

Charter

30 September 2011

Introduction

This document is the COAG Reform Council's Charter. It sets out the basis of the council's constitution and role as well as its objectives and strategies, values and operating principles.

The Charter forms part of the council's governance framework and should be read in conjunction with the council's annual Business Plan, which sets out how the council will implement its objectives for the year ahead.

The COAG reform agenda

Council of Australian Governments

The Council of Australian Governments (COAG) is the peak intergovernmental forum in Australia, comprising the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association (ALGA).

The role of COAG is to initiate, develop and monitor the implementation of policy reforms that are of national significance and which require cooperative action by Australian governments.

The outcomes of COAG meetings are contained in communiqués released at the end of each meeting. Formal outcomes are embodied in signed intergovernmental agreements.

COAG reform agenda

The overarching objective of the COAG reform agenda is to improve the wellbeing of Australians now and into the future.

At its meeting on 13 February 2011, COAG adopted ‘a streamlined agenda built around five themes of strategic importance that lie at the intersection of jurisdictional responsibilities’.

COAG’s five themes

1. A long term strategy for economic and social participation
2. A national economy driven by our competitive advantages
3. A more sustainable and liveable Australia
4. Better health services and a more sustainable health system for all Australians
5. Closing the Gap on Indigenous disadvantage

The Intergovernmental Agreement on Federal Financial Relations (IGA) commenced on 1 January 2009. The IGA sets out objectives, principles and institutional arrangements for financial relations between the Commonwealth and the States and Territories.

The COAG reform agenda is implemented through National Agreements, National Partnerships, Water Management Partnerships under the Agreement on Murray-Darling Basin Reform, and other intergovernmental agreements.

The intergovernmental agreements can be found on the website of the Ministerial Council for Federal Financial Relations at www.federalfinancialrelations.gov.au.

The COAG Reform Council

The COAG Reform Council has been established by COAG¹. It is independent of individual governments and reports directly to COAG. The council reports to the Prime Minister, as chair of COAG.

Council members

On 14 July 2006, COAG agreed that the COAG Reform Council would comprise up to six members; and that the council would comprise a Chairman appointed by the Commonwealth, a Deputy Chairman appointed by the States and Territories, and four members to be agreed by COAG, with at least one member having the appropriate skills set with regional and remote experience.

Individual COAG Reform Council members are appointed by way of contracts to provide consultancy services to the Department of the Prime Minister and Cabinet. Members of the COAG Reform Council were first appointed in 2007.

The current membership of the COAG Reform Council can be found at:

<http://www.coagreformcouncil.gov.au/members/index.cfm>.

Secretariat

The council is supported by a secretariat based in Sydney. The secretariat is established as an administrative unit within the Department of the Prime Minister and Cabinet. Staff of the secretariat are employed by the Department of the Prime Minister and Cabinet as members of the Australian Public Service.

The Executive Councillor and Head of Secretariat is accountable to the Chairman for the substantive business of the council and its secretariat; and to the Secretary of the Department of the Prime Minister and Cabinet for administrative, staffing and legal matters (and in all other respects in his/her capacity as a Deputy Secretary of the department and as a member of the Australian Public Service).

¹ The council was first established administratively by way of decisions recorded in COAG communiqués and now formalised in the Intergovernmental Agreement on Federal Financial Relations (see clause 18, clauses A10–A12 and Schedule C).

Role of the COAG Reform Council

The role of the COAG Reform Council is prescribed by COAG.² One of the objectives of the federal financial relations framework established by the IGA is:

... enhanced public accountability through simpler, standardised and more transparent performance reporting by all jurisdictions, with a focus on the achievement of outcomes, efficient service delivery and timely public reporting (COAG 2009a, p. 5).

The COAG Reform Council is the key institution within this framework for enhancing the accountability of governments to the community for the outcomes achieved under the various intergovernmental agreements.

