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## 2 Recent developments in the Report

### 2.1 Developments in reporting

This is the ninth Report on Government Services produced by the Review. Reporting is an iterative process, and the Review endeavours each year to build on developments of previous years. Since the Review published its first Report in 1995 (SCRCSSP 1995), there has been a general improvement in the data collected. The most notable improvement across most chapters for the 2004 Report is the implementation of the new Review performance indicator framework (discussed in chapter 1). In addition, other enhancements fall into two categories:

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

#### Improvements in reporting for the 2004 Report

##### *Education*

- This year, nationally comparable primary school learning outcomes for writing for years 3 and 5 are reported for the first time (in addition to those for reading and numeracy). Writing outcomes are reported for Indigenous students and students with a language background other than English.
- Comparability of data in chapter 3 (on school education) has been improved by applying the user cost of capital more consistently across jurisdictions. Cost per student is reported both including and excluding capital charges. Asset definitions have been revised, and data provided by jurisdictions has been cross-matched with data from the Ministerial Council for Education, Employment, Training and Youth Affairs.

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- In chapter 4 (on vocational education and training [VET]), rates of participation in VET by Indigenous Australians are compared with those of the total population. Reporting on the benefits of VET courses has also been expanded to include the ability to start one's own business.

### *Justice*

- The police services indicator 'outcomes of higher court cases' is reported on a comparable basis for the first time.
- Four new performance indicators are reported for the first time this year in chapter 6 (on court administration) — the backlog index (timeliness), the clearance index (productivity), the attendance index (expedition, access and cost) and judicial officers (access).
- The development of a new performance indicator framework, the establishment of a jurisdictional practitioner group and the implementation of recommendations associated with the Australian Bureau of Statistics (ABS) *Courts Administration Data Collection National Report* on lodgments have improved the comparability of information published in the court administration chapter.

### *Emergency management*

- Data are reported for the first time against the new road rescue services performance indicator framework. The indicators 'number of road rescue incidents per 100 000 people' and 'number of events in which extrications occur' have been reported for the first time.
- Comparability of fire services' response times has improved with reporting by geographic remoteness areas, and ambulance patient satisfaction data are now reported for all jurisdictions.

### *Health*

In chapter 9 (on public hospitals), improvements to reporting this year are as follows:

- An improved quality indicator for public hospitals — 'surgical site infection rates' — is reported for the first time.
- Data for 'intervention rates for selected primiparae' (reported in the maternity services section) are now comparable across jurisdictions.

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- Descriptive data for same day separations have been disaggregated to distinguish between medical and surgical separations.

The former chapter on general practice has been broadened this year with the aim of incorporating primary and community health services more generally. New indicators reported in chapter 10 include:

- use of the care planning and case conferencing Enhanced Primary Care Medicare items
- health assessments for older people
- influenzae vaccination coverage for older people
- vaccine preventable hospitalisations
- hospitalisations for selected acute conditions
- hospitalisations for selected chronic conditions
- hospitalisations of older people for falls
- a comparison of hospitalisation rates for diabetes for Indigenous and non-Indigenous people.

In chapter 11 (on health management issues), breast cancer incidence and mortality data are averaged over five year periods to smooth volatility in year-on-year movements, particularly for smaller jurisdictions, which tend to have fewer cases but relatively large variations in rates from year to year.

### *Community services*

- In chapter 12 (on aged care services), the performance indicator ‘intensity of care’ is reported for the first time using data on ageing in place, and ‘compliance with service standards for community care’ is partially reported for the first time.
- Quality assurance data for services for people with a disability in Victoria are reported for the first time (chapter 13).
- Six new indicators are reported for the first time in chapter 14 (on children’s services): four quality indicators, one equity indicator and one efficiency indicator.

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## 2.2 Progress with indicator development

The new Review framework has been applied in all chapters except that on police services. Its implementation has led to the development of new indicators in particular areas and a reassessment of indicators reported. Refinement of performance information is continuing as new research and data become available. To assess progress against two of the Review's key aims — (1) the provision of information about outcomes achieved and (2) the facilitation of assessment of performance in a comprehensive fashion against all important objectives (through reporting against all dimensions of the framework) — the indicators reported in each service area this year have been assessed against each category of the new framework. This assessment reveals the following:

- There is a paucity of information about cost-effectiveness, made apparent by the separate depiction of outputs and outcomes in the new framework diagram. The lack of cost-effectiveness data partly reflects the difficulty of collecting this type of information. No cost-effectiveness indicators are reported, and only two notional indicators of cost-effectiveness have been developed (for breast cancer detection and management, and Commonwealth Rent Assistance).
- There are few outcome indicators relating to equity, although this can be attributed to the rearrangement of indicators according to the new framework, which accentuates the importance of equity and draws out the distinction between equity and access.
- There are relatively few indicators of output quality compared with those for other output categories.
- There are relatively few output indicators of equity or access, again partly because these two performance areas were previously combined but the new framework treats them separately.

