

**BETTER PRACTICE PRINCIPLES
FOR
PERFORMANCE INFORMATION**

Foreword

The Australian Public Service is currently facing a number of significant challenges including the provision of effective and efficient services and products and accountability to the Government and the public for performance.

As a consequence, program managers must ask themselves: What are our objectives? What are the outcomes and are they the intended outcomes? How do we know we have been successful? Are the processes used to achieve them the most efficient and effective? Are clients receiving an appropriate level of service and being dealt with fairly and ethically?

Ongoing monitoring and periodic evaluation of performance, both of which rely on performance information, help answer these questions. Performance information should enable assessments of performance, but it is not an end in itself. Its value lies in the ways it can help us improve and account for our performance and meet the challenges of new methods of program provision and service delivery. An important lesson from the past decade is that this is not a discretionary activity.

Performance information is a critical tool in the overall management of programs, organisations or work units. It is also crucial to public sector accountability. Put simply, it is the main means through which assurance is provided transparently to the Parliament and public that the Government's objectives are being met.

The aim of this guide is to facilitate a common understanding of the concept of performance information, what it encompasses, and the key role it plays in the management and accountability framework. This publication has been prepared by the Australian National Audit Office and the Department of Finance. Significant contributions have also been made by the Departments of Health and Family Services, Social Security, Veterans' Affairs and Employment, Education, Training and Youth Affairs.

Using examples and case study material, the guide identifies key characteristics of good performance information and outlines approaches to planning for performance information. An example of the use of program logic to develop performance information on program effectiveness is included, together with discussions of the use of performance information for policy advising functions. Internal and external reporting of performance information is also dealt with.

The findings of a range of inquiries and reviews over recent years have pointed to a need for more explicit, useful and convincing performance information than generally exists at present. This guide is intended to help address this need.

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1. Introduction

Background

Since the early 1980s reforms have been progressively introduced into the Australian Public Service (APS) with the specific aim of making it more responsive to client needs and more efficient, effective and accountable. Information on APS performance is integral to ensuring the success of these reforms.

Performance information is not an end in itself - it provides a basis for improving program management and is critical to accountability. Good performance information also allows the program manager to determine whether program resources are being directed towards the achievement of the desired outcomes in the most efficient and effective manner. If the performance information being collected does not assist with improving program performance and accountability then it becomes a costly exercise with no return.

A tool for management

Performance information is a tool for program management and performance improvement. It identifies where we are heading, how we will get there, whether we are heading in the right direction and whether we are using resources in the most cost effective manner. As well as providing a basis for informed decision making it is also an early warning system enabling managers to undertake preventative action.

Also, for management purposes, an appropriate set of performance information focuses attention on the factors which influence outputs and outcomes at the particular manager's level. There may be a hierarchy of objectives and strategies which, at operational levels of the program, focuses on processes, inputs and outputs. The hierarchy of objectives and strategies directly facilitates an integrated approach to planning, setting targets, allocating resources and establishing milestones for the organisation as a whole and individual areas. Useful performance information will come from both vertical and horizontal reviews of programs within an organisation.

Performance information is a communication mechanism in that it allows staff at all levels to have a common understanding of program objectives. In this way it can help facilitate:

- the development of strategies which link functional areas so that they achieve common organisational objectives;
- planning, setting targets, allocation of resources and establishment of milestones for the organisation as a whole and individual areas;
- feedback and learning. The inclusion of appropriate indicators for the factors which lead to success allows the organisation to take early remedial action if problems occur; and
- provision of reports which support the operation of programs and public accountability.

A tool for accountability

Accountability relies on performance information. We are accountable to Ministers, the Parliament, the general public and other key stakeholders for our programs' performance. Performance information is the currency of

accountability.

There are, however, differing levels of accountability across agencies. Local managers of large agencies are immediately responsible to senior managers who may, for example, focus on critical process performance information. At the national level, agency accountability to Parliament and the public tends to focus on overall program impact. The linkages between performance information for different parts and levels of organisations are critical to both performance improvement and accountability.

To achieve appropriate accountability the performance information used must be sufficient to allow program achievement to be accurately measured and reported.

Program objectives, goals and strategies must be framed so that their achievement can be clearly assessed. As pointed out in a MAB/MIAC Report on accountability in the Commonwealth Public Sector (No 11, 1993), *'Proper accountability can be threatened by the failure to specify simply and directly the goals and purposes of organisations and their component parts'*.

Section 3 discusses this issue in more detail.

A tool for reporting

The main vehicle for public accountability is reporting on program performance. Performance reports, particularly annual reports and portfolio budget statements, should be balanced and candid accounts of both successes and shortcomings. They should have sufficient information to allow Parliament and the public to make informed judgements on how well agencies are achieving their objectives. Reports should include information on performance trends and comparisons over time rather than just a snapshot at a point in time which may be misleading.

Internal reports should relate to the organisation's objectives and strategies and include information on critical factors which local managers are responsible for administering. Refer to Section 7 for a more detailed discussion of internal and external reporting.

Performance information is becoming more important as agencies are increasingly required to achieve more with available resources. Also, agencies are moving to an environment where alternative methods of service provision must be considered. Moves to outsource service provision require good performance information to support, for example, the development of tenders, assessment of proposals and monitoring of contractual commitments including ongoing performance by third party service providers.

Definition

Performance information is evidence about performance that is collected and used systematically.

Performance refers to the carrying out or achievement of a particular purpose, task or function. For a program, organisation or work unit, the key elements of the program or work structure include the resources used (inputs), what is done (processes), what is produced (outputs), and what impacts are achieved (outcomes). Performance information addresses the relationships between these elements. It should facilitate the identification of

outcomes and the monitoring and evaluation of the efficiency and effectiveness of processes used to achieve them. That is, it should provide sufficient information to answer questions on key aspects of performance, such as:

- how effective is the program in achieving the desired outcomes?
- how efficient is it in using inputs to produce the required outputs?
- what is the quality of the program's outputs and outcomes; are clients receiving a satisfactory level of service?
- is the program meeting access and equity requirements?

Performance information may be obtained in a number of ways. It may be specifically sought through client surveys, extracted from management information systems or be an outcome of evaluative activities. Program evaluations themselves can be a rich source of performance information.

Performance information can be used to monitor the ongoing performance of programs and organisations - to provide information which enables judgements in the short term about how they are performing. Performance information is also used to make periodic and more in-depth evaluations of performance over medium to longer term time frames. Performance monitoring and evaluation both require performance information and are complementary approaches to assessing performance.

This paper identifies and discusses concepts and issues which should be considered in relation to performance information. To facilitate understanding, examples are used wherever possible. It also includes a glossary of terms to ensure that there is a common understanding of the meanings of particular terms.

Section 2 addresses key concepts such as objectives, strategies and targeting, including benchmarking. The characteristics of good performance information are discussed in Section 3. Specific advice on planning for performance information is provided in Section 4, while Section 5 outlines the program logic approach to developing performance information. Issues related to performance information for policy advice are discussed in Section 6 and internal and external reporting are discussed in Section 7.

2. Key Performance Information Concepts

Developing performance information involves identifying the objectives of the program or activity, the separate components or stages in the process to achieve the objectives, and the relationship between them. This framework, within which performance information is developed, is discussed below.

