

© Commonwealth of Australia 2007

**ISSN 1328 181X**

**ISBN 978 1 74037 216 9**

This work is subject to copyright. It has been produced by the Steering Committee for the Review of Government Service Provision (SCRGSP). Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Attorney-General's Department. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney-General's Department, Robert Garran Offices, National Circuit, Canberra ACT 2600.

The Productivity Commission acts as the Secretariat for the Steering Committee.

Secretariat

Steering Committee for the Review of Government Service Provision  
Productivity Commission  
LB 2 Collins Street East Post Office  
Melbourne VIC 8003

Level 28  
35 Collins Street  
Melbourne VIC 3000

Tel: (03) 9653 2100 or Freecall: 1800 020 083  
Fax: (03) 9653 2359  
Email: [gsp@pc.gov.au](mailto:gsp@pc.gov.au)  
<http://www.pc.gov.au/gsp>

**Suggestions:**

*The Steering Committee welcomes suggestions on the information contained in this Report. Please direct your suggestions to the Productivity Commission Secretariat at the above address.*

An appropriate citation for this Report is:

SCRGSP (Steering Committee for the Review of Government Service Provision) 2007, *Report on Government Services 2007*, Productivity Commission, Canberra.

---

# Foreword

This is the twelfth edition of the Report on Government Services since it was commissioned by Heads of Government (now COAG) in July 1993. Since that time, the Report has expanded in scope, breadth and depth of reporting — the value of the services covered in this year's Report amounted to some \$90 billion in 2004-05. This represented around 60 per cent of government recurrent expenditure, over one-tenth of Australia's gross domestic product.

The Report is primarily a tool for government. The information it contains can play a useful role in improving the performance of government services, by helping jurisdictions identify where there is scope for improvement, and promoting greater transparency and informed debate about comparative performance.

This year, the Report contains expanded reporting on learning outcomes for school education, including years 6 and 10 civics and citizenship performance and years 4 and 8 mathematical and scientific literacy performance.

In the health area, 'workforce sustainability' is reported for the first time for public hospitals, and 'availability of dentists' for primary and community health. In the community services section, information is reported for the first time on disability prevalence rates among Indigenous people, and on a program aimed at younger people with a disability in residential aged care facilities. The children's services chapter includes updated data from both the Child Care Survey and the Australian Government Census of Child Care Services.

Despite ongoing improvements in reporting, there are still significant gaps, which the Review's Steering Committee and working groups (with others) are working to address. Of particular concern is a reduction in the availability of hospital separations data for Indigenous people. Although some jurisdictions have improved the quality of Indigenous hospital separations data, the lack of ongoing evaluation of data quality in some jurisdictions is disappointing, as this issue has been known about for a decade or more. More generally, there is a pressing need to improve administrative data collections relating to Indigenous people, if progress is to be effectively monitored.

Since 2003, a separate Compendium of data on services to Indigenous people has been published. A Compendium of data from this Report will be published in mid

---

2007. The Review also publishes the *Overcoming Indigenous Disadvantage* report — the next edition is scheduled for release in June 2007.

As always, the production of this Report relied on the active cooperation and support of people from a range of government departments and agencies. Special thanks are due to the members of the many working groups who provide the ‘engine room’ for the Review. Statistical bodies — in particular, the Australian Bureau of Statistics (ABS) and the Australian Institute of Health and Welfare (AIHW) — provide invaluable advice and assistance. And the Review’s Secretariat in the Productivity Commission has continued to provide support to the Steering Committee and working groups.

I would like to thank everyone involved for their contribution to this joint undertaking over the past decade. The Steering Committee will be conducting a user feedback survey on the Report in February 2007. I encourage all those who receive the survey to take the time to respond, to help the ongoing process of improvement to this important national undertaking.

Gary Banks  
Chairman

January 2007

---

# Contents

This report is in two volumes: Volume 1 contains Part A (Introduction), Part B (Education), Part C (Justice), Part D (Emergency Management) and the CD-ROM attachment; Volume 2 contains Part E (Health), Part F (Community Services), Part G (Housing) and Appendix A (the descriptive statistics appendix).

