective that funding or costs for delivery of services be measured and reported on a comparable basis, a further objective of the Review is that they reflect the full costs to government. The Review identified three priority

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areas for improving the comparability of unit costs and developed appropriate guidelines in each case:

- including superannuation on an accrual basis (SCRCSSP 1998b);
- accounting for differences in the treatment of payroll tax (SCRCSSP 1999b); and
- 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:

- reporting accrued benefits to employees (such as recreation and long service leave);
- apportioning relevant departmental overhead costs; and
- 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. Cash accounting, in contrast, recognises revenue and expenses when they are collected and paid. The majority of agencies and jurisdictions have adopted or have fully implemented 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 for 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 from 1998-99 onwards with pre-1998-99 data, but also in cases where some agencies adopted accrual accounting at some later point in time.

Table 2.2 provides an overview of the Review's progress in reporting on an accrual basis, meeting the principle of reporting full cost to government (with the incorporation of 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.



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### *Superannuation*

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

**Table 2.2 Progress of unit cost comparability in the 2003 Report**

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

✓ The 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. <sup>a</sup> Accrual: the majority of jurisdictions reported in accrual terms for the data in the 2003 Report. Cash: the majority of jurisdictions reported in cash terms for the data in the 2003 Report. Transition: the majority of jurisdictions did not report on either a pure cash or accrual basis. <sup>b</sup> Costs comprise mostly Commonwealth transfer payments to private service providers or households. <sup>c</sup> Costs comprise mostly Commonwealth, State or Territory transfer payments to private service providers or households. na Not available. .. Not applicable.

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### *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 can therefore 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 organisations may differ.

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

1. 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; or
2. when the majority of services are tax exempt, deduct the payroll tax amount from the costs of those government services that are taxable.

The VET, schools and corrective services chapters add a hypothetical payroll tax amount for exempt jurisdictions.

The police, courts administration and emergency management chapters deduct the amount from those services which are taxable. The disability services chapter presents the data adjusted in both ways.

### *Capital costs*

Under the accrual accounting methodology, the focus is on the capital used (or consumed) in a particular year rather than 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).

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As a matter of principle, it is important to incorporate the full impact of capital costs in cost comparisons. Capital can be a significant component of service delivery costs. Since capital 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 expenditures underestimate the underlying costs to governments. Inclusion of capital expenditures 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 estimates (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). The aim of the study was 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 in the areas of corrective services, housing, police services and public hospitals.

The study found differences in asset measurement techniques can have a major impact on reported capital costs and have the potential to affect the cost rankings among jurisdictions. Results of the study suggest that the differences created by these asset measurement effects were generally relatively small in the context of total unit costs as, except for housing, capital costs represent a relatively small proportion of total cost. 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 occurring. The adoption of national uniform accounting standards across all service areas would be a desirable outcome from the perspective of the Review.

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### *Other costing issues*

Other costing issues include reporting of accrued benefits to employees, the apportionment of costs that are shared across services (mainly overhead departmental costs) and the treatment of non-government sourced revenue. The issue of accrued benefits to employees is addressed primarily through the adoption of accrual accounting and the incorporation of explicit references 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 these revenues from their estimates of unit costs where the revenues are relatively small (for example, in police services and courts). 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 lead to the ability to make an adequate assessment of cost 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 cost efficiency.

### **People with special needs**

For some chapters, the Report contains data on the performance of agencies in catering to special needs groups. The chapters on aged care services, services to people with a disability and children's services examine the performance of government services in addressing the needs of particular groups in society. The Review also collects data, where available, on the performance of agencies delivering services for three groups across all chapters of the Report — Indigenous people, people from a non-English speaking background, and people living in communities outside the capital cities (that is, people living in other metropolitan areas, rural and remote communities).

### *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. This was reinforced by the Council of Australian Governments (COAG) at its 3 November 2000 meeting, where heads of government agreed that ministerial councils will develop action plans, performance reporting strategies and benchmarks to facilitate review of the progress made in this area.