An analysis of gaps in reporting needs to be viewed in conjunction with the scope for improving currently reported indicators; it does not reveal the quality of the indicators that are reported (for example, whether they are necessarily the most appropriate).

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## 2.3 Progress on key data issues

The Review has identified key data issues that affect the quality of information in the Report: timeliness of data; comparability of data; changes to the administrative data collections; full costing of government services; accounting for the goods and services tax (GST); and reporting of data for special needs groups.

### Timeliness

As noted in chapter 1, recent data are more useful for policy decision making, but there can be a tradeoff between the accuracy of the data and their timeliness. The Review's approach is to publish imperfect data with caveats. This approach allows increased scrutiny of the data and lays open 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. Of particular note:

- Data for services for people with a disability have been affected by the introduction of a new data collection, but current data are not expected to be available until the 2005 Report. (Changes to administrative data sets are discussed further below.)
- There are no data for the current period for specialised mental health services.
- There is significant scope for improving the timeliness of some maternity services data.
- 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, hence the marked lag in reporting.

**Table 2.1 Time period of reported performance results, 2004 Report**

<i>Service area/indicator framework</i>	1999-00 or 1999	2000-01 or 2000	Previous year (2001-02 or 2001)	Current year (2002-03 or 2002)
<i>Education</i>				
School education			Learning outcomes and efficiency✓	Participation and retention✓
VET				✓
<i>Justice</i>				
Police services			Higher courts, lower courts and hospitalisations✓	✓
Court administration				✓
Corrective services				✓
<i>Emergency management</i>				
Fire services			Hospitalisations and deaths✓	✓
Ambulance services				✓
Road rescue services				✓
<i>Health</i>				
Public hospitals			Hospitalisations✓	Quality✓
Maternity services		Quality✓	Hospitalisations, deaths and efficiency✓	Quality and outcomes✓
Primary and community health			Hospitalisations✓	General practice✓
Breast cancer <sup>a</sup>	Interval cancer✓		Efficiency✓	✓
Mental health			✓	
<i>Community services</i>				
Aged care services			ACAT✓	✓
Services for people with a disability			Services✓	Efficiency✓
Children's services				✓
Child protection and out-of-home care			Substantiation/ re-substantiation✓	✓
SAAP				✓
<i>Housing assistance</i>				
Public housing				✓
Community housing				✓
State owned and managed				✓
Indigenous housing				
Commonwealth Rent Assistance				✓

ACAT = Aged care assessment teams. SAAP = Supported Accommodation Assistance Program. <sup>a</sup> 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.

## Comparability of data

To enable comparisons of performance across jurisdictions data need to be collected using the same definition across jurisdictions. The performance indicator

framework diagrams in each chapter are shaded to reflect which indicators are reported on a comparable basis. The proportion of performance indicators reported in each service area with comparable data is outlined in table 2.2. Emergency management, children's services, and child protection and out-of-home care have the smallest proportion of indicators reported on a comparable basis.

**Table 2.2 Indicators reported on a comparable basis, 2004 Report**

<i>Service area/indicator framework</i>	<i>Total number of indicators with data reported</i>	<i>Indicators with data reported on a comparable basis</i>		<i>Increase since last year in indicators reported on a comparable basis</i>	
		<i>no.</i>	<i>no.</i>	<i>%</i>	<i>no.</i>
<i>Education</i>					
School education	9	7	78		–
VET	19	14	74		–
<i>Justice</i>					
Police services	29	15	50		–
Court administration <sup>a</sup>	6	3	50		..
Corrective services	11	8	73		–
Emergency management	19	1	5		–
<i>Health</i>					
Public hospitals	15	7	47		–
Maternity services	10	3	30		–
Primary and community health	20	20	100		7
Breast cancer	11	7	64		4
Mental health	9	4	44		–
<i>Community services</i>					
Aged care services	14	12	86		2
Services for people with a disability	12	6	50		–
Children's services	12	2	17		–
Child protection and out-of-home care	25	4	16		–
SAAP	5	14	36		–
<i>Housing</i>					
Public housing	12	12	100		–
Community housing	10	–	–		–
State owned and managed	9	9	100		–
Indigenous housing					
Commonwealth Rent Assistance	11	11	100		–

SAAP = Supported Accommodation Assistance Program. <sup>a</sup> The chapter on court administration has a new set of indicators this year, in addition to implementing the new Review framework. .. Not applicable. – Nil or rounded to zero.