## Volume 1

<b>Foreword</b>	<b>III</b>
<b>Contents</b>	<b>V</b>
<b>Steering Committee</b>	<b>XIII</b>
<b>Acronyms and abbreviations</b>	<b>XIV</b>
<b>Glossary</b>	<b>XXII</b>
<b>Terms of Reference</b>	<b>XXV</b>
<b>PART A INTRODUCTION</b>	
<b>1 The approach to performance measurement</b>	<b>1.1</b>
1.1 Aims of the Review	1.1
1.2 The role of government in delivering services	1.2
1.3 Reasons for measuring comparative performance	1.3
1.4 Scope	1.5
1.5 Approach	1.8
1.6 Using the data in this Report	1.18
1.7 Related performance measurement exercises	1.20
1.8 References	1.22

---

<b>2</b>	<b>Recent developments in the Report</b>	<b>2.1</b>
2.1	Developments in reporting	2.1
2.2	Gaps in reporting	2.4
2.3	Progress with key data issues	2.5
2.4	‘Cross-cutting’ issues	2.22
2.5	Related Review projects	2.25
2.6	References	2.27

## **PART B EDUCATION**

<b>B</b>	<b>Education preface</b>	<b>B.1</b>
<b>3</b>	<b>School education</b>	<b>3.1</b>
3.1	Profile of school education	3.2
3.2	Framework of performance indicators	3.13
3.3	Key performance indicator results	3.17
3.4	Future directions in performance reporting	3.68
3.5	Jurisdictions’ comments	3.69
3.6	Definitions of key terms and indicators	3.79
3.7	Supporting tables	3.82
3.8	References	3.88
<b>4</b>	<b>Vocational education and training</b>	<b>4.1</b>
4.1	Profile of vocational education and training	4.2
4.2	Framework of performance indicators	4.9
4.3	Key performance indicator results	4.10
4.4	Future directions in performance reporting	4.63
4.5	Jurisdictions’ comments	4.63
4.6	Definitions of key terms and indicators	4.73
4.7	Supporting tables	4.77
4.8	References	4.80

## **PART C JUSTICE**

<b>C</b>	<b>Justice preface</b>	<b>C.1</b>
----------	------------------------	------------

---

<b>5</b>	<b>Police services</b>	<b>5.1</b>
5.1	Profile of police services	5.2
5.2	Framework of performance indicators	5.5
5.3	Indicators relevant to all police services	5.7
5.4	Community safety	5.18
5.5	Crime	5.26
5.6	Road safety	5.44
5.7	Judicial services	5.52
5.8	Capital costs in the costing of police services	5.61
5.9	Future directions in performance reporting	5.61
5.10	Jurisdictions' comments	5.62
5.11	Information on sample data	5.71
5.12	Definitions of key terms and indicators	5.73
5.13	Supporting tables	5.78
5.14	References	5.81
<b>6</b>	<b>Court administration</b>	<b>6.1</b>
6.1	Profile of court administration services	6.1
6.2	Framework of performance indicators	6.20
6.3	Key performance indicator results	6.21
6.4	Future directions in performance reporting	6.47
6.5	Jurisdictions' comments	6.47
6.6	Definitions of key terms and indicators	6.56
6.7	Supporting tables	6.59
6.8	References	6.60
<b>7</b>	<b>Corrective services</b>	<b>7.1</b>
7.1	Profile of corrective services	7.2
7.2	Framework of performance indicators	7.9
7.3	Key performance indicator results	7.11
7.4	Future directions in performance reporting	7.29
7.5	Jurisdictions' comments	7.30
7.6	Definitions of key terms and indicators	7.39
7.7	Supporting tables	7.45
7.8	References	7.48

---

## **PART D EMERGENCY MANAGEMENT**

<b>8</b>	<b>Emergency management</b>	<b>8.1</b>
8.1	Overview of emergency management	8.1
8.2	Framework for measuring the performance of emergency management	8.9
8.3	Fire events	8.12
8.4	Ambulance events	8.36
8.5	Road rescue events	8.51
8.6	Future directions in performance reporting	8.54
8.7	Jurisdictions' comments	8.55
8.8	Definitions of key terms and indicators	8.65
8.9	Supporting tables	8.68
8.10	References	8.70