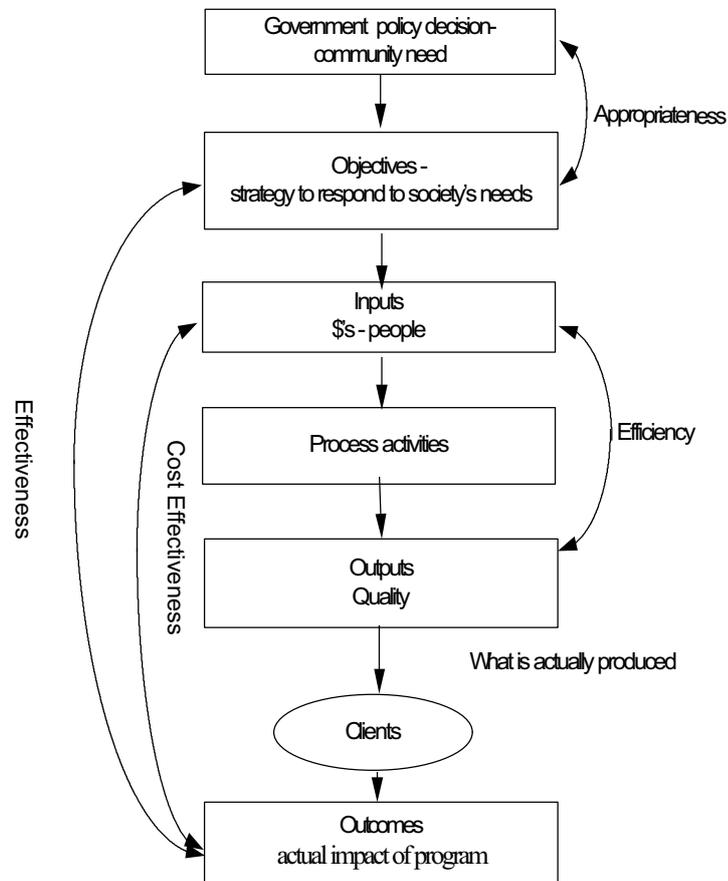
The following concepts, which relate to the use of performance information and the need to make comparisons, are identified and discussed - specifically, targets, standards, milestones and benchmarks.

Finally, this section also includes a short discussion on evaluation and its relationship with performance information.

The diagram below sets out the basic elements of a program or work structure and highlights the relationships between these elements. These

relationships comprise the key aspects of performance. Performance information is collected about these elements of the program structure for the purpose of monitoring and evaluating relationships between them - the key aspects of performance.

Process and relationships



Performance Measurement framework

Performance information is developed within a framework which includes the objectives and strategies of programs. The framework also includes program effectiveness, efficiency and the quality of service provision which relates to how the objectives are being achieved.

Objectives

Objectives should be concise, realistic, outcome-oriented statements of what the program, sub-program or other element of the program structure is intended to achieve. They must be stated in a way which clearly communicates what is to be achieved and measured or assessed. Program objectives should be linked to Government policy decisions and form the basis for performance reporting.

One of the most important functions of performance information is to allow an assessment of the extent to which the program objective is being achieved. To facilitate this, the following criteria should be met:

- strategies should articulate the means by which the program objectives will be achieved; and
- the performance information should enable judgements to be made on the extent to which program activities are achieving the desired results. It should help provide answers to the questions: ‘to what extent are outcomes due to identified program processes; are there other contributing factors; and could better outcomes be obtained with the same resources?’.

At a lower level it may be necessary to establish milestones to monitor the achievement of critical processes related to the establishment and conduct of a program. Milestones are discussed later in this section.

The DSS Disability Support Pension Sub-program provides an example of clearly stated objectives and strategies.

The objective of the sub-program is to ensure that *people with disabilities have adequate levels of income and maximum opportunities to participate in society*. The Department has a series of strategies which specifically relate to effectiveness, efficiency and the quality of customer services, including:

- targeting payments to those most in need (effectiveness);
- achieving program objectives and implementation strategies at least cost in conformity with Commonwealth accountability requirements, while maintaining the integrity of the social security system (efficiency); and
- serving customers in a courteous, timely and fair manner (quality customer service).

In addition, the Department has performance information which focuses on outcomes and related issues such as the adequacy of income support. Discussion on the performance information for this sub-program is continued in the next section.

Mission statements and objectives, however, can be difficult to translate into a hierarchy of goals and strategies which facilitates a common, measurable understanding of program objectives. The following example demonstrates the translation of goals into a measurable set of objectives.

The objective of the Targeted Research Sub-program of DEETYA is to:

maintain and strengthen Australia’s knowledge base and research capabilities by developing an effective research and research training system focused on the higher education sector, and thereby enhance Australia’s national economic development, international competitiveness and attainment of social goals.

However, this statement is not readily translated into terms that program managers can easily understand. For example, it would be very difficult for them to determine how their activities impact on *Australia’s national economic development, international competitiveness and attainment of social goals*.

The Department has, however, related the overall objective to the following five benefits of research:

- contribution to culture;
- graduates of high quality;
- direct application of research results;
- increased institutional capacity for consulting, contract research and other service activities; and
- achieving international links.

That is, the Department has identified five intended outcomes which program managers can relate to and, with the exception of the first, assess in a quantifiable manner.

Strategies

Strategies describe the means by which the objective will be achieved. Performance information should enable a judgement as to whether the strategies are actually working.

The DHFS Acute Care Sub-program provides an example of how one department has linked strategies to the sub-program objective. The example, like the previous DEETYA example, relates to an objective which does not easily lend itself to performance appraisal.

In this case the objective is to ‘support access to high quality health care’. To facilitate assessment the Department has identified a number of goals which embody short-term anticipated outcomes. For example, ‘improvement in the balance of demand for private hospital and public hospital facilities through stabilisation of private health insurance participation rates’. The specific strategies then relate to these goals (for example, ‘develop and apply a regulatory regime under the National Health Act to ensure that private health insurance provides efficient and affordable access to hospital services within the framework of community rating’). The private health insurance participation rate is, therefore, an indicator which the Department can use to assess the effectiveness of this strategy.

Effectiveness

Effectiveness defines the extent to which the outcomes of an activity are achieving the stated objectives.

DEETYA labour market programs have the objective of improving the employment prospects of the unemployed through the provision of training courses. DEETYA gauges the effectiveness of labour market programs through the Post Program Monitoring (PPM) survey. Clients undertaking labour market courses are surveyed (about three months after completing a course) to determine how many proceed to full or part-time unsubsidised employment or to full or part-time non-Departmental training and education.

This example highlights two issues.

- ideally, performance information on outcomes should demonstrate a direct link between strategies and objectives and enable an assessment of the extent to which the objectives are being achieved. In this case it only provides an indirect measure of program effectiveness. The client

may have, in fact, gained employment or undertaken further education or training even if he/she had not undertaken DEETYA training; and

- the cost benefit of collecting information must be considered. DEETYA advised that changes to the PPM methodology to try to establish a direct link would not be warranted on cost/benefit considerations. Additional information would cost more and changes to the current survey methodology could reduce the client response rate and the accuracy of information provided. This issue is discussed in more detail in Section 3.

Efficiency

Efficiency relates to minimising inputs for a given level of outputs or, conversely, maximising outputs for a given level of inputs. Frequently, efficiency performance information is associated with the processes (activities, strategies, operations) which produce outputs.

In other words, efficiency information is used to describe the relationship between the inputs used for an activity and the outputs produced. The focus is generally on resource costs of the outputs produced by the activity and usually includes data on financial performance. An assessment of efficiency requires the identification of the exact relationship between inputs and outputs. However, comparative benchmarks are also necessary to form an overall opinion on efficiency.

Examples of efficiency measures include:

- benchmarked comparisons - the cost of providing specified services (for example, the provision of corporate information technology services by the organisation's employees compared with the information technology costs for similar organisations); and
- productivity measures - for example, the number of claims processed per staff member or work unit, compared to a standard, target or benchmark.

The following examples are indicative of benchmarked comparative productivity measures and are used by two departments to assess the sub-program efficiency.

The DEETYA Targeted Research sub-program has measured its administrative efficiency in terms of administrative costs as a per cent of sub-program expenditure (two per cent of sub-program expenditure) and benchmarked it against the performance of comparable Australian and overseas research organisations.

The Department of Social Security (DSS) Disability Support Pension Sub-program collects and monitors performance information on, for example, total running costs as a per cent of total outlays and running costs per 1000 customers.

Quality

There are a variety of valid applications of the concept of quality. This discussion, and the definition in Appendix 2, focus on quality as it relates to the characteristics by which an organisation, product or service is judged by customers and stakeholders. In relation to performance information, assessment of quality may focus on outputs, processes and/or

outcomes. This involves the use of information gathered from key interest groups (citizens, direct and indirect consumers, staff involved or relevant professionals and government) to identify differences between the expectations and experience of users.

