


Strengthening Performance and Accountability: A Framework for the ACT Government

February 2011



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Strengthening Performance and Accountability: A Framework for the ACT Government



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Contents

Contents	ii
Figures	iii
Tables	iii
1 Introduction	1
1.1 Performance and accountability frameworks	1
1.2 Strengthening ACT performance and accountability	1
1.3 Purpose and content of this paper	1
2 The ACT Performance and Accountability Framework	2
2.1 Objectives	2
2.2 The framework	3
2.3 Measuring performance and accountability	3
2.4 The cycle of performance and accountability	5
3 Planning	6
3.1 The ACT's strategic planning framework	6
3.1.1 Informing planning	7
3.1.2 Direction setting	7
3.1.3 Government strategic planning	7
3.1.4 Agency strategic planning	8
3.1.5 Agency operational planning and budget allocation	9
3.2 Embedding and strengthening the framework	11
4 Managing	12
4.1 The ACT's management framework	12
4.1.1 Accountability arrangements	12
4.1.2 Agency performance capability	13
4.1.3 Working across government	13
4.1.4 Service delivery mechanisms	13
4.1.5 Monitoring	14
4.2 Embedding and strengthening the framework	14
5 Reporting	15
5.1 The ACT's reporting framework	15
5.1.1 Alignment	15
5.1.2 Balance and integration	15
5.1.3 Accessibility and efficiency	16
5.2 Embedding and strengthening the framework	17
6 Reviewing	18
6.1 The ACT's evaluation framework	18
6.1.1 Agency policy and program evaluation	18
6.1.2 Centralised government review and evaluation	18
6.1.3 Community feedback	19
6.1.4 External review	19
6.2 Embedding and strengthening the framework	20
7 Glossary	21
8 References	23

Figures

Figure 2.1: The ACT’s Performance and Accountability Framework.....	3
Figure 2.2: A disaggregated view of performance and accountability across the ACT Government	4
Figure 3.1: ACT Planning Framework	6
Figure 5.1: Mapping of government performance planning and reporting	15
Figure 6.1: Evaluation across government	18

Tables

Table 2.1: ACT Performance and Accountability Framework objectives	2
Table 3.1: Characteristics of Strategic Objectives and Indicators	9
Table 3.2: Characteristics of agency performance indicators	9
Table 3.3: Key directions for strengthening the ACT strategic planning framework.....	11
Table 4.1: Accountability arrangements	12
Table 4.2: Strengthening the management framework.....	14
Table 5.1: Strengthening the reporting framework	17
Table 6.1: Strengthening the review and evaluation framework	20

1 Introduction

1.1 Performance and accountability frameworks

Improving organisational performance and accountability to deliver more appropriate, efficient and effective public services is the hallmark of good governance.

Performance and accountability frameworks take account of a range of mechanisms used by governments and organisations. These mechanisms can include legislative requirements, government and agency plans and performance criteria, intergovernmental agreements, Budget Papers, reporting arrangements, internal evaluations, independent reviews, and government performance and management guidelines.¹

The ACT Government acknowledges the evolving nature of the operations and business of government and remains committed to continuous improvement in the areas of performance and accountability. It recognises that the Performance and Accountability Framework must not be static; rather it must evolve and be refined, responding to the dynamic environment of public administration.²

1.2 Strengthening ACT performance and accountability

The ACT Government already has a strong performance and accountability framework. This framework was originally developed to:

- assist in delivering government priorities and contribute to genuine and sustainable improvements to the well-being of Canberrans; and
- ensure transparent and accountable decision making and resource allocation.

Building on this foundation, the revised framework presented in this document reflects a commitment to continue improving and strengthening performance and accountability across government.

To review the existing framework, the ACT Government consulted widely with all agencies. The review process included the evaluation of arrangements in other jurisdictions, analysis and advice from the Allen Consulting Group³ and feedback from the ACT Auditor-General.