In summary, the council's role includes:

- reporting on the performance of governments under National Agreements, which comprises:
 - highlighting contextual factors
 - providing a comparative analysis of the performance of governments
 - reporting on progress under National Partnerships that support the National Agreements
- reporting on the performance of governments under various National Partnerships with reward payments
 - providing an independent assessment of whether predetermined performance benchmarks have been achieved prior to reward payments being made
- reporting on the performance of the Commonwealth and the Basin States under Water Management Partnerships (pursuant to the Agreement on Murray-Darling Basin Reform)
- reporting on the consistency of capital city strategic planning systems with national criteria (pursuant to the COAG communiqué of 7 December 2009)
- advising COAG on options to improve performance reporting frameworks
- highlighting examples of good practice and performance
- reporting to COAG on the aggregate pace of activity across the COAG reform agenda
- implementing an effective public accountability regime.

² The manner in which the council's functions have been prescribed has evolved over time, since COAG communiqués in 2006. The first prescriptions of the council's broader, contemporary role were set out in attachments to the COAG communiqués of 26 March 2008 (Attachment C) and 3 July 2008 (Attachment A).

Mission, objectives and strategies

Having regard to its mandate and terms of reference as prescribed by COAG (and summarised in the preceding sections of this Charter), the COAG Reform Council has developed a statement of its overall mission and has developed five high-level objectives to deliver this mission.

Figure 1 sets out the council's mission statement, the five high-level objectives and the various strategies that will be deployed to achieve those stated objectives.

The council's objectives and strategies provide the guiding framework for all of the council's work. They are used as the organising framework to present the details of the council's forward work program in its Business Plan and for reporting on the council's recent achievements in its Annual Progress Report.

The council has also developed a set of Key Performance Indicators (KPIs) as central to its own performance evaluation. Three high-level KPIs seek to measure the council's success or otherwise in delivering on its three core (externally focused) objectives and the remainder seek to measure the performance of other aspects of the council's strategies. The council's KPIs are set out in its Business Plan.

MISSION

To assist COAG to drive its reform agenda by strengthening the public accountability of governments through independent and evidence-based assessment and performance reporting.

CORE OBJECTIVES

1. ASSESSING PERFORMANCE OF GOVERNMENTS

Provide independent, evidence-based assessments of the performance of Australian governments

2. ENHANCING PUBLIC ACCOUNTABILITY

Enhance the public's ability to evaluate and drive performance across the COAG reform agenda

3. SUPPORTING COAG'S CAPACITY TO DRIVE REFORM

Assist COAG to develop and deliver its reform agenda

STRATEGIES

1.1 Collaborate with jurisdictions, partner organisations and experts to access reliable and timely data and performance information

1.2 Assess the performance of governments through tailored, evidence-based approaches

1.3 Deliver evidence-based reporting to COAG on the performance of governments

2.1 Publish accessible information on the performance of governments across the COAG reform agenda

2.2 Engage effectively with key stakeholders across government, non-government and private sectors, and the media.

2.3 Implement an accessible communications strategy to improve the ability of the public and stakeholders to drive performance across the COAG reform agenda.

3.1 Make recommendations to COAG on ways to improve the performance reporting framework

3.2 Highlight examples of good practice and performance to encourage jurisdictions to adopt innovative reforms or methods of service delivery

3.3 Report on the aggregate pace of activity in progressing COAG's reform agenda

CAPABILITY STRATEGIES

4. EXCELLENCE & CREATIVITY

Become a centre of excellence on cross-jurisdictional performance reporting

4.1 Promote an environment of constant learning through a program of events, engagement, and continuous improvement

4.2 Use the council's unique and independent role to actively promote the importance of performance reporting and accountability for federal financial relations

5. GOVERNANCE & ORGANISATIONAL CAPABILITY

Develop and maintain efficient and effective processes that underpin a supportive and challenging workplace

5.1 Effectively manage resources and ensure appropriate systems are in place to support the work of the council and the secretariat

5.2 Foster a culture of professionalism and high performance, and support learning and development opportunities for staff

5.3 Implement and maintain effective and appropriate governance arrangements to structure and direct the council's work

Values

In our work, the COAG Reform Council will be:

- *collaborative and respectful*: in consulting with and drawing on the knowledge and experience of governments, partner organisations, interest groups, experts, media and the community
- *credible*: respected for our independence, and our robust and evidence-based analysis
- *an effective team*: the council and secretariat working together to achieve our objectives
- *enthusiastic*: actively demonstrating that we believe in the benefits of the COAG reform agenda for the community
- *proactive and creative*: contributing valuable ideas to assist governments to share what works, and promote continuous improvement
- *relevant*: recognised for the impact of our work and our contribution as the chief accountability institution in federal financial relations
- *service-focused*: responsive to the needs of COAG and dedicated to communicating clearly with our stakeholders and the community.