Quality performance information enables judgements on service delivery and the appropriateness of a product or service.

Standards and improvement targets can be developed for service delivery and outcomes quality, in accordance with the same principles that apply to performance information as a whole. In particular, standards need to be based on a sound analysis of client needs and expectations and stakeholder interests. Standards should be developed in the light of overall program objectives and should strike a balance between those objectives and the resources available. Factors which may need to be considered include the needs of different client groups, the relative priorities of service delivery, outcome achievement, and the interests of key stakeholders.

There are limits to the usefulness of customer surveys to determine the quality or effectiveness of services. Within the public sector, levels of satisfaction determined through surveys may not always be indicative of the effectiveness of a service. For example, the effective policing of benefit conditions could result in negative responses in client satisfaction surveys. A fuller discussion of quality initiatives and techniques for investigating client needs is contained in the publication Quality for our Clients: Improvements for the Future (Department of Finance, 1995).

Performance assessment

Performance assessment, be it for ongoing monitoring program or evaluation, is based on comparisons. Standards, targets, benchmarks and milestones all provide a basis for comparisons.

Standards

Standards relate to pre-defined levels of excellence or performance specifications and can be set on various aspects of an organisation or program. Standards can relate to factors such as the level and quality of client service and are set with the aim of defining the appropriate level of performance expected to be delivered. Progress in the provision of the service can be measured against the standard.

Some examples of performance information which address quality include:

- national customer service standards (which have associated annual targets) covering issues such as timeliness (for example, age pension claims processed within 28 days of lodgement - target 80% per cent); the accuracy of processing of claims (standard 100 per cent), and customer satisfaction levels (overall customer satisfaction target 85 per cent);
- assessments of the quality of the partnership, communication and progress during the year by industry clients and the management and staff;
- a customer satisfaction index; and
- formal peer assessment of the quality of policy advising and/or research.

The Department of Veterans' Affairs (DVA) Income Support Sub-program has set, as a standard, the processing of new claims for age service pensions within 28 days.

Targets

Targets express quantifiable performance levels or changes of level to be attained at a future date, as opposed to the minimum level of performance. Targets can be developed for key aspects of performance. They should focus on internal factors that managers can influence. These may relate to either the overall program performance or the factors which lead to success and should provide the basis for early problem identification and solution.

However, care should be taken when setting targets to ensure that the focus does not become the achievement of individual targets at the expense of overall performance. For example, departments which receive enquiries from the public should ensure that process performance information and associated targets, such as time to answer telephone calls, are complemented by quality of service performance information to ensure the targets do not encourage the 'wrong' or 'inappropriate' outcomes.

DVA has set as a target for the previously mentioned standard the processing of 75 per cent of claims within the 28 day period.

Benchmarking

MAB/MIAC described benchmarking as 'an ongoing, systematic process to search for and introduce best practice into an organisation'. It involves the collection of information to undertake comparisons. The focus of benchmarking can be:

- internal, that is, comparisons of the same activity between different parts of the same organisation;
- external, that is, comparisons with other organisations of the same activity; and/or
- generic, that is, comparisons of similar processes with other organisations which may have different products or processes.

Irrespective of which form of benchmarking is undertaken, performance information provides the key to matching and evaluating practices within and between agencies. Also, benchmarking can be used to identify appropriate performance information for programs.

The following case study highlights several issues addressed in the previous section in a specific application of benchmarking, such as the need for performance information to support the contestability of debt collection operations in the APS.

A case study - debt collection

Many agencies such as the Australian Tax Office, DEETYA and DSS have debt recovery responsibilities. The quality of performance information is pivotal to the management of outstanding debt and it is imperative that the contents and relevance of performance information be of the highest quality if debt collection functions are to be effectively managed.

In reviews of Government agencies the ANAO and DOF have identified a number of recurring issues relevant to debt collection and performance information. Specifically the:

- contestability of debt collection operations;
- need for reporting on segments (or categories) of the debtor population;
- importance of an accurate debt profile; and
- issues related to collection of debt (for example, the timeliness of debt collection processes).

There is an increasing pressure for agencies to ensure that their operations are conducted in a cost effective and efficient manner. Therefore, the contestability of debt collection operations is especially pertinent in the current APS environment. Performance information for critical factors allows an analysis of collection strategies for a variety of debtor segments. As a consequence, management can effectively select the most cost effective collection strategies for different segments of the debtor population. An agency may, for example, determine that an approach which is cost effective in recovering one class of debt (say, smaller debts outstanding for less than 30 days) is less effective as the debt becomes older. This would prompt the agency to explore alternative collection strategies for older debts.

It is important that performance information provides a profile of the outstanding debt so that it can be understood and managed. For example, information should be available on the primary outstanding debt, additional debt because of late payment, debts paid on time while an outstanding debt is still on accounts, and debt arising from system errors.

Performance information regarding the success of reducing outstanding debt (in terms of debt finalisation and collection rates) and the cost of finalising debt within an age structure provides a sound basis for selecting the most cost effective method of recovering debt.

Milestones

Milestones assist in determining whether a program or activity is heading in the right direction and making the most efficient use of resources. They mark the achievement of critical stages of program implementation. Milestones are particularly important for large and/or complex programs. They should be identified for tasks on the critical path for program implementation.

Evaluation

Program evaluations and ongoing performance monitoring are complementary tools for program management and accountability.

Evaluation is the systematic, objective assessment of the appropriateness, effectiveness and/or efficiency of a program or part of a program.

Because of the timeframes associated with evaluations (major programs in the APS are evaluated every three to five years) they should be complemented by systematic monitoring of program performance on an ongoing basis. Program evaluations can lead to improved program

outcomes, assist decision making by Cabinet, and help account for program performance. They can be particularly useful to:

- examine the effectiveness of programs over the longer term; and
- define linkages between program activities and outcomes.

Data needs for program evaluations should be planned in advance, otherwise data collection can be very expensive. However, given their periodic nature, evaluations may also be useful on occasion for collecting information which is too expensive or difficult to collect on an ongoing basis, provided the information is useful for the purposes of the evaluation. For example, evaluations may use data from comprehensive surveys which would be too resource intensive to undertake on an ongoing basis. For the same reason, it is possible to undertake more detailed analyses of performance information as part of an evaluation. However, as with on-going program monitoring, evaluations need good performance information so that they can focus on the investigation of key issues.

Evaluations can also be used to assess the program objectives and review the appropriateness and quality of current performance information.

3. Characteristics of Good Performance Information

This section discusses the characteristics of performance information needed to appropriately describe performance, for example, the relationship between strategies and objectives and aspects of performance such as efficiency and effectiveness.

Quantitative and qualitative performance information

Performance information may be quantitative (has a numeric value) or qualitative (that is, characteristics are described). The latter are particularly useful because, as noted by MAB/MIAC (1993) *Performance Information and the Management Cycle*, in many situations it is only with qualitative performance information that the objective and strategies can be directly linked and cause/effect (impact) relationships demonstrated. Nevertheless, every effort should be made to measure performance where it is feasible to do so.

Terms relevant to performance information

Appendix 2 provides definitions of a range of different terms relevant to performance information. Following are some the more important terms:

- **inputs** - which may be human (labour) or financial (\$) which lead to outputs;
- **process** - for example, payments of accounts within 28 days (DVA);
- **outputs** - such as products or services produced, for example, people completing labour market courses (DEETYA); and
- **outcomes** - for example, people obtaining employment (because of the program) after completing a DEETYA labour market course;

Achieving an appropriate balance

Historically, performance information tended to be concentrated on the measurement of inputs and outputs. However, balanced sets of performance information are important as they facilitate management and accountability, and enable the investigation of the interactions and inter-relationships between the factors which influence outcomes. If only one aspect of program performance is measured, it is likely that this is what program managers will (generally) concentrate on. As a result, overall program performance could deteriorate.

Each element of performance information should provide a different perspective of program performance. Therefore, the different aspects of performance information need to be considered together to assess the overall performance of the program. It is important that the elements of a set of performance information are selected because they measure something that is significant and useful, not just because they are easy to measure.