The review identified opportunities to strengthen the existing framework by:

- improving the clarity, focus and visibility of government priorities;
- closer integration of government planning and priority setting, agency planning and resource allocation;
- enhancing the focus, integration, efficiency, and usefulness of performance indicators;
- improving the clarity and integration of government plans;
- further developing performance capacity across government;
- enhancing coordination of government activity to deliver shared priorities;
- improving the clarity, accessibility, efficiency and usefulness of reports; and
- strengthening evaluation practices across government.

This review of the Performance and Accountability Framework, and the reforms flowing from this process, display the ACT Government's commitment to a dynamic evolving framework.

1.3 Purpose and content of this paper

This paper outlines the ACT's Performance and Accountability Framework and identifies measures and opportunities to strengthen and build on existing practice.

It also outlines the Government's performance hierarchy and cycle following a brief introduction of performance and accountability, the framework, its objectives, and its structure.

¹ See also Queensland Government, 2009, *A Guide to the Queensland Government Performance Management Framework*.

² The Allen Consulting Group, 2009 and 2010. These reports are available on the Chief Minister's Department website.

³ Ibid.

2 The ACT Performance and Accountability Framework

2.1 Objectives

The ACT Performance and Accountability Framework was designed to help deliver improvements in government operations and outcomes.

The actions and strategies outlined in the framework are designed to:

- improve community outcomes;
- enhance government accountability and performance;
- strengthen the relationship between government and the community;
- provide for more efficient and effective government operations; and
- guide continuous improvement and work towards enhanced government performance and accountability, rather than prescribe specific actions.

The objectives of the framework are summarised in Table 2.1.

Table 2.1: ACT Performance and Accountability Framework objectives

Level	Objectives
Achievements	<ul style="list-style-type: none"> • Sustainable improvements to community well-being • Efficient and effective service delivery to the community • Strong public trust in government • Efficient resource allocation
Process	<ul style="list-style-type: none"> • Performance reporting that is accessible, efficient and clearly aligned with plans • Clear expression of government priorities, agency objectives, agency activities, performance indicators and their inter-linkages • Flexible government priority-setting to balance long-term goals and the need to respond to emerging issues in the short term • Close alignment between government direction and priority-setting, agency planning, and resource allocation • Strong co-ordination of activity across government • Well-informed planning and policy development • Strong performance capability across government

SOURCE: ACT Government, Chief Minister's Department, August 2010.