Australian Public Service Values and Code of Conduct

As staff of the Australian Public Service (APS), secretariat staff are also bound by the APS Values and Code of Conduct. The values and code of conduct are published on the Australian Public Service Commission website at: <http://www.apsc.gov.au/values/index.html>.

As a matter of principle, the staff of the secretariat will extend the obligations of the *Public Service Act 1999* to be bound by the APS Values and Code of Conduct—such as being apolitical and being accountable and responsive—to all governments of Australia.

Governance

This Charter forms a key element of the council's governance arrangements.

The Charter is intended to be a standing document that outlines the fundamental aspects of COAG Reform Council's establishment, role and mission. However, it will be revised in the event that COAG alters fundamental aspects of the way in which the council is to operate. It will also be revised to reflect any evolution in the council's views on its objectives and strategies, consistent with the council's value of promoting continuous improvement. The Charter will therefore be reviewed and updated as required and provided to COAG each year along with the council's other key governance documents—the Annual Progress Report and Business Plan.

The council's three governance documents are published on its website.

Annual Progress Report

The COAG Reform Council will submit an Annual Progress Report to COAG by 30 September each year.

The Annual Progress Report will include:

- a summary review of the council's work over the preceding 12 months
- information on the council's budget as agreed by COAG
- reporting on the council's performance against its objectives and strategies, and its key performance indicators.

The Annual Progress Report will not constitute a formal annual report in accordance with the *Public Service Act 1999* (Cwlth) as the secretariat is an administrative unit of the Department of the Prime Minister and Cabinet and its statutory annual reporting obligations will be fulfilled through the department's Annual Report.

Business Plan

The council will prepare an annual Business Plan for each forthcoming financial year period and will submit this to COAG by 30 September each year along with the council's Charter and Annual Progress Report.

The Business Plan will be kept under active review on an as required basis, particularly following COAG meetings. Material in the Business Plan, such as overall consultation and reporting timeframes, will be used as the basis for material available publicly on the council's website.

Budget and financial accountability

COAG has agreed that the COAG Reform Council is to be funded 50 per cent by the Commonwealth and 50 per cent by the States and Territories on a population share basis. The total budget for the COAG Reform Council is approved by COAG.

Formal approval of the contributions of the nine governments is a matter for the individual executive governments to pursue through normal jurisdictional budget and appropriations processes.

At the implementation level, the COAG Reform Council's funding is managed by the Department of the Prime Minister and Cabinet. State and Territory contributions are obtained through quarterly invoices for actual expenditure incurred.

If any issues arise in relation to the council's budget—if for example significant additional work was referred by COAG—the council would make recommendations to COAG about its budget.

Current information about the council's budget will be set out in the council's Business Plan and Annual Progress Report each year.

As an administrative unit within the Department of the Prime Minister and Cabinet, secretariat officers are subject to all the normal financial accountability obligations of all members of Australian Public Service, including the *Financial Management and Accountability Act 1997* (Cwlth).

On 7 December 2009, COAG agreed that the council's governance will be enhanced by 'the provision of an assessment of the [council's] annual financial performance by the Commonwealth Auditor-General, the outcomes of which are [to be] shared with other COAG jurisdictions' (COAG 2009b). This is a matter for implementation by the Department of the Prime Minister and Cabinet.

Performance evaluation framework

The COAG Reform Council evaluates its performance using three key mechanisms:

- first, the council conducts a qualitative analysis of its performance against its stated objectives and strategies
- second, the council assesses its performance against its KPIs, drawing on the results of an annual survey of COAG senior officials as well as some self reporting
- finally, the council has agreed to subject itself to a biennial external performance audit conducted by an independent auditor.