Indicative of one perspective of balance is the range of performance information measures that DSS has for the Disability Support Pension Sub-program. Some of the measures are:

Effectiveness

Adequacy (of pension): pension rate as a per cent of earnings - the benchmark for a single adult being 25% of average weekly earnings.

Efficiency

Ratio of running costs to total outlays for program.

Client service

The timeliness of determining client claims (70 per cent within 14 days) and customer and community satisfaction.

The Department also has process performance information.

Besides examining inputs, outputs and outcomes and performance against each criterion, it can be useful to take a broad overview of performance information to discern common areas of concern and strengths across a number of sub-programs. The ANAO found the following presentation of performance information facilitated such an assessment by highlighting areas where the agency might need to focus on improvement. The following example provides another perspective of balance.

Audit of DEETYA Performance information¹

Program / sub-program	Effectiveness indicators		Other indicators ²		Targets and standards ³	Benchmarks ⁴	Outcome reporting ⁵	
	Direct ⁹ indic.	In-direct ⁹ indic.	Econ Effic	Client Service			Internal	Ann. Report
Student, Youth and Language Support Education Assistance	No	✓	✓	✓	✓	✓	No	No
Employment Employment Participation	No	✓ ⁶	✓	✓	✓	✓	✓	✓
Schools General Assistance: • NPDP ⁷ • General Recurrent • Capital Grants	No ✓ No	✓ ✓ ✓	✓ ✓ ✓	✓ ✓ ✓	No ✓ ✓	No ✓ ✓	✓ limited limited	No No No
Higher Education Targeted Research	No	✓	✓	No	✓	✓	✓	✓
Vocational Education and Training Training Reform: • Pre-vocational Places • WELL ⁸	No No ¹	✓ ⁶ ✓	✓ ✓	part part	✓ No	No informal	No No	No No

- 1 DEETYA has advised that it is currently addressing performance information related problems.
- 2 Range of indicators which measure to some extent economy/efficiency and/or client service.
- 3 Targets and standards which address one or more of the sub-program element indicators.
- 4 Benchmarking has been undertaken for one or more facets of the operations of sub-program elements.
- 5 Performance information on outcomes is provided in internal reports and/ or the Departmental Annual Report.
- 6 Outcome indicators have been developed and implemented, but because of the weaknesses identified the indicators do not provide the necessary direct link between objectives and strategies.
- 7 National Professional Development Program.
- 8 Workplace English Language and Literacy Program.
- 9 Direct effectiveness indicators provide information which demonstrates that strategies directly resulted in outcomes. However, often outcomes may not fully be attributable to the strategies and the performance information may only provide an indirect link.

Source: (Audit Report No. 25, 1995-96, Table 15)

Data: validity, reliability and accuracy

The data used should be of a high quality. Therefore, it should be:

- valid, in that it actually measures the characteristic it purports to measure;
- reliable, in that, given set conditions, the information collected will not vary significantly; and
- accurate and timely.

Where necessary, expert statistical advice should be sought to ensure that the information collection techniques are appropriate. In particular, it is important to ensure that the information is not biased because of, for example, poor survey design or sampling errors.

Number of items

There is no ‘ideal’ number of items of performance information. Rather, the emphasis should be on balance, quality, usefulness and timeliness. A small set of key performance information is likely to be more manageable and consequently more useful. Information should not be collected simply because it is easy to measure. It is important that agencies do not collect large volumes of performance data which are not strategic or timely, or are simply too hard to interpret and manage. However, it may be necessary for people at different management levels, levels of Government, or in different geographic areas, to have information on different aspects of performance.

Cost/benefits

The cost/benefit of collecting key data items or improving existing data collections is an important consideration. The benefits arising from the collection of additional or more accurate information should outweigh costs related to the collection, storage and use of the information. To assist in reducing costs and maximising benefits, key performance information relevant to each goal or objective should be identified. Factors which may need to be considered are:

- the risk that the investment in information collection may not produce long term benefits. In the longer term, policy or program changes may result in performance information becoming inadequate or irrelevant. More commonly, poor data collection processes may render the resulting performance information unreliable and unusable;
- costs associated with the collection, storage and processing of information; and
- the relative collection costs for individual items of performance information. If limited resources are available, and the expense associated with collecting information on one indicator precludes the collection of information on other indicators, a decision may need to be made on alternative information collection strategies.

DEETYA, for example, as mentioned in Section 2, collects information on employment outcomes for labour market programs which provides an indirect link between the objectives and strategies (that is, some people obtaining employment after attending labour market programs may have done so even if they had not received training). While a more direct link could be established, DEETYA consider that changes to the information

collection methodology would not be warranted on cost/benefit considerations - the cost of the collection would increase and necessary additional questions would reduce the client response rate and the accuracy of information provided

Continuity of performance information

An important aspect of performance information is continuity. If the information is stable over time it can be used to determine what trends exist and, for example, if performance is improving over time.

It is, however, reasonable for performance information to change from time to time in order to ensure it remains credible, actually reflects performance achieved, and is relevant and useful for performance improvement. The information may need to change, for example, to reflect the results of evaluations or policy changes or to enable a focus on new areas for performance improvement. However, changes should not be made to all the individual indicators at the one time as this prevents comparisons of performance over a number of years. If performance information is changed, performance reports should clearly explain the change and provide a link to the previous period's performance information.

4. Planning and negotiating performance information

Performance information plans

The development of appropriate performance information is a long term process which can and should be monitored, refined and improved over time. However, establishing performance information is not easy, particularly in an environment where structures, policies and programs are often changing rapidly.

The implementation and improvement of performance information may require a formal plan. It may be useful to analyse the underlying program logic - this process is discussed in detail in the next section. It is crucial that, from the outset, sufficient key items of performance information are established to inform stakeholders about the program's effectiveness, that is, the program's impact. Also, the plan should address the monitoring of processes used to achieve program outcomes and trend analysis.

An example of one plan is the DVA three year performance information plan which is designed to ensure a continued planned evolution of performance information. To complete the plan it is necessary to:

- establish a working group;
- identify the critical success factors/core business;
- identify appropriate (performance) measures;
- consult with key stakeholders;
- develop specifications for each measure;
- agree with the stakeholders on the specifications;

- establish agreed standards;
- establish a reporting framework and mechanisms; and
- advise stakeholders about the performance measures.

It also addresses issues such as benchmarking, the integration of performance reporting with management information systems and the review of contracting arrangements to establish internal and external performance reporting.

When planning for performance information there are special situations which require particular attention at an early stage in a program's life in order to ensure that the necessary negotiations, contracts or other arrangements are in place. These situations include:

- legislated programs;
- partial funding arrangements; and
- purchaser/provider arrangements.

Legislated programs

Because of legislative requirements, some program arrangements can not be changed within a certain timeframe. DEETYA, for example, would have to wait until the next cycle (that is, the next calendar year) to implement any changes to AUSTUDY. However, although this constraint influences the timing of program changes, it does not preclude the collection of information which Departments need to monitor performance and develop policies and strategies so that they are in a position to provide advice at the end of the cycle and plan for the necessary changes.

Partial funding of programs

Where the agency only provides part of the funding for the program or activity it is important that, when planning for performance information, explicit account is taken of this.

Funding and operational arrangements may result in barriers to accountability. Many Government agencies provide only part of the funding for a program, with another organisation being ultimately responsible for the remainder of the funding and program delivery. For example, in 1995 the Commonwealth Government provided 28 per cent of the recurrent funding for colleges of Technical and Further Education, with State Governments being responsible for the balance of the funding and the provision of educational services. Even if overall outcomes can be adequately assessed, it is often not possible for the funding organisations to determine an outcome specifically related to their portion of funding. In such situations performance reports detailing outcomes should look at the performance of the program as a whole and include text addressing the issue of associating outcomes with each of the partial contributions.

Purchaser/provider relationships

There is a trend within the APS to use third parties (providers) to provide goods and services, at times directly to the public. That is, an arms-length relationship exists between the provider of services and the Government agency. It is important in this case that negotiations of

arrangements or contracts take into account the need to specify clearly appropriate performance information and its proper monitoring .