Table 2.3 provides a stocktake of data on Indigenous Australians in the Review, indicating which services have reported on at least one comparable performance indicator, or have descriptive data, for all jurisdictions. It does not signify the quality of the data.

**Table 2.3 Reporting of at least one comparable data item on Indigenous Australians for the 2003 Report**

<i>Framework/service</i>	<i>Descriptive data</i>	<i>Outcomes</i>	<i>Access and equity</i>	<i>Appropriateness</i>	<i>Quality</i>	<i>Client views</i>	<i>Efficiency</i>
<i>Education</i>							
School education	✓	✓	✓	x	x	x	x
VET	✓	✓	✓	x	x	x	x
<i>Health</i>							
Public hospitals	✓	x	✓	x	x	x	x
Maternity services							
General practice	✓	x	x	x	x	x	x
Breast cancer	x	x	✓	x	x	x	x
Mental health	✓	✓	x	x	x	x	x
<i>Justice</i>							
Police services	x	✓	✓	x	x	x	x
Courts administration	x	x	x	x	x	x	x
Corrective services	✓	✓	x	x	x	x	x
<i>Emergency management</i>							
Fire services	x	x	x	x	x	x	x
Ambulance services	✓	x	x	x	x	x	x
<i>Community services</i>							
Juvenile justice	✓	x	x	x	x	x	x
Aged care services	✓	x	✓	x	x	x	x
Services for people with a disability	✓	x	✓	x	x	x	x
Children's services	✓	x	x	x	x	x	x
Child protection and out-of-home care	x	✓	✓	x	x	x	x
Supported accommodation	x	✓	✓	✓	✓	x	x
<i>Housing assistance</i>							
Public housing	x	x	x	x	x	x	x
Community housing	x	x	x	x	x	x	x
State and Territory owned and managed Indigenous housing	✓	✓	✓	✓	x	x	✓
Commonwealth Rent Assistance	✓	x	✓	x	x	x	x

✓ Indicates that at least one nationally comparable data item is available. x Indicates that no nationally comparable data are available (although jurisdictions may report data specific to their jurisdiction).

### *COAG Report on Indigenous Disadvantage*

In April 2002, COAG commissioned the Steering Committee to prepare a regular report on key indicators of Indigenous disadvantage as part of the COAG

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reconciliation commitment. This will be a new report, separate from the *Report on Government Services*.

The Steering Committee established a working group to advise on the Indigenous report, comprised of senior officials from each jurisdiction, as well as representatives from the Aboriginal and Torres Strait Islander Commission, the Australian Local Government Association, the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA), and an observer from the ABS.

The Steering Committee released a draft consultation framework during October and November 2002. The draft consultation framework was largely based on an earlier framework developed by MCATSIA. After considering suggestions made during the consultation process, the Steering Committee will seek endorsement of the framework by COAG in early 2003 in order to meet the due date for publication of the first report in September 2003.

#### *Data collection issues*

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

The ABS has an important role in this area. Some of the work being undertaken by the ABS includes:

- an ongoing program to develop and improve Indigenous data flowing from Commonwealth, State and Territory administrative systems;
- work with other agencies to ensure that 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 hospitals, community services, education, housing, and law 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; and
- expanding its Household Survey Program to collect more regular Indigenous statistics, including regular Indigenous general social surveys, Indigenous sample supplementation in regular health surveys and annual Indigenous labour force estimates.

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The Review will draw on these initiatives in future reports.

*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 2.4 indicates which service sectors are reporting at least one comparable data item on services delivered to rural and remote communities. The table also shows whether the data available are in the form of descriptive information or a performance indicator.

Reporting data on rural and remote communities is complicated by the number of classifications systems that exist. Rural Remote Metropolitan Areas classification (or a variant) is still used in the majority of services in the Report (VET, public hospitals, general practice, health management, aged care services, children's services and public housing). Emergency services has moved to the Accessibility/Remoteness Index of Australia (ARIA Plus) and the other services, such as schools and children's services, are working towards reporting future data using ARIA Plus.