---

## **Volume 2**

<b>Contents</b>	<b>III</b>
<b>Acronyms and abbreviations</b>	<b>X</b>
<b>Glossary</b>	<b>XVIII</b>

## **PART E HEALTH**

<b>E</b>	<b>Health preface</b>	<b>E.1</b>
<b>9</b>	<b>Public hospitals</b>	<b>9.1</b>
9.1	Profile of public hospitals	9.1
9.2	Framework of performance indicators for public hospitals	9.18
9.3	Key performance indicator results for public hospitals	9.19
9.4	Profile of maternity services	9.63
9.5	Framework of performance indicators for maternity services	9.64
9.6	Key performance indicator results for maternity services	9.65
9.7	Future directions in performance reporting	9.82
9.8	Definitions of key terms and indicators	9.83
9.9	Supporting tables	9.88
9.10	References	9.92

---

<b>10</b>	<b>Primary and community health</b>	<b>10.1</b>
10.1	Profile of primary and community health	10.2
10.2	Framework of performance indicators	10.12
10.3	Key performance indicator results	10.13
10.4	Future directions in performance reporting	10.59
10.5	Definitions of key terms and indicators	10.62
10.6	Supporting tables	10.65
10.7	References	10.68
<b>11</b>	<b>Health management issues</b>	<b>11.1</b>
11.1	Overview of health management	11.1
11.2	Framework for measuring the performance of health management	11.2
11.3	Breast cancer	11.4
11.4	Mental health	11.33
11.5	Future directions in performance reporting	11.69
11.6	Jurisdictions' comments	11.70
11.7	Definitions of key terms and indicators	11.80
11.8	Supporting tables	11.87
11.9	References	11.90
<b>PART F COMMUNITY SERVICES</b>		
<b>F</b>	<b>Community services preface</b>	<b>F.1</b>
<b>12</b>	<b>Aged care services</b>	<b>12.1</b>
12.1	Profile of aged care services	12.3
12.2	Framework of performance indicators	12.23
12.3	Key performance indicator results	12.23
12.4	Future directions in performance reporting	12.54
12.5	Jurisdictions' comments	12.54
12.6	Definitions of key terms and indicators	12.64
12.7	Supporting tables	12.67
12.8	References	12.70



---

<b>13</b>	<b>Services for people with a disability</b>	<b>13.1</b>
13.1	Profile of specialist disability services	13.2
13.2	Framework of performance indicators	13.11
13.3	Key performance indicator results	13.13
13.4	Future directions in performance reporting	13.71
13.5	Jurisdictions' comments	13.71
13.6	Definitions of key terms and indicators	13.81
13.7	Supporting tables	13.88
13.8	References	13.90
<b>14</b>	<b>Children's services</b>	<b>14.1</b>
14.1	Profile of children's services	14.2
14.2	Framework of performance indicators	14.8
14.3	Key performance indicator results	14.11
14.4	Future directions in performance reporting	14.53
14.5	Jurisdictions' comments	14.54
14.6	Definitions of key terms and indicators	14.64
14.7	Supporting tables	14.68
14.8	References	14.74
<b>15</b>	<b>Protection and support services</b>	<b>15.1</b>
15.1	Profile of child protection and out-of-home care services	15.2
15.2	Framework of performance indicators for child protection and out-of-home care services	15.12
15.3	Key child protection and out-of-home care services performance indicator results	15.12
15.4	Future directions in child protection and out-of-home care services performance reporting	15.42
15.5	Profile of supported accommodation and assistance services	15.43
15.6	Framework of performance indicators for supported accommodation and assistance services	15.47
15.7	Key supported accommodation and assistance performance indicator results	15.49
15.8	Future directions in supported accommodation and assistance performance reporting	15.74
15.9	Jurisdictions' comments	15.76

