

# Public Accountability and Performance Reporting

## INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

### OBJECTIVES

- C1 The accountability of governments to the public will be enhanced through simpler, standardised and more transparent public performance reporting for all jurisdictions, underpinned by clearer roles and responsibilities.
- C2 The new framework for federal financial relations replaces Commonwealth prescriptions on state and territory service delivery with a new focus on the achievement by all levels of government of mutually agreed objectives and outcomes. As a consequence, the community needs to know which level of government is accountable for the delivery of a particular service, and whether that government's policies and programs are:
- (a) effective in contributing to the desired outcomes;
  - (b) being implemented efficiently; and
  - (c) reaching those people for whom they are intended.
- C3 The reporting framework will focus on the achievement of results, efficient service delivery and timely provision of publicly available performance information.
- C4 Reporting under the framework for federal financial relations will be in respect of:
- (a) the comparative performance of government achievement against objectives, outcomes, outputs and performance benchmarks in areas covered by National Agreements; and
  - (b) the achievement by governments of objectives, outcomes, outputs and performance benchmarks in National Partnership agreements.

### PERFORMANCE REPORTING FOR NATIONAL AGREEMENTS

- C5 The performance reporting framework for the National Agreements is based on:
- (a) high-level performance indicators for each National Agreement;
  - (b) the Steering Committee for the Review of Government Service Provision (the Steering Committee) having overall responsibility for collating the necessary performance data; and

- (c) the COAG Reform Council publishing performance data relating to National Agreements, and National Partnerships to the extent that they support the objectives in National Agreements, within three months of receipt from the Steering Committee, along with a comparative analysis of this performance information that-
  - (i) focuses on the high-level National Agreement performance indicators;
  - (ii) highlights examples of good practice;
  - (iii) highlights contextual differences between jurisdictions which are relevant to interpreting the data; and
  - (iv) reflects COAG's intention to outline transparently the contribution of both levels of government to achieving performance benchmarks and to achieving continuous improvement against the outcomes, outputs and performance indicators.

## Performance indicators

- C6 The purpose of the performance indicators is to inform the general public about government performance in making progress towards identified outcomes. Performance indicators will provide a clear picture of the achievement of governments in delivering services.
- C7 Accordingly, the Parties will ensure that performance indicators will be meaningful, simple and comprehensible to members of the public, that there is underlying data to support the indicators, that the indicators meaningfully measure what they purport to measure and are reliable.
- C8 The effectiveness of the reporting framework also depends on the quality of the data underpinning each indicator. The Parties agree that the underlying performance data should have the following characteristics:
  - (a) *meaningful* — to improve public accountability, data must be reported in a way that is meaningful to a broad audience, many of whom will not have technical or statistical expertise, and validly measures what it claims to measure;
  - (b) *understandable* — the data will be accessible, clear and unambiguous so that the community can come to its own judgements on the performance of governments in delivering services;
  - (c) *timely* — to be relevant and enhance accountability, the data published will be the most recent possible — incremental reporting when data becomes available, and then updating all relevant data over recent years, is preferable to waiting until all data are available;
  - (d) *comparable* — data must be comparable across jurisdictions and over time — where there are no comparable data for a particular performance indicator, the Parties will work together with assistance from technical experts to develop common definitions, counting rules and measurement standards so that data can be provided on a comparable basis;
  - (e) *administratively simple and cost effective* — the costs involved in collecting data will be proportionate to the benefits to be gained from the resulting information;
  - (f) *accurate* — data published will be of sufficient accuracy so that the community has confidence in the information on which to draw their analysis; and

- (g) *hierarchical* — high-level performance indicators should be underpinned by lower level (more detailed but consistent) performance data where a greater level of sector specific detail is required for other purposes.

## Data collation

- C9 The Steering Committee for the Review of Government Service Provision is responsible for collating and preparing the National Agreement performance data.
- C10 The Steering Committee will provide the agreed performance information to the COAG Reform Council, desirably within three months and no later than six months after the reporting period to which the data relates.
- C11 Performance information in respect of the education and training sectors will be on a calendar year basis, commencing with performance information for 2008, and for all other sectors will be on a financial year basis, commencing with performance information for 2008-09. The 2008 and 2008-09 reports will establish benchmarks against which progress in reform and improvements in service delivery can be measured.
- C12 To improve data quality, reduce delays in data collection and verification, and provide the COAG Reform Council with information to assess performance measures, the Steering Committee will comment on the quality of the performance indicator data using quality statements prepared by the collection agencies which set out the quality attributes of the data using the Australian Bureau of Statistics' Quality Framework.