**Table 2.4 Reporting of at least one comparable data item on rural and remote communities for the 2003 Report**

<i>Framework/service</i>	<i>Descriptive data</i>	<i>Outcomes</i>	<i>Access and equity</i>	<i>Appropriateness</i>	<i>Quality</i>	<i>Client views</i>	<i>Efficiency</i>
<i>Education</i>							
School education	✓	✓	✓	X	x	x	✓
VET	✓	✓	✓	x	x	x	x
<i>Health</i>							
Public hospitals	✓	x	x	x	x	x	x
General practice	x	x	✓	x	✓	x	x
Breast cancer	x	x	✓	x	x	x	x
Mental health	x	✓	x	x	x	x	x
<i>Justice</i>							
Police services	x	x	x	x	x	x	x
Courts administration	x	x	✓	x	x	x	x
Corrective services	x	x	x	x	x	x	x
<i>Emergency management</i>							
Fire services	x	x	x	x	x	x	x
Ambulance services	x	x	x	x	x	x	x
<i>Community services</i>							
Aged care services	x	x	✓	x	x	x	x
Services for people with a disability	✓	x	✓	x	x	x	x
Children's services	✓	x	✓	x	x	x	x
Child protection and out-of-home care	x	x	x	x	x	x	x
Supported accommodation	x	x	x	x	x	x	x
<i>Housing assistance</i>							
Public housing	✓	x	x	x	x	x	x
Community housing	✓	x	x	x	x	x	x
State and Territory owned and managed	✓	x	x	x	x	x	x
Indigenous housing							
Commonwealth Rent Assistance	✓	✓	✓	x	x	x	x

✓ Indicates that at least one nationally comparable data item is available. x Indicates that no nationally comparable data are available (although jurisdictions may report data specific to their jurisdiction).

### *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 2.5 indicates which services have reported at least one comparable performance indicator, or descriptive data, for all jurisdictions.

Reporting data on people from a non-English speaking background is complicated by the number of classifications systems that exist. People speaking a language other than English at home (VET, health management, aged care and children's services) and people born in a non-English speaking country (protection and

support, VET and disability services) are the classifications currently adopted in the Report. However, some services are considering reporting future data using the cultural and language diversity classification (for example, protection and support) or the language background other than English classification (schools).

**Table 2.5 Reporting of at least one comparable data item on people from a non-English speaking background for the 2003 Report**

<i>Framework/service</i>	<i>Descriptive data</i>	<i>Outcomes</i>	<i>Access and equity</i>	<i>Appropriateness</i>	<i>Quality</i>	<i>Client views</i>	<i>Efficiency</i>
<i>Education</i>							
School education	✓	✓	✓	x	x	x	x
VET	✓	✓	✓	x	x	x	x
<i>Health</i>							
Public hospitals	x	x	x	x	x	x	x
Maternity services	x	x	x	x	x	x	x
General practice	x	x	x	x	x	x	x
Breast cancer	x	x	✓	x	x	x	x
Mental health	x	✓	x	x	x	x	x
<i>Justice</i>							
Police services	x	x	x	x	x	x	x
Courts administration	x	x	x	x	x	x	x
Corrective services	x	x	x	x	x	x	x
<i>Emergency management</i>							
Fire services	x	x	x	x	x	x	x
Ambulance services	x	x	x	x	x	x	x
<i>Community services</i>							
Juvenile justice	x	x	x	x	x	x	x
Aged care services	x	x	✓	x	x	x	x
Services for people with a disability	✓	x	✓	x	x	x	x
Children's services	✓	x	✓	x	x	x	x
Child protection and out-of-home care	x	x	x	x	x	x	x
Supported accommodation	x	x	✓	✓	x	x	x
<i>Housing assistance</i>							
Public housing	x	x	x	x	x	x	x
Community housing	x	x	x	x	x	x	x
State and Territory owned and managed Indigenous housing	x	x	x	x	x	x	x
Commonwealth Rent Assistance	x	x	x	x	x	x	x

✓ Indicates that at least one nationally comparable data item is available. x Indicates that no nationally comparable data are available (although jurisdictions may report data specific to their jurisdiction).