---

15.10	Definitions of key terms and indicators	15.86
15.11	Supporting tables	15.94
15.12	References	15.105
<b>PART G HOUSING</b>		
<b>16</b>	<b>Housing</b>	<b>16.1</b>
16.1	Profile of housing and housing assistance	16.3
16.2	Framework of performance indicators	16.22
16.3	Key performance indicator results	16.26
16.4	Future directions in performance reporting	16.72
16.5	Jurisdictions' comments	16.73
16.6	Definitions of key terms and indicators	16.83
16.7	Supporting tables	16.89
16.8	References	16.93
<b>A</b>	<b>Statistical appendix</b>	<b>A.1</b>

---

# Steering Committee

This Report was produced under the direction of the Steering Committee for the Review of Government Service Provision (SCRGSP). The Steering Committee comprises the following current members:

Mr Gary Banks	Chairman	Productivity Commission
Ms Serena Wilson	Aust. Govt.	Department of Prime Minister and Cabinet
Mr Michael Willcock	Aust. Govt.	Department of the Treasury
Mr John Ignatius	Aust. Govt.	Department of Finance and Administration
Ms Vicki D'Adam	NSW	The Cabinet Office
Mr Mark Ronsisvalle	NSW	Department of Treasury
Mr Ben Rimmer	Vic	Department of the Premier and Cabinet
Ms Kathleen Charles	Vic	Department of Treasury and Finance
Dr Pradeep Philip	Qld	Department of the Premier and Cabinet
Mr John O'Connell	Qld	Department of Treasury
Mr Shawn Boyle	WA	Department of the Premier and Cabinet
Mr Anthony Kannis	WA	Department of Treasury and Finance
Mr Martin Brine	SA	Department of Premier and Cabinet
Mr David Imber	SA	Department of Treasury and Finance
Ms Rebekah Burton	Tas	Department of Premier and Cabinet
Ms Pam Davoren	ACT	Chief Minister's Department
Ms Rachael Shanahan	NT	Department of the Chief Minister
Mr Tony Stubbin	NT	NT Treasury
Ms Susan Linacre		Australian Bureau of Statistics
Dr Penny Allbon		Australian Institute of Health and Welfare

---

People who have also served on the Steering Committee during the production of this Report include:

Ms Jackie Wilson	Aust. Govt.	Department of Finance and Administration
Ms Anna Moynihan	Qld	Department of the Premier and Cabinet
Mr Ken Sedgwick	Qld	Department of Treasury
Mrs Petrice Judge	WA	Department of the Premier and Cabinet
Mr Timothy Marney	WA	Department of Treasury and Finance
Dr Rolf Gerritsen	NT	Department of the Chief Minister

---

# Acronyms and abbreviations

AAT	Administrative Appeals Tribunal
ABS	Australian Bureau of Statistics
ABSCQ	Australian Bureau of Statistics Classification of Qualifications
ACAP	Aged Care Assessment Program
ACAT	Aged care assessment team
ACCHS	Aboriginal Community Controlled Health Service
ACCMIS	Aged and Community Care Management Information System
ACE	adult community education
ACH	annual curriculum hour
ACHS	Australian Council on Healthcare Standards
ACIR	Australian Childhood Immunisation Register
ACPR	Australasian Centre for Policing Research
ACSAA	Aged Care Standards and Accreditation Agency
ACSQHC	Australian Commission on Safety and Quality in Health Care
ACT	Australian Capital Territory
ADR	Alternative Dispute Resolution
AFAC	Australasian Fire Authorities Council
AFP	Australian Federal Police
AG	Activity Group
AGCCCS	Australian Government Census of Child Care Services
AGPAL	Australian General Practice Accreditation Limited
AGR	annual growth rate
AHCA	Australian Health Care Agreement
AHIF	Affordable Housing Innovations Fund