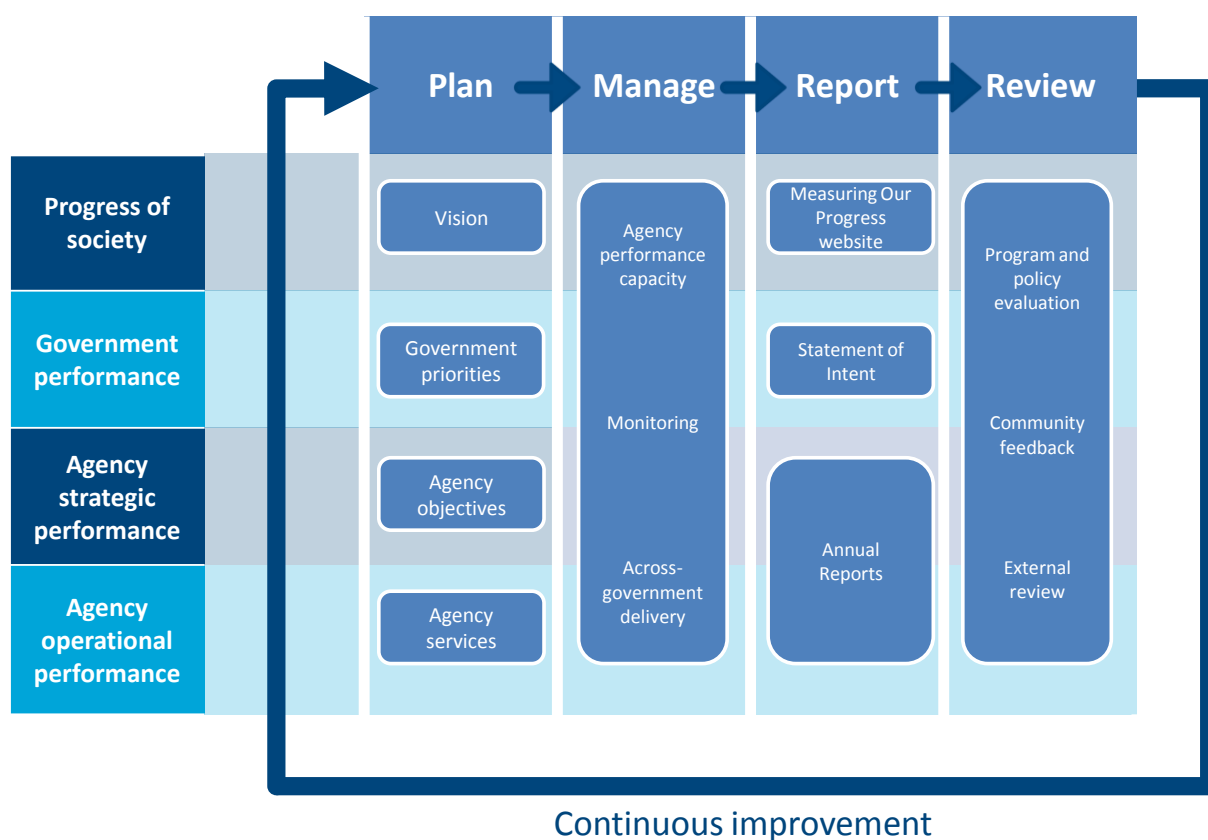
2.2 The framework

The ACT’s Performance and Accountability Framework, represented in Figure 2.1 below reflects two broad dimensions.

These include:

- the different levels at which government performance and accountability are assessed (represented on the vertical plane); and
- the cyclical process directed at improving performance and accountability (represented on the horizontal plane).

Figure 2.1: The ACT’s Performance and Accountability Framework



SOURCE: ACT Government, Chief Minister’s Department, August 2010.

2.3 Measuring performance and accountability

The framework presented in this paper draws together overall government operations to provide a coherent system of performance and accountability. Rather than introducing a new system, it consolidates, builds on and seeks to strengthen existing processes and structures.⁴

The framework acknowledges that the Government’s vision establishes the strategic direction for priority setting. These priorities inform agency strategy and service planning.

⁴ The Allen Consulting Group, 2009, *Performance and Accountability in the ACT: Towards a New Framework*.