Performance information, therefore, has an expanded role in this situation. Besides monitoring their own performance agencies must be able to assess the performance of each direct provider of goods and services for accountability purposes and to protect Commonwealth's and public interests. It is, therefore, good practice to require the provider, as part of the contractual arrangement, to provide outcome performance information against which their performance can be assessed. If this is not possible, then performance reports should include text explaining problems related to the reporting of outcomes, including surrogate information.

5. Developing performance information using program logic

As stated in the previous section, the process of developing and analysing the underlying logic of programs can be used to develop performance information. It is a powerful mechanism for identifying the key areas and issues within a program, particularly in relation to outcomes, and hence enables the development of useful performance information.

The use of program logic by itself will not automatically produce good performance information 'first time, every time'. While it can greatly facilitate this process, other approaches and considerations may need to be taken into account. For example, performance information for activities involving different programs, levels of government or private sector partnerships, in the end, may well be the result of a negotiated agreement which considers the important and practical priorities of the parties involved.

While program logic is useful for developing performance information on all aspects of performance, this section focuses on the use of program logic to measure the achievement of outcomes.

The steps in developing and analysing the underlying logic of programs are as follows:

- clarify the objectives of the program;
 - map the connections between inputs, processes, outputs and outcomes;
 - identify which levels of outcomes are to be measured;
 - define how successful achievement of outcomes will be recognised; and
- determine what performance information will be required.

An essential first step is a clear statement of the intended outcomes of the program. The outcomes should be measurable and achievable. Also, client groups should be identified.

It is a good practice to:

- assess the environment that a program operates within; and
- involve program staff and other stakeholders in decisions on the outcomes to be monitored and the associated performance information to be used.

This is particularly important if program staff are concerned because the links between outputs and outcomes are not, in their opinion, sufficiently within their control. It also promotes the acceptance of responsibility for outcomes by program staff (to the extent that they are influencing the achievement of desired results).

Clarify the objectives

In stating objectives, a clear distinction may need to be drawn between the intended outcomes and the strategies used to achieve them. Under the Commonwealth's program management and budgeting framework, agencies are encouraged to develop program objectives in terms of the outcomes to be achieved.

To increase the capacity of migrants to participate equitably in the economic and social life of Australia (what the program is trying to achieve), particularly through the planning and provision of settlement programs for recently arrived migrants (the means of achieving it).

Department of Immigration and Multicultural Affairs (DIMA), Annual Report 1994-95, Sub program 2.5, Settlement and Ethnic Affairs¹.

Taking the above example, an assessment of the extent to which the program is achieving its objective will require information on changes in the capacity of migrants to participate in the economic and social life of Australia (for example, numeracy, English language and jobsearch skills) and information on the provision of settlement programs (for example, the number of programs, where and to whom they were delivered and the types of training being offered).

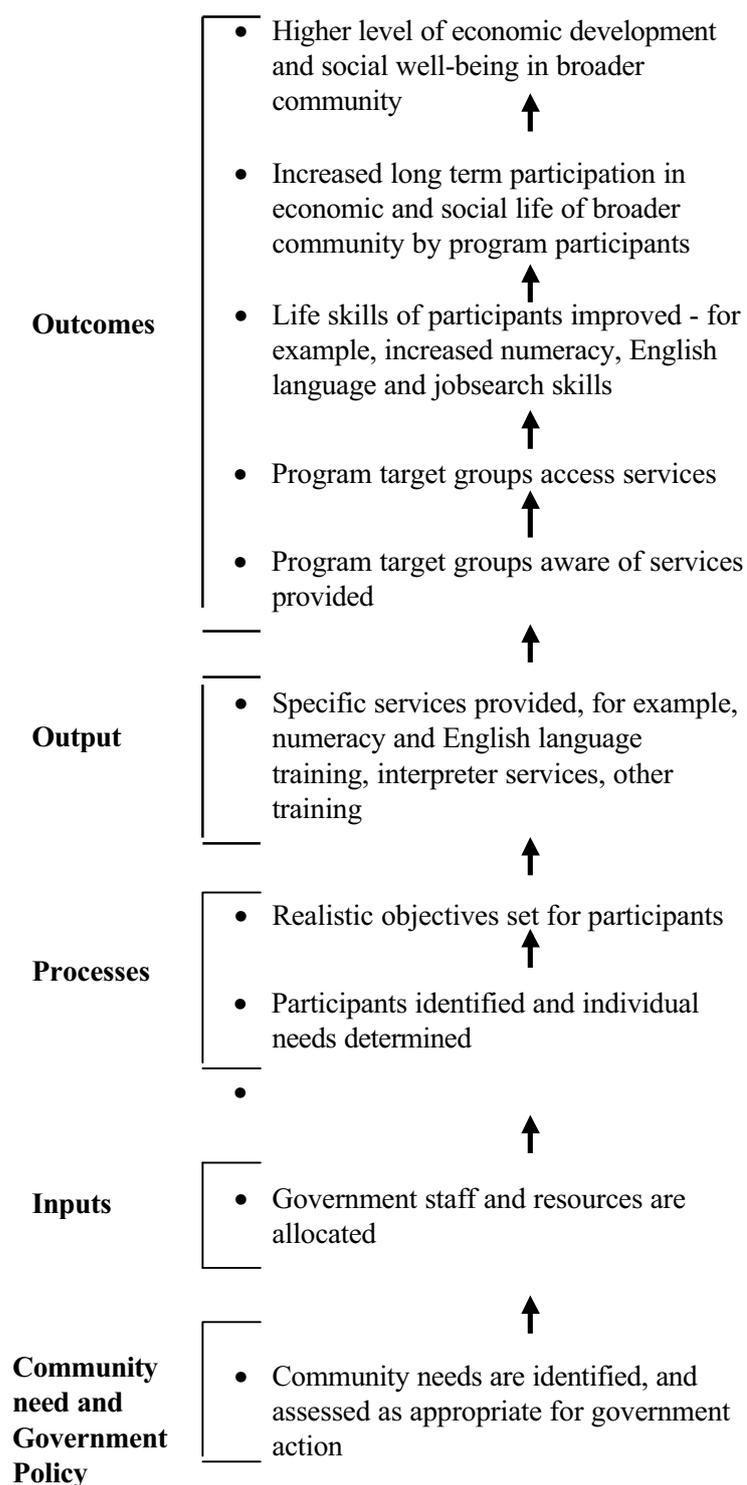
Map the connections between inputs, processes, outputs and outcomes

The program logic map is a diagrammatic representation of the links between inputs, processes, outputs and outcomes. It provides a linear hierarchy with the top level in the 'map' being the intended outcomes of the program. It is important, however, to note that the map produced is a *model* of the assumed cause-effect relationships. In reality, these relationships may differ. From time to time it may be necessary to test underlying assumptions, for example, by conducting a program evaluation.

As an example, the logic of the program stated in the box above might be mapped as follows:

¹ *Note: DIMA introduced a new program structure from 1995-96 with changed sub-programs and objectives*

Mapping program logic



Identify which levels of outcomes are to be measured

After determining the hierarchy of outcomes, decisions can be made about which levels of outcomes in the hierarchy should be measured. This usually identifies the broad areas to be assessed in relation to effectiveness. Establishing the appropriate levels of outcomes to be assessed will also assist in clarifying expectations about the extent to which program managers should be held responsible for achievement of results.

Another factor which may influence the choice is the length of time it takes for outcomes to become evident (for example, for disease prevention programs). It is also useful to consider the degree to which external factors may influence the achievement of outcomes and the possibility of unanticipated outcomes, and whether or not it is necessary to monitor unanticipated outcomes.

An unanticipated outcome in the above example may be that participants acquire job search skills and employment, and leave the program without gaining other life skills such as English language proficiency which are necessary for them to participate effectively in the broader community.

Define success

The next step in the process of developing performance information is to consider how achievement of each of the outcomes can be recognised, that is, what would have changed for clients and/or the community if the program strategies have achieved their objective. Defining 'success' for each level of the hierarchy helps focus on how the outcomes can be measured.