---

AHO	Affordable Housing Organisation
AIC	Australian Institute of Criminology
AIHW	Australian Institute of Health and Welfare
ANTA	Australian National Training Authority
APY	Anangu Pitjantjatjara Yanunytjatjara Lands
AQF	Australian Qualifications Framework
AR-DRG	Australian refined diagnosis related group
ARHP	Aboriginal Rental Housing Program
ARIA	Accessibility and Remoteness Index for Australia
ARO	Authorised Review Officer
ASBA	Australian School Based Apprenticeship
ASCED	Australian Standard Classification of Education
ASGC	Australian Standard Geographical Classification
ASO	Ambulance Service Organisation
ASOC	Australian Standard Offence Classification
ATSI	Aboriginal and Torres Strait Islander Services
Aust	Australia
AVETMISS	Australian Vocational Education and Training Management Information Statistical Standard
BEACH	Bettering the Evaluation and Care of Health
CAA	Council of Ambulance Authorities
CACP	Community Aged Care Package (program)
CAD	Coordination and Development committee
CAP	Crisis Accommodation Program
CARDS	Court Assessment Referral Drug Scheme
CCB	Child Care Benefit
CCTV	closed circuit television
CD ARIA	Census District Accessibility and Remoteness Index for Australia
CD-ROM	Compact Disc Read Only Memory
CDS	core data set

---

CDSMAC	Community and Disability Services Ministers' Advisory Council
CFA	Country Fire Authority
CHINS	Community Housing and Infrastructure Needs Survey
CHIP	Community Housing and Infrastructure Program
CHP	Community Housing Program
CI	confidence interval
CISP	Courts Integrated Services Program
COAG	Council of Australian Governments
CRA	Commonwealth Rent Assistance
CRS	Commonwealth Rehabilitation Services
CSDA / CSTDA	Commonwealth State Disability Agreement / Commonwealth State/Territory Disability Agreement
CSHA	Commonwealth State Housing Agreement
CSMAC	Community Services Ministers' Advisory Council
CSTDA	Commonwealth State/Territory Disability Agreement
DAC	delivery following primary caesarean
DCIS	ductal carcinoma in situ
DEA	data envelopment analysis
DECS	Department of Education and Children's Services (WA)
DEET	Department of Employment Education and Training
DEST	Department of Education, Science and Training
DEWR	Department of Employment and Workplace Relations
DFEEST	Department of Further Education, Employment, Science and Technology (WA)
DHS	Department of Human Services (Vic)
DHSH	Department of Human Services and Health
DoHA	Department of Health and Ageing
DPIE	Department of Primary Industries and Energy
DRG	Diagnosis related group
DVA	Department of Veterans' Affairs

---

EACH	Extended Aged Care at Home (program)
EMA	Emergency Management Australia
ERP	estimated resident population
EWG	Evaluation Working Group
FaCS	Department of Family and Community Services
FaCSIA	Department of Families, Community Services and Indigenous Affairs
FDC	Family Day Care
FDCQA	Family Day Care Quality Assurance
FTE	full time equivalent
FWE	full time workload equivalent
GDP	gross domestic product
GIR	Getting it Right
GPII	General Practice Immunisation Incentives scheme
GP	general practitioner
GSP	gross state product
GSS	General Social Survey
HACC	Home and Community Care (program)
HbA1c	glycated haemoglobin
HILDA	Household Income and Labour Dynamics Australia
HRSCEET	House of Representatives Standing Committee on Employment, Education and Training
ICD-10-AM	Australian modification of the International Standard Classification of Diseases and Related Health Problems, version 10
ICHO	Indigenous Community Housing Organisations
ICMS	Integrated Courts Management System
IHIA	Indigenous Housing and Infrastructure Agreement
IMF	Integrated Monitoring Framework
IPD	Implicit Price Deflator
ISC	Industry Skills Council