## Data analysis

- C13 Performance reporting should assist the public in assessing governments' progress against agreed objectives, outcomes and outputs.
- C14 The COAG Reform Council will provide annual reports to COAG containing the performance data. It will also report its own comparative analysis of the performance of governments in meeting the objectives of the National Agreements. The reports will also highlight examples of good practice and performance so that, over time, innovative reforms or methods of service delivery may be adopted by other jurisdictions. The Parties will provide to the COAG Reform Council the information necessary for it to fulfil its role, as directed by COAG.
- C14A The Parties agree to provide the COAG Reform Council with copies of performance reports relating to NPs that support the objectives of a National Agreement, where the CRC determines from time to time that a NP supports the objectives of a National Agreement. The necessary information will be provided to the CRC in a timely manner to allow it to fulfil its reporting requirements to COAG.
- C15 The COAG Reform Council's reports should be provided to COAG no later than three months after receiving the performance information from the Steering Committee.
- C16 In preparing its performance information reports, the COAG Reform Council may draw upon other data collection agencies and subject experts it considers relevant to its work.
- C17 The Parties will be consulted for a period of one month before the COAG Reform Council releases its reports, but the COAG Reform Council should independently assess whether any feedback from a jurisdiction needs to be reflected in its final findings.
- C18 The COAG Reform Council's reports on the performance information for all governments against National Agreement outcomes and performance benchmarks will be made public.

## PERFORMANCE REPORTING FOR NATIONAL PARTNERSHIPS

- C19 The COAG Reform Council will be the independent assessor of whether pre-determined milestones and performance benchmarks have been achieved before an incentive payment to reward nationally significant reforms or service delivery improvements under a National Partnership reward payment is made. The final decision on payments will be made by the Commonwealth.
- C20 To assist the COAG Reform Council, the agreements underpinning each National Partnership reward payment will clearly set out the milestones and performance benchmarks that must be achieved for each jurisdiction to be eligible for a payment.
- C21 The COAG Reform Council may draw on existing subject experts or commission technical experts when an assessment of performance is required.
- C22 The Parties will be consulted for a period of one month before the COAG Reform Council makes its assessment, but the COAG Reform Council will independently assess whether any feedback from a jurisdiction needs to be reflected in its final findings.

## NATIONAL PERFORMANCE REPORTING SYSTEM

- C23 The development of a new national performance reporting framework provides the opportunity to move, as far as possible, to a single, integrated, national reporting system that will reduce collection costs and confusion in interpreting performance.
- C24 The Parties agree to prioritise the new national performance reporting framework for reporting on government services and review aspects of existing data collection and reporting requirements that may duplicate or be inconsistent with it.
- C25 In reviewing reporting requirements and existing processes, consideration will be given to:
- (a) identifying and addressing data gaps that prevent reporting on important performance indicators;
  - (b) identifying strategies for improving timeliness of data collection; and
  - (c) rationalising data collection processes where there is overlap and duplication.
- C26 Consistent with the move to a single, integrated, national reporting system, the Parties agree to improve national and state and territory data collection processes, including the development of:
- (a) standard data definitions;
  - (b) standard data reporting benchmarks; and
  - (c) a program of performance indicator improvement where existing measures do not adequately provide the public with a comprehensive and meaningful set of performance measures.

## CONTINUAL IMPROVEMENT IN PERFORMANCE REPORTING

- C27 As the success of the new framework for federal financial relations depends crucially on the development of robust performance indicators and benchmarks, the Parties will continually improve performance data and commit to:
- (a) on-going involvement in performance reporting; and
  - (b) maintaining the national minimum data sets required to allow comparative reporting of governments' achievement against agreed objectives and outcomes.
- C28 The Ministerial Council for Federal Financial Relations will maintain a register of the national minimum data sets required to allow comparative reporting of governments' achievement against agreed objectives and outcomes. In undertaking this task, it will consult with other Ministerial Councils and data collection agencies.
- C29 The Ministerial Council for Federal Financial Relations will oversight progress in improving the quality and timeliness of indicator data and the coordination of improvements in data collection processes, data quality and the timeliness of performance reporting for the National Performance Reporting System. In undertaking this task, it will consult with other relevant Ministerial Councils, with the Australian Statistician, and with collection agencies.
- C30 The COAG Reform Council may advise on where changes might be made to the performance reporting framework.