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## 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 sometimes not a priority in the development or refinement of National Minimum Data Sets or other types of information infrastructure. There can be, for example, a significant delay between the first data collection period and when data from a new data set become publicly available. This delay is partly due to implementation problems that can affect data quality for several years. In other cases, collection of data is staged, so comprehensive data sets are not immediately available. For the purposes of the Review, this can mean that reporting scope and data quality are diminished for some time until the new data sets are fully operational. The Steering Committee has taken steps to minimise the occurrence and impact of data time lags on the Report.

### *Court administration*

The Review is in the process of making significant changes to its administrative data collection for court administration to improve comparability across jurisdictions. Improvements to the collection include implementing the new performance indicator framework, implementing recommendations associated with the *ABS Courts Administration Data Collection National Report* on lodgments and finalisations, and clearly defining the scope of the data collection. These developments are requiring different ways of collecting and defining data.

### *Specialised mental health services*

National Minimum Data Sets (NMDS) for mental health care have been developed covering public community mental health services and specialised psychiatric care for patients admitted to public and private hospitals. The NMDS 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 with this aim in mind. Limited data from the admitted patient mental health care NMDS are available (for separations and patient days) and are reported in the descriptive profile of the chapter on health management issues.



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### *Juvenile justice*

The AIHW is developing a NMDS for juvenile justice, which is in the pilot test stage. A performance indicator framework is also being developed. The 2004 Report continues to include descriptive information on juvenile justice until performance related data are available for future reports.

### *Services for people with a disability*

In recognition of the changing information needs in the field of services for people with disability, a new Commonwealth State/Territory Disability Agreement (CSTDA) NMDS collection — developed jointly by the National Disability Administrators and the AIHW — has been implemented. Service performance data for 2002-03 were not available for the 2004 Report, due to the implementation of the new CSTDA NMDS. Data from the CSTDA NMDS for 2002-03 are expected to be reported in the 2005 Report.

Significant development and further refinement of reporting against performance indicators are planned for subsequent reports, largely arising from improved, ongoing data available from the CSTDA NMDS from 2002-03. Data items relate to the equity, efficiency and effectiveness of services, with data being collected on an ongoing basis from 2002-03, replacing the current snapshot day census collection. This change means that data for previous years collected under the previous Commonwealth/State Disability Agreement Minimum Data Set are not fully comparable to the 2003 data collected under the CSTDA NMDS.

### *Children's services*

A new NMDS for children's services is being developed by the National Community Services Information Management Group Children's Services Data Working Group. Pilot testing is ongoing.

## **Costing of services**

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

- including superannuation on an accrual basis (SCRCSSP 1998b)

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

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

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

Reforms to treasury and finance department accounting guidelines in most jurisdictions require government agencies to adopt accrual accounting, rather than cash accounting, in their financial reporting frameworks. Accrual accounting is based on the principle that the agency recognises revenue and expenses when they are earned and incurred respectively. Cash accounting, in contrast, recognises revenue and expenses when they are collected and paid respectively. The majority of agencies and jurisdictions have adopted or already 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 with pre-1998-99 data, but also in cases where some agencies adopted accrual accounting later.

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

### *Superannuation*

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

superannuation costs depends on the respective jurisdictions' implementation of accrual accounting systems.