---

ITAB	Industry Training Advisory Body
JET	Jobs, Education and Training
JJNMDS	Juvenile Justice National Minimum Data Set
K10	Kessler – 10 scale
KPI	Key Performance Indicators
LBOTE	Language background other than English
LMO	local medical officer
LOTE	language other than English
MBS	Medicare Benefits Schedule
MCATSIA	Ministerial Council on Aboriginal and Torres Strait Islander Affairs
MCEETYA	Ministerial Council on Education, Employment, Training and Youth Affairs
MCVTE	Ministerial Council on Vocational and Technical Education
MDS	minimum data set
MOU	Memorandum of understanding
NALP	National Accelerated Literacy Program
NATSISS	National Aboriginal and Torres Strait Islander Social Survey
NCAC	National Childcare Accreditation Council
NCAG	National Corrections Advisory Group
NCCJS	National Centre for Crime and Justice Statistics
NCPASS	National Child Protection and Support Services data working group
NCSIMG	National Community Services Information Management Group
NCVER	National Centre for Vocational Education Research
NDC	National Data Collection
NDCA	National Data Collection Agency
NESB	non-English speaking background
NFD	not further defined
NHCDC	National Hospital Cost Data Collection

---

NHMP	National Homicide Monitoring Program
NHMRC	National Health and Medical Research Council
NHPC	National Health Performance Committee
NIDP	National Information Development Plan
NISC	National Industry Skills Committee
NMDS	national minimum data set
NMHS	National Mental Health Strategy
no.	number
np	not published
NQC	National Quality Council
NRCP	National Respite for Carers Program
NRF	National Reporting Framework
NSCSP	National Survey of Community Satisfaction with Policing
NSFATSIH	National Strategic Framework for Aboriginal and Torres Strait Islander Health
NSMHS	National Survey of Mental Health Services
NSOC	National Senior Officials Committee
NSW	New South Wales
NT	Northern Territory
OATSIH	Office of Aboriginal and Torres Strait Islander Health
OECD	Organisation for Economic Co-operation and Development
OMP	other medical practitioner
OSHC	Outside School Hours Care
OSHCQA	Outside School Hours Care Quality Assurance
PBS	Pharmaceutical Benefits Scheme
PDF	Portable Document Format
PIP	Practice Incentives Program
PISA	Program for International Student Assessment
PMRT	Performance Measurement and Reporting Taskforce
POEM	Partnership Outreach Education Models

---

QIAS	Quality Improvement and Accreditation System
Qld	Queensland
QMERIT	Queensland Magistrates Early Referral into Treatment
QPA	Quality Practice Accreditation
RACGP	Royal Australian College of General Practitioners
RPBS	Repatriation Pharmaceutical Benefits Scheme
RPL	recognition of prior learning
RRMA	Rural, Remote and Metropolitan Areas
RSE	relative standard error
RTO	Registered Training Organisation
SA	South Australia
SAAP	Supported Accommodation Assistance Program
SACE	South Australian Certificate for Education
SAR	service activity reporting
SCRCSSP	Steering Committee for the Review of Commonwealth/State Service Provision
SCRGSP	Steering Committee for the Review of Government Service Provision
SDA	service delivery area
SDAC	Survey of Disability, Ageing and Carers
SE	standard error
SEWB	Social and Emotional Wellbeing
SIMC	Statistical Information Management Committee
SLA	statistical local area
SMART	SAAP Management and Reporting Tool
SMES	small-to-medium sized enterprises
SMS	short messaging service
SOL	Sex Offence Directions List
SOMIH	state owned and managed Indigenous housing
SSAT	Social Security Appeals Tribunal
TAFE	technical and further education

---

Tas	Tasmania
TGR	total growth rate
TIMSS	Trends in International Mathematics and Science Study
UCC	user cost of capital
ULN	upper limit of normal
VBAC	vaginal birth following primary caesarean
VCAL	Victorian Certificate of Applied Learning
VET	vocational education and training
Vic	Victoria
WA	Western Australia

---

# Glossary

Definitions of indicators and other terms can also be found at the end of each chapter.

**Access** Measures how easily the community can obtain a delivered service (output).

**Appropriateness** Measures how well services meet client needs and also seeks to identify the extent of any underservicing or overservicing.

**Constant prices** See ‘real dollars’.

**Cost effectiveness** Measures how well inputs (such as employees, cars and computers) are converted into outcomes for individual clients or the community. Cost effectiveness is expressed as a ratio of inputs to outcomes. For example, cost per life year saved is a cost effectiveness indicator reflecting the ratio of expenditure on breast cancer detection and management services (including mammographic screening services, primary care, chemotherapy, surgery and other forms of care) to the number of women’s lives that are saved.