## 'Cross-cutting' issues

The management of issues that cut across more than one service area is an area of increasing interest for governments. These are issues that cannot solely be

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addressed within any particular service area or ministerial portfolio. They include, for example, government policies aimed at specific client constituencies or social groups (such as the elderly, women, children, Indigenous Australians, people in rural and remote areas, and people from non-English speaking backgrounds) whose needs are seen as meriting comprehensive, integrated services and programs.

Improving the management of these issues can contribute to more cost effective (that is, more efficient, higher quality, and client focused) service provision. Greater efficiency and user friendliness is expected to come from a more holistic client focus with clearly defined priorities, and the elimination of duplicated or contradictory programs.

To date, data limitations have meant that the Review is yet to develop a performance indicator framework that cuts across more than one service area. However, work is progressing that may lead to improved data in this area. The National Community Services Data Committee is undertaking work involving the matching of relevant data elements in existing national data sets to common classifications and promoting consistency of definitions. It is anticipated that this will lead to better identification of the extent to which target groups use multiple services and may provide greater nationally comparable data in the future. The Australian Institute of Health and Welfare is developing a national minimum data set for juvenile justice which is currently in the pilot test stage (due to be completed in 2003) and is also in the early stages of developing a performance indicator framework based on this data set. In the interim, and with a view to reporting performance related data in future reports, the 2003 Report continues to include descriptive information on juvenile justice.

### **Impact of the Goods and Services Tax (GST)**

There were major changes to the Australian tax system from 1 July 2000 with the introduction of The New Tax System. A major component of The New Tax System is the GST. Under the GST, government agencies are treated in the same manner as other businesses. That is, there are no exemptions from the GST for government agencies on their purchases and government agencies are able to 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. It appears that the GST has had little quantifiable impact on the performance indicators in this Report.

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## 2.3 Related Review projects

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:

- an examination of 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 satisfaction of clients of disability services jointly with the National Disability Administrators (Equal and Donovan Research 2000);
- the use of activity surveys used by police services in Australia and New Zealand (SCRCSSP 1999a) as a means of drawing lessons for other areas of government that are considering activity measurement in output costing and internal management;
- an examination of payroll tax (SCRCSSP 1999b) and superannuation (SCRCSSP 1998b) in the costing of government services; and
- Data Envelopment Analysis — a report on a technique for measuring the efficiency of government services delivery (SCRCSSP 1997b).

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

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

and one (SCRCSSP 1998a) that covers:

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

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

- timing program implementation;
- decentralising decision making;

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- measuring and assessing performance;
  - measuring quality;
  - directly linking funding to performance; and
  - charging users (SCRCSSP 1998a).

The Steering Committee will continue to focus on research that is related to performance measurement, which should assist in improving reporting for individual services.

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## 2.4 References

Equal and Donovan Research 2000, *National Satisfaction Survey of Clients of Disability Services*, Report prepared for the Steering Committee for the Review of Commonwealth/State Service Provision and the National Disability Administrators, AusInfo, Canberra.

SCRCSSP (Steering Committee for the Review of Commonwealth/State Service Provision) 1995, *Report on Government Service Provision 1995*, AGPS, Canberra.

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— 1997b, *Data Envelopment Analysis: A technique for measuring the efficiency of government service delivery*, AusInfo, Canberra.

— 1998a, *Implementing Reforms in Government Services 1998*, AusInfo, Canberra.

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

— 1999a, *Linking Inputs and Outputs: Activity Measurement by Police Services*, AusInfo, Canberra.

— 1999b, *Payroll Tax in the Costing of Government Services*, AusInfo, Canberra.

— 2001, *Asset Measurement in the Costing of Government Services*, AusInfo, Canberra.