Continuing with the example, the achievement of the 'life skills of participants improved' outcome might be recognised by:

- participants having a defined level of English language proficiency; and
- participants having job search skills (for example, able to use employment services, application and interview skills).

It is useful to seek the views of a range of stakeholders and consider the issues from their perspective when defining how success will be recognised. Their views may differ from those developing a program and this variation may highlight important issues or unanticipated outcomes.

Determine what performance information will be required

Defining the ways achievement of each of the outcomes can be recognised leads logically to identifying what performance information will be required to measure that achievement. Such information can be derived vertically or horizontally in an organisation.

For example, if the success of the outcome, 'life skills of participants improved', is defined by participants as having an improved grasp of the English language, the performance information required to measure this may be pre/post-training rating of their English language skills, such as percentage improvement against a proficiency scale.

Performance information for inputs, processes and outputs is usually more readily identified and available, although the definition and measurement of outputs can be difficult, for example, in policy areas. Section 6 below deals with specific issues for policy advising.

Effective use of performance information usually requires the identification of a small number of key items of performance information that, taken together, will answer the most important questions about the performance of an activity or program. This issue was discussed in detail in Section 3.

Summary

Analysing program logic is a structured approach which is likely to provide at least a sound basis for developing performance information. It is best undertaken as an iterative and consultative process so that each stage is tested with the major stakeholders and a shared understanding of the program is developed. The results generally reflect the effort devoted to the development of effective performance information.

The more care that is taken with each step, the greater the likelihood that the resulting performance information will be appropriate and useful. The clarity of the program's objective, the statement of its outcomes and definitions of success will contribute greatly to the development of effective performance information. It is particularly important that the process incorporates the views of, and where possible, involves all significant stakeholders.

6. Performance information for policy advising functions

Performance information relative to policy advice can relate to the quality of the policy advice or policy advising functions. The following discussion largely relates to the former. The discussion covers issues such as: why assess policy advice, difficulties, types of performance information and how can the advice be assessed.

Policy advice has been defined as 'giving formal advice to government ministers by civil servants suggesting a particular state of events or proposed course of action in relation to existing or proposed government programs' (DoF, 1994). As all APS departments are involved to some extent in the provision of policy advice, performance information is important. Policy advising functions can cover a range of activities from strategic advice, which can involve the production of well-researched, in-depth reports for political executives, to operational advice primarily concerned with issues of implementation and administration of government programs.

Policy advising can be one of the most significant functions undertaken by the public sector in terms of impact on the community as a whole. It can influence the direction of resources in the APS and the design and implementation of programs and their outputs. The reasons for assessing the performance of policy advising functions are therefore fundamentally no different from the reasons for monitoring the performance of a program itself, that is:

- performance monitoring is a management tool that, if used properly, will assist decision making and lead to a better outcomes; and
- it acts as an accountability mechanism. The community has the right to know that policy advising functions are efficiently and effectively meeting the objectives set for them by government.

While it is generally recognised that there are limitations on performance assessment in this area (in particular, difficulties in assessing the impact of policy advice when many other factors, which can be exacerbated by the long lead times sometimes involved, also affect ultimate outcomes), there are a

number of useful approaches.

Information on the inputs and processes used in the development of policy can be useful in its own right. If the costs of preparing policy advice are available they can be compared with the potential benefits to be achieved, other policy development processes and so on.

Information on processes might include the degree to which the policy development work lines up with the government's priorities, or the amount and quality of consultation that was undertaken during the process of developing the policy (which may indicate how well stakeholders' views have been taken into account). Other important process issues to be considered include whether the manner of developing the advice was efficient, were the objectives clearly stated and was the advice developed within the required time frames.

Measurement of policy outputs can include a range of quality issues such as timeliness, clarity, accuracy, ethical values, consideration of appropriate options, practicality, comprehensiveness, logic and awareness of broader government policies and priorities. These issues can be assessed through a formal evaluation, peer review and from structured and unstructured feedback from clients.

Where clear links can be drawn between particular policy advice and specific policy decisions, information about the outcomes of those decisions can be monitored and fed back to policy advisers and the government through mechanisms such as program evaluations.

There is a range of methods for performance monitoring and evaluation of policy advising functions. Work to date has tended to concentrate on evaluations of such functions (for example, through policy management reviews by external 'eminent persons' who bring credibility, experience and judgement to assessments of specific policy advising functions). More recently, some departments are developing approaches to enable ongoing monitoring of the performance of the policy advising function, using a range of methods to collect useful performance information from key stakeholders, including principally the Minister and ministerial staff. These might include:

- regular surveys or discussions seeking comment on the totality, or a representative slice of the written and oral advice provided (a list of items that might be covered in such surveys or discussions is provided at Appendix 4);
- less formal regular interviews;
- formal questionnaires attached to each piece of advice (above a certain threshold level); and
- formal and informal assessment from the department/agency executive.

While few departments currently have a fully systematic and comprehensive approach to assessing the effectiveness and efficiency of their policy advising, there is a growing acceptance of the importance and feasibility of developing and collecting meaningful performance information for policy advising.

7. Performance reporting

Reporting on performance information is important because it provides the basis

for internal management monitoring and decision making and the means by which external accountability is achieved. Various reports may be produced with different levels of detail and a different balance of measures to suit the needs of special audiences.

Internal reports

Internal reports should provide managers with the information they need on the key aspects of performance that allow them to assess progress towards, and the achievement of, program outcomes. This should include information on the production of outputs, milestones, targets, budgets and so on. The information should help managers assess whether the strategies and processes used to achieve a program's objectives are the best given the circumstances, and should aid decisions about future activities and directions.

Internal reports should be prepared in a timeframe which allows the manager to take timely action to improve program performance, avoid potential difficulties and remedy problems. They may be prepared, for example, on a weekly, fortnightly, monthly or quarterly basis. When selecting timeframes, managers should take a number of factors into consideration, including:

- the nature of the program and key aspects of performance information;
- the program cycle (DEETYA Targeted Research Grants are given out annually and, therefore, a number of the reports need only be produced annually. Conversely, many government benefits programs need weekly monitoring reports);
- the current stage of the program in its lifecycle, for example, more regular reports may be needed when the program is in the critical implementation phases; and

the lead times associated with changing the various program activities. If, for example, changes to guidelines become necessary then this may not require a long lead time. However, changing a computer management information system to allow for the collection of extra data may require a long lead time.

DEETYA has a comprehensive range of internal reports to facilitate the management of AUSTUDY benefits. The reports relate to critical process functions such as: identified enrolment discrepancies, debt collected, average age of debt and debt base being repaid. The information is reported internally on a regional basis - regional areas which perform significantly better or worse than average are identified and explanations are sought.

External reports

External reports which include performance information are the main means by which interested parties such as the Parliament and the public obtain information on program outcomes. It is, therefore, particularly important that reports:

- are outcome-focused; and
- presented in a form that is readily understood and does not mislead readers.

The presentation of data is particularly important. Statistical information should be accompanied by explanatory text that explains the results, the basis on which they are compiled and restrictions which apply to the analysis of the information. If, for example, information on two or more different programs is presented in one table, then the reports must make it clear whether the information for the respective programs can be validly compared. Also, reports should make it clear whether or not the programs have met their performance targets and the reasons

for significant variations from the expected performance.

The annual report is now the primary vehicle for reporting program performance, particularly effectiveness, to the Parliament and the public. The guidelines for annual reporting issued by the Department of Prime Minister and Cabinet, which have been endorsed by the Joint Committee of Public Accounts, state that reports should have 'a balanced and candid account of both successes and shortcomings. Information should be sufficient to enable the Parliament to make informed judgements on departmental performance'. Therefore, the focus of annual reports should move away from simply showing administrative detail to providing more information about actual program performance. Where program equity is an issue, this also should be addressed in external reports.

*Criteria for
(external)
reporting*

External reporting of program performance should:

- relate performance to objectives;
- be balanced: cover effectiveness in terms of key outcomes and also cover performance in terms of efficiency, quality, access and equity;
- provide an honest coverage of successes and failures;
- explain the significance of the results reported including through comparisons (for example, over time, against standards) and with reference to external factors affecting the results;
- draw on both quantitative and qualitative information; and
- be easily understood by general readers.