**Table 2.3 Progress of unit cost comparability, 2004 Report**

Service area/indicator framework	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>Justice</i>					
Police services	Accrual	✓	✓	✓	✓
Court administration	Accrual	✓	x	✓	✓
Corrective services	Accrual	✓	✓	✓	✓
<i>Emergency management</i>					
Fire services	Accrual	✓	✓	✓	✓
Ambulance services	Accrual	✓	✓	✓	✓
<i>Health</i>					
Public hospitals	Accrual	✓	✓	✓	✓
Maternity services					
Primary and community health <sup>b</sup>	Accrual	..	..	..	..
Breast cancer	Accrual	na	na	na	x
Mental health	Accrual	x	x	✓	na
<i>Community services</i>					
Aged care services <sup>c</sup>	Accrual	..	..	..	..
Services for people with a disability	Accrual	x	x	✓	✓
Children's services	Accrual	✓	x	✓	✓
Child protection and out-of-home care <sup>c</sup>	Accrual	✓	x	✓	✓
SAAP <sup>c</sup>	Accrual	..	..	..	..
<i>Housing assistance</i>					
Public housing	Accrual	✓	✓	na	✓
Community housing	Transition	x	x	x	x
State owned and managed	Accrual	x	x	na	✓
Indigenous housing					
Commonwealth Rent Assistance <sup>d</sup>	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. <sup>a</sup> Accrual: the majority of jurisdictions reported in accrual terms for the data in the 2004 Report. Transition: the majority of jurisdictions have not reported on either a pure cash or accrual basis. <sup>b</sup> Costs comprise mostly Australian Government transfer payments to private service providers or households. <sup>c</sup> Costs comprise mostly Australian, State or Territory government transfer payments to private service providers or households. <sup>d</sup> Costs comprise mostly Australian, State or Territory government transfer payments to 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, 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 1999b) recommended two approaches for managing the comparability of cost data affected by payroll tax issues:

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

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

The chapters on VET, school education, and corrective services and the section on State owned and managed Indigenous housing add a hypothetical payroll tax amount for exempt jurisdictions. The chapters on police services, court administration, corrective services, emergency management and public hospitals, and the section on public housing deduct the amount from those services that are taxable. The chapter on services for people with a disability presents 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 that no adjustment is made for those jurisdictions which are exempt. The Review is still examining this issue for some service areas — for example, aged care services, breast cancer detection and management, and mental health management.

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## *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).

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. Given that 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 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 in the areas of corrective services, housing, police services and public hospitals.

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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 suggested that the differences created by these asset measurement effects are generally relatively small in the context of total unit costs because, (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 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 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. 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 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.

## **Impact of the Goods and Services Tax**

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 which 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 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.

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## Reporting for special needs groups

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, or rural and remote communities). There is a paucity of data on outcomes for these groups (tables 2.4, 2.5 and 2.6).

### *Indigenous Australians*

In May 1997, the Prime Minister asked the Review to give particular attention to the performance of mainstream services in meeting the needs of Indigenous Australians. The Council of Australian Governments (COAG) reinforced this request at its 3 November 2000 meeting, where heads of government agreed that ministerial councils will develop action plans, performance reporting strategies and benchmarks to facilitate review of the progress made in this area. Table 2.4 provides a stocktake of performance related data on Indigenous Australians in the Report, indicating which services have reported on at least one comparable performance indicator for all jurisdictions. It does not signify the quality of the data.

### *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 reconciliation commitment. This publication (first released in November 2003) is separate from the Report on Government Services.

The Steering Committee established a working group to advise on the Indigenous Disadvantage Report, comprising 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, and observers from the ABS and the AIHW.

The Steering Committee released a draft framework of indicators in October 2002 and consulted widely with Indigenous people and organisations, governments and researchers during late 2002 and early 2003. It compiled a report setting out the consultation comments and responses received (SCRCSSP 2003a). After

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considering suggestions made during the consultation process, the Steering Committee made changes to the draft framework. COAG endorsed the revised framework in August 2003, after which the Steering Committee released, *Overcoming Indigenous Disadvantage: Key Indicators 2003* (SCRGSP 2003) in November 2003.

### *Indigenous compendium*

In 2003, for the first time, the Steering Committee compiled all of the data on services for Indigenous people from the 2003 Report into a separate Indigenous compendium (SCRCSSP 2003c).

### *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; when they do, they may not provide for sufficient sampling to allow an adequate confidence interval.

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

- an ongoing program to develop and improve Indigenous data flowing from Australian, State and Territory administrative systems
- work with other agencies to ensure Indigenous people are identified in relevant systems and that statistics are of adequate quality. Priority is initially being given to the improvement of births and deaths statistics in all States and Territories. Other priorities include 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
- an expansion of its Household Survey Program to collect more regular Indigenous statistics, including regular Indigenous general social surveys, Indigenous sample supplementation in regular health surveys and annual Indigenous labour force estimates.

The Review will draw on these initiatives in future reports.



**Table 2.4 Reporting of at least one comparable data item on Indigenous Australians, 2004 Report**

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

SAAP = Supported Accommodation Assistance Program. ✓ At least one comparable data item is reported.  
x No comparable 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 comparable data item on services delivered to people in regional and remote areas.