**Current prices** See ‘nominal dollars’.

**Descriptors** Descriptive statistics included in the Report that relate, for example, to the size of the service system, funding arrangements, client mix and the environment within which government services are delivered. These data are provided to highlight and make more transparent the differences among jurisdictions.

**Effectiveness** Reflects how well the outputs of a service achieve the stated objectives of that service (also see program effectiveness).

---

<b>Efficiency</b>	Reflects how resources (inputs) are used to produce outputs and outcomes, expressed as a ratio of outputs to inputs (technical efficiency), or inputs to outcomes (cost effectiveness). (Also see ‘cost effectiveness’ and ‘technical efficiency’.)
<b>Equity</b>	Measures the gap between service delivery outputs or outcomes for special needs groups and the general population. Equity of access relates to all Australians having <i>adequate</i> access to services, where the term <i>adequate</i> may mean different rates of access for different groups in the community (see chapter 1 for more detail).
<b>Inputs</b>	The resources (including land, labour and capital) used by a service area in providing the service.
<b>Nominal dollars</b>	Refers to financial data expressed ‘in the price of the day’ and which are <b>not</b> adjusted to remove the effects of inflation. Nominal dollars do not allow for inter-year comparisons because reported changes may reflect changes to financial levels (prices and/or expenditure) and adjustments to maintain purchasing power due to inflation.
<b>Output</b>	The service delivered by a service area, for example, a completed episode of care is an output of a public hospital.
<b>Outcome</b>	The impact of the service on the status of individuals or a group, and the success of the service area in achieving its objectives. A service provider can influence an outcome but external factors can also apply. A desirable outcome for a school, for example, would be to add to the ability of the students to participate in, and interact with, society throughout their lives. Similarly, a desirable outcome for a hospital would be to improve the health status of an individual receiving a hospital service.
<b>Process</b>	Refers to the way in which a service is produced or delivered (that is, how inputs are transformed into outputs).
<b>Program effectiveness</b>	Reflects how well the outcomes of a service achieve the stated objectives of that service (also see effectiveness).

---

<b>Quality</b>	Reflects the extent to which a service is suited to its purpose and conforms to specifications.
<b>Real dollars</b>	Refers to financial data measured in prices from a constant base year to adjust for the effects of inflation. Real dollars allow the inter-year comparison of financial levels (prices and/or expenditure) by holding the purchasing power constant.
<b>Technical efficiency</b>	A measure of how well inputs (such as employees, cars and computers) are converted into service outputs (such as hospital separations, education classes or residential aged care places). Technical efficiency reflects the ratio of outputs to inputs. It is affected by the size of operations and by managerial practices. There is scope to improve technical efficiency if there is potential to increase the quantity of outputs produced from given quantities of inputs, or if there is potential to reduce the quantities of inputs used in producing a certain quantity of outputs.
<b>Unit costs</b>	Measures average cost, expressed as the level of inputs per unit of output. This is an indicator of efficiency.

---

# Terms of Reference

The Review, to be conducted by a joint Commonwealth/State and Territory Government working party, is to undertake the following:

- establish the collection and publication of data that will enable ongoing comparisons of the efficiency and effectiveness of Commonwealth and State Government services, including intra-government services. This will involve:
  - establishing performance indicators for different services which would assist comparisons of efficiency and effectiveness. The measures should, to the maximum extent possible, focus on the cost effectiveness of service delivery, as distinct from policy considerations that determine the quality and level of services; and
  - collecting and publishing data that are consistent with these measures. The Review should also address the procedures for the ongoing collection and publication of benchmark data; and
- compile and assess service provision reforms that have been implemented or are under consideration by Commonwealth and State Governments.

The Review will cover all major types of reform, including those involving the separation of policy development from service provision. Case studies of particular reforms could be provided where appropriate.

The Review will need to keep abreast of developments in other relevant reviews and working parties, including the Commonwealth/State Government working party (initiated by the Council of Australian Governments) investigating Commonwealth/State Government roles and responsibilities.