The Department of Veterans' Affairs Annual Report (1994-95) provides an example of good reporting within the APS. The Compensation Sub Program (1.2) clearly identifies performance information.

Quantitative information for (three years) is presented along with explanations for each performance measure, including outcome measures. The report provides details of trends (and expected trends), problems, and progress against specific initiatives.

8. Conclusion

Good performance information is essential for management and accountability purposes.

Developing good performance information is a complex and iterative task. Also, there can be significant costs associated with the development and collection of performance information. It is important to identify the key indicators and not collect information which is of marginal value or distracts attention from those key indicators.

This guide identifies the fundamental principles that should be considered when developing performance information. In summary, performance information should be:

- related to clearly stated objectives and strategies;
- limited to a manageable number of items of key information which focus on effectiveness, efficiency and enable a judgement on the achievement of outcomes;
- balanced and include, as necessary, a mix of quantitative and qualitative

information; and

- reported with sufficient explanation and comparisons, including targets, benchmarks and trends over time, to enable actual performance to be assessed.

This guide addresses these and many other concepts. The ANAO and the Department of Finance, however, have found when examining performance information in public sector agencies that there are a number of lessons to be learnt from previous experiences. These are listed in Appendix 1.

Further information

Appendix 5 identifies a number of papers on performance information and related subjects. Further information can also be obtained from the Department of Finance, Department of Prime Minister and Cabinet and the Australian National Audit Office.

APPENDIX 1

Summary - Lessons learned

The following dot points briefly summarise points made previously in this paper which the ANAO and the Department of Finance have found to be issues of general concern for public sector agencies:

- the performance information should relate to the objective of the program and enable an assessment of the extent to which the objective is being achieved. It should also enable an assessment of the efficiency and effectiveness of the various strategies and initiatives used to achieve objectives;
- objectives should be clearly stated and the performance information should measure all parts of the objective;
- performance information should be developed early in the life cycle of the program or project. The information may then need to be refined in the light of experience with the program or as a result of evaluations;
- performance information should assist managers in their decision making and satisfy external accountability requirements;
- the process of developing and analysing the underlying logic of programs is a useful tool for the development of performance information. Program logic helps to clarify program objectives and to identify and describe the major program elements (inputs, processes, outputs, outcomes) and the expected cause-effect relationships between program processes and the outcomes they are meant to produce;
- the collection of information should not be confined to those items which are 'easy to measure' as this will not provide a comprehensive picture of performance. Also, given the general human tendency towards 'what gets measured gets done', if something important is not easy to measure, it may not get done;
- performance information should be differentiated appropriately at different levels of an organisation or program. High level strategic performance information for a program may not be directly relevant or useful to a work unit at the service delivery point. The performance information hierarchy should correspond to the break-down of objectives/outcomes by level of responsibility and control. It is important that agencies do not collect large volumes of performance data which is

not cost effective; only key indicators should be established and measured for each level of responsibility;

- the performance information should be balanced, in that it should address different aspects of performance including effectiveness, efficiency, quality and access and equity issues. Often, information will be biased towards measures of process or activities, at the expense of assessments of effectiveness. A program might have extensive information on activities and efficiency (eg. time and cost to process claims), but nothing on quality. Information might also be biased to the short term at the expense of long term issues. Any of these biases will leave gaps in performance information which may not be recognised by management or by external parties;
- performance information should measure something that is significant. Also, it should be robust in that it should be reliable and valid;
- the appropriate level of disaggregation of information should be identified in order for it to be useful. For example, is information needed on client groups, geographic locations, organisational units?;
- performance should be related to client expectations or requirements. The performance information regime should include a structured approach to identifying client needs;
- a systematic approach to comparisons of performance should be undertaken. A framework for use of standards, targets, benchmarks and comparisons over time is necessary if performance information is to be useful both for performance improvement and for accountability. Also, if performance information needs to be changed, adequate links should be established to allow comparisons over time;
- the individual performance indicators (and the targets set for achievement against each indicator) should motivate appropriate behaviour towards the achievement of the desired outcomes. It should not encourage staff to adopt inefficient or ineffective practices which allows them to achieve short-term targets but endanger the achievement of the long-term goals;
- performance should be reported honestly and presented effectively. Reports, particularly annual reports, should be a balanced and candid account of both successes and shortcomings. Explanations and interpretation should be provided, the basis of statistics should be explained, and the average reader should be able to comprehend reports;
- performance information should be designed and used to actually improve performance (that is, not used solely for external accountability or control), otherwise it is likely to present a distorted, less than complete picture of performance. Similarly, if a 'separate set' of performance information is used for external accountability purposes it is likely to be biased towards a positive view of performance;
- work units should have an opportunity to provide input into performance measures, they should not be imposed. Where measures are imposed, staff are unlikely to use the information to improve performance, often because it does not take into account the realities of work; and
- performance information and its functions should be well understood at all levels. Management should appreciate the need to invest in

performance information design, plan for performance data needs and strive for staff ownership.

APPENDIX 2

Terms and Definitions

Definitions are provided to help provide a consistent understanding of terms used throughout this report.

Benchmarking	A process by which an organisation seeks to determine and introduce best practice. Benchmarks can operate as standards or targets for performance levels by using comparisons of products, services, practices and processes with similar programs either within your own organisation or another organisation or country. When used to assess program performance, benchmarks usually operate as challenging or best practice standards.
Client measures	Performance information which relates to the level of client service. This may be determined by undertaking a survey of client opinions and/or by measuring aspects of the client process, such as the time to respond to clients seeking assistance. Client measures may also be indicative of process efficiency.
Effectiveness	The extent to which program outcomes are achieving program objectives. The effectiveness of a program should be distinguished from the adequacy of the administration of the program, which concerns efficiency.
Efficiency	<p>Relates to minimising program inputs for a given level of program outputs (or the extent to which program outputs are maximised for the given level of inputs). Efficiency is concerned with the processes (activities/strategies/operations) by which the program is delivered and which produce the outputs of the program.</p> <p>Efficiency is a relative rather than an absolute concept. It is not possible to say that a program is 'efficient'. Rather, it can only be stated that a program is more (or less) efficient than, say, it was at this time last year or a comparable program.</p>
Inputs	Resources, both human and other, used to produce program outputs.
Objectives	Concise, realistic, outcome-oriented statements of what the program, sub-program or other element of the program structure aims to achieve. Objectives must be stated in a way which clearly communicates what is to be achieved and measured.
Outcome	<p>All the impacts or consequences of the program beyond its direct outputs. Outcomes are often delayed or long term and they may be intended or unanticipated. Outcomes should be distinguished from outputs, for example, the output of a training program may be a skills training course, while the (desired) outcome is employment.</p> <p>As specific outcomes may result from multiple factors, causal relationships between a program and outcomes must be demonstrated before they can be claimed as a program outcomes.</p>

Output	<p>The products or services which are produced and delivered by a program.</p> <p>Output and throughput measures (for example, the number of courses run, number of cases processed) are often more readily identifiable than outcomes and may provide useful background information about the program. Generally, they will not by themselves be useful measures of objectives.</p>
Performance information	<p>Evidence about performance that is collected and used systematically. Effective performance information should enable judgements to be made on the extent to which program activities are achieving the desired results.</p>
Performance indicators	<p>Indicators provide a guide on performance where causal links are not obvious and the changes in performance are difficult to measure directly.</p>
Performance measures	<p>Provide a more precise measure of performance than indicators. They relate to outputs and are used when there is a direct causal link between an action and an easily measurable change in performance.</p>
Program	<p>A grouping of activities which contribute to a common strategic objective. Programs are usually further divided into sub-programs and components. The hierarchical arrangement of these constituent parts is called a program structure.</p> <p>A program consists of several elements:</p> <ul style="list-style-type: none"> • objectives in terms of intended outcomes in relation to identified needs; • resources, strategies, activities and processes; • management and accountability arrangements; and • performance information. <p>A program should be capable of being described in terms of these various elements and in terms of relationships amongst the elements.</p>
Quality	<p>Quality relates to the characteristics by which an organisation, product or delivery is judged by customers or stakeholders. In its broadest sense it incorporates assessment of outputs, processes and outcomes and takes into consideration the relevant objectives and resources. Assessment of quality involves the use of information gathered from key interests (citizens, direct and indirect consumers, staff, professionals and government) to identify differences between the expectations and experience of users.</p>
Standards	<p>Pre-defined levels of excellence or performance specifications which can be set on various aspects of an organisation, including inputs, processes, outputs or objectives. Progress in the provision of the service can be measured against the standard. Standards can relate to quality and objectives of a service or to aspects of service delivery and</p>

can be set at different levels (eg. national/local, minimal/ challenging).