**Table 2.5 Reporting of at least one comparable data item on rural and remote communities, 2004 Report**

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

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

Reporting data on rural and remote communities is complicated by the number of classification systems that exist. The Rural, Remote and Metropolitan Areas classification (or a variant) is still used for the majority of services in the Report (VET, court administration, primary and community health, health management issues and children's services). The chapters on emergency management, public hospitals, aged care services and housing now use the ABS Australian Standard Geographic Classification of Remoteness Areas. The chapter on school education uses its own system developed for education ministers.

## People from a non-English speaking background

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

**Table 2.6 Reporting of at least one comparable data item on people from a non-English speaking background, 2004 Report**

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

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

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Reporting data on people from a non-English speaking background is complicated by the number of classification systems that exist. People speaking a language other than English at home (reported for VET, breast cancer detection and management, and children's services), people with a language background other than English (reported for school education and corrective services) and people born in a non-English speaking country (reported for aged care services, protection and support services, and services for people with a disability) are the classifications currently adopted in the Report. Some services are considering reporting future data using the cultural and language diversity classification.

## 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 the elimination of duplicated or contradictory programs. Improved outcomes can result from a more holistic and client centred approach to service delivery.

The Review has not fully explored this issue, but is increasingly making it an area of focus. The frameworks in the chapter on health management issues (chapter 11) are one means of reporting outcomes for a range of different services working in concert. The ultimate aim of the chapter on health management issues 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, however, people with a mental illness also access primary and community health services (such as general practitioners, and drug and alcohol services) (see chapter 10) as well as aged care services (see chapter 12), services for people with a disability (see chapter 13) and public housing (see chapter 16). People with a mental illness sometimes also enter corrective services (see chapter 7).

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

- mortality rates and life expectancy (see 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)

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- younger people with a disability residing in residential aged care facilities (chapter 13)
  - long term aged care in public acute hospitals (see chapter 12)
  - potentially preventable hospitalisations (see chapter 10) — for example, effective primary and community health services 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 (see chapter 11), given that general practitioners often refer people to specialist health and health related services and that the quality of their links with these services and of their referral practices can influence the appropriateness of services received by clients
  - recidivism rates (reported in the Justice preface).

### *Counter terrorism*

A number of service areas included in this Report are contributing to government initiatives to improve security throughout Australia in response to the terrorist attacks on the United States on 11 September 2001. In particular, emergency services, police and public hospitals are key services involved in governments' responsibilities under the National Counter Terrorism Plan.<sup>1</sup> 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 collaboration 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) do not show up in the data in the

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

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chapters. In this case, performance results for efficiency indicators may suggest a drop 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 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 co-ordinating 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 Steering Committee has also undertaken research into other issues relevant to the performance of government services. The information in *Overcoming Indigenous Disadvantage: Key Indicators 2003* (discussed earlier) will complement the Indigenous data and performance indicators presented in this Report. The former describes overall 'state-of-the-nation' outcomes for Indigenous people, with a view to all government departments and agencies together being responsible, so there is no reporting on an individual government agency basis. The Report on Government Services, on the other hand, provides information on the performance of specified government agencies and programs in delivering services to Indigenous people.

The final consultancy report commissioned by the Review on efficiency measures for child protection and support pathways was published in May 2003: *Efficiency Measures for Child Protection and Support Pathways, Reforms in Government Service Provision* (SCRCSSP 2003b). 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. Prior to this project, information allowing meaningful comparisons across jurisdictions of the cost of delivering protection and support services was limited. The method developed provides a means of linking service outcomes with resource management and accountability. Implementation will require further work, but has the potential to significantly improve the quality of national reporting of protection and support efficiency measures, as well as to provide information to States and Territories that will assist their ongoing efforts to improve their protection and support services.

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In previous years, the Steering Committee published reports on:

- the extent to which differences in asset measurement techniques applied by participating agencies affect the comparability of reported unit costs (SCRCSSP 2001)
- a survey of the satisfaction of clients of services for people with a disability (Equal and Donovan Research 2000)
- the use of activity surveys by police services in Australia and New Zealand (SCRCSSP 1999a) as a means of drawing lessons for other areas of government that are considering activity measurement in output costing and internal management
- an examination of payroll tax (SCRCSSP 1999b) and superannuation (SCRCSSP 1998b) in the costing of government services
- data envelopment analysis — a report on a technique for measuring the efficiency of government services delivery (SCRCSSP 1997b).

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

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

and one (SCRCSSP 1998a) that covers:

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

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

- timing program implementation
- decentralising decision making
- measuring and assessing performance
- measuring quality
- directly linking funding to performance

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- 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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## 2.6 References

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