Strategies

Groupings of activities used to achieve an objective (eg. a strategy to raise awareness of an issue can encompass activities like publishing pamphlets, creating networks, holding conferences and meetings).

Targets

Quantifiable performance levels or changes in level to be attained at a specified future date. By enabling a direct judgement of performance, targets can clarify and simplify the process of performance monitoring.

APPENDIX 3

Access and Equity

The Commonwealth's Access and Equity strategy is designed to remove barriers which people from different language and cultural backgrounds can face in accessing government services and getting results from them. The strategy primarily targets barriers faced by people from diverse cultural and linguistic backgrounds, Aboriginal, Torres Strait Islander and Australian South Sea Islander backgrounds. It also requires agencies to be aware of a possible double disadvantage that may be faced by women, older persons and disabled people from these groups when seeking access to government services.

By promoting measures such as interpreting services and multilingual information, it seeks to ensure that program design and delivery arrangements adequately reflect their diverse client base. The strategy extends to policy development as well as program and service delivery, and covers Commonwealth funded programs managed by State, Territory or local Governments and non-Government organisations.

The following checklist, prepared by the Department of Immigration and Multicultural Affairs, is intended to assist Australian Public Service audit and evaluation staff in considering Access and Equity issues while conducting audits and providing advice to program areas planning or undertaking evaluations. It is equally relevant to performance information. It is based on the Charter of Government Service in a Culturally Diverse Society. The Charter summarises seven principles which provide a framework for the design, delivery, monitoring, evaluation and reporting of quality government services in a culturally diverse society: these are access, equity, communication, responsiveness, effectiveness, efficiency, and accountability.

Access

Government services should be available to everyone who is entitled to them and should be free of any form of discrimination on the basis of a person's country of birth, language, culture, race or religion.

1. Is accurate data available to establish whether the ethnicity/ language/gender/age composition of the client group broadly reflects the ethnicity/ language/gender/age composition of the general eligible community at national, regional and/or local level?
2. Has a profile of potential and existing clients and their needs been established to assist in designing programs?

Equity

Government services should be delivered on the basis of fair treatment of different individuals or groups of people who are eligible to receive them.

3. Are measures in place such as decision-support desks to ensure consistency in decision making across offices?
4. Are statistics collected on client groups with unsuccessful outcomes and the reasons for the decisions, to help determine whether equitable decisions are being made?

Communication

Government service providers should use information strategies that make the full range of existing and potential clients aware of services and their entitlements and how they can obtain

them. Providers should also consult with the community regularly about the adequacy, design and standard of government services.

5. Are profiles of existing and potential clients used in formulating information strategies to ensure that all client groups are reached?
6. Is the effectiveness of information strategies measured? (for example, increase in awareness of programs following introduction of strategies)
7. Have relevant groups been consulted in formulating information strategies?
8. Are key groups represented on decision-making/advisory bodies?
9. Is the provision of information continually monitored to keep up with changes in client populations as well as legislative changes?
10. Is information on this particular program/service consistent with information on related services?

Responsiveness

Government services should be sensitive to the needs and requirements of different communities, and responsive to the particular circumstances of individuals.

11. Are measures in place to ensure staff are able to deal effectively with clients from different cultural or linguistic backgrounds? (for example, cross-cultural training, maintenance of staff language skills)
12. Do services cater for different client needs, especially those from priority groups?
13. Are the services of appropriately trained interpreters offered and available when needed?

Effectiveness

Government service providers should be 'results oriented', focussed on meeting the needs of clients from all backgrounds.

14. Is feedback obtained from clients on the quality and timeliness of services? Is this data from clients in Access and Equity priority groups compared with the data for the general population outside these groups?
15. Are measures in place to best utilise staff with linguistic skills, cultural knowledge and community contacts?
16. Have findings from previous evaluations/reviews been incorporated into the program?

Efficiency

Government service providers should optimise the use of public resources through a user-responsive approach to service delivery which meets client needs.

17. Are performance indicators in place to measure program efficiency? (for example timeliness of service)
18. Have possibilities been explored for greater efficiencies such as inter-service co-operation?

Accountability

Government service providers should have a reporting mechanism in place which ensures they are accountable for implementing access and equity objectives for clients (for example, by reporting on this in annual reports or other types of report)

19. Do annual reports and other reporting mechanisms include information on program outcomes for access and equity priority groups, and on grievance mechanisms?
20. Do funding guidelines and conditions (including where programs/services have been delivered via an intermediary) include access and equity accountabilities?

APPENDIX 4

Possible Ministerial survey or checklist for discussion on performance

A. Quality of the Department's Written Advice - General

To what extent does the written policy advice provided to you possess the following characteristics of quality? Rarely Almost always

Purpose: The aims of the papers have been clearly stated, and they answer the questions asked. 1 2 3 4 5 6 7

Logic: The assumptions behind the advice are explicit, the argument is logical and supported by the facts. 1 2 3 4 5 6 7

Accuracy: the facts in the papers are accurate and all material facts have been included. 1 2 3 4 5 6 7

Options: An adequate range of options has been presented, and each is assessed for the main benefits and costs. 1 2 3 4 5 6 7

Practicality: Relevant problems of implementation, technical feasibility, timing, and cost effectiveness have been considered. 1 2 3 4 5 6 7

Recommendations: The proposed course of action, where there is one, is clear and consistent with the preceding analysis. 1 2 3 4 5 6 7

Solution-orientation: The advice offers solutions rather than stresses problems. 1 2 3 4 5 6 7

Innovation: The advice offers new ideas and fresh approaches, particularly with respect to funding options. 1 2 3 4 5 6 7

Value: the advice given compares favourably with other sources of advice. 1 2 3 4 5 6 7

Linkages: There is a clear and direct favourable link between the advice given and subsequent decisions taken. 1 2 3 4 5 6 7

Presentation: The format meets ministerial requirements, the material is effectively and concisely summarised, has short sentences in plain English and is free of spelling or grammatical errors. 1 2 3 4 5 6 7

Timeliness: Specified reporting deadlines are easily met well in advance. 1 2 3 4 5 6 7

B. Quantity of the Department’s Written Advice - General

Have you received reports or papers on issues which are not important to you, or have we over-reported on some issues? Yes/No

Have we under-reported on some policy issues? Yes/No

If yes in either case, please give examples or details.

C. Quality of the department’s Written Advice - Particular Issues

Overall, how do you rate the quality of the written advice prepared for you in the period under review on the following: Poor Excellent

Subject area 1 1 2 3 4 5 6 7

Subject area 2 1 2 3 4 5 6 7

Subject area 3 1 2 3 4 5 6 7

Subject area 4 1 2 3 4 5 6 7

Particular type of briefing, for example Question Time Briefings 1 2 3 4 5 6 7

Have there been any reports which you have received during the period under review by which you have been particularly impressed? Yes/No
If yes, which one(s) and why?

Have there been any reports which you have received during the period under review with which you have been particularly disappointed? Yes/No
If yes, which one(s) and why?

Do you have any other comments which could help provide better **written** advice?

D. Feedback from Other Ministers under review about the work carried out by the Department?

If yes, what were some of the main issues raised and the nature of the comments?

E. Other Comments

Do you have any other comments which could help us improve our overall performance in providing you with policy advice?

Yes/No

signed

xxxxxxxxxxxx

Minister for xxxxx

APPENDIX 5

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