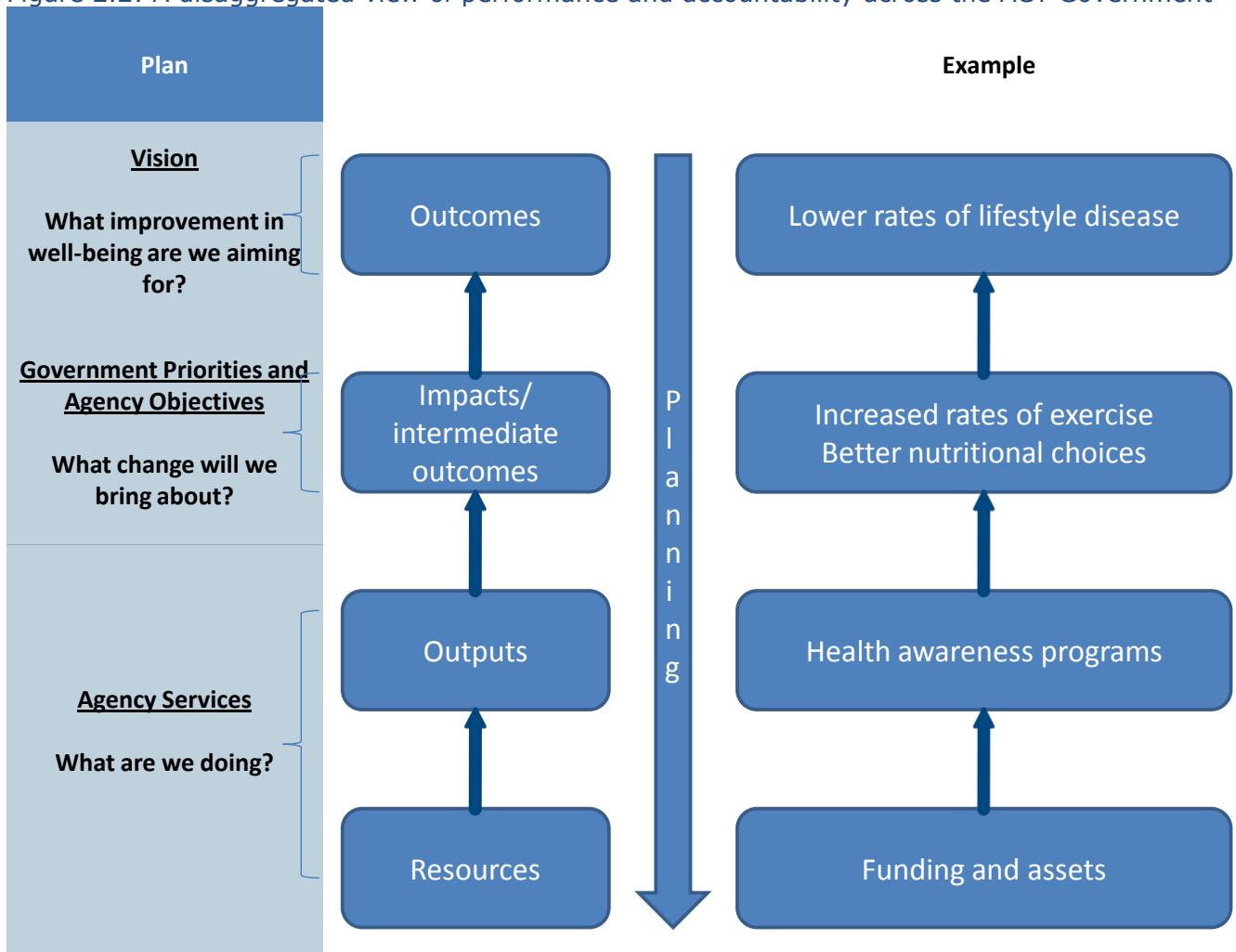
The ACT Government’s performance can be assessed at four broad levels:

- progress of the ACT community;
- government performance;
- agency strategic performance; and
- agency operational performance.⁵

These levels are based on government activities and achievements, represented in Figure 2.2 below. The Government uses its resources to deliver services that contribute to sustainable improvements in community well-being.

Ideally, accountability structures should reflect the capacity of parties to control and affect performance. For example, the government has a high degree of control over the resources it uses and the services it delivers. It therefore has a corresponding level of accountability. By contrast, the progress of society is determined by many factors: government accountability is accordingly more diffuse and should be correspondingly lower here.

Figure 2.2: A disaggregated view of performance and accountability across the ACT Government



SOURCE: Adapted from the New Zealand State Service Commission, 2008.⁶

The Performance Management Framework prepared by ACT Treasury presents information on outcomes and outputs, captured in the figure above. Treasury defines:

- outcomes as the impacts and consequences for the community as a result of the decisions of Government; and

⁵ See also New Zealand State Services Commission and the Treasury, 2008, *Performance Measurement: Advice and Examples on How to Develop Effective Frameworks*.

⁶ Ibid.

- outputs as the goods produced or services provided by or on behalf of an agency to the community, allowing agencies to measure the cost to provide goods or services.

Reviewing the Government's Performance and Accountability Framework provides an opportunity to strengthen and build on current practice. This includes distinguishing between outcomes and intermediate outcomes (impacts).

Impacts form 'a crucial middle-layer of performance measurement'.⁷ Many agencies currently report on impacts or intermediate outcomes in the annual Budget Papers, rather than looking at long-term outcomes and provide strategic indicators for services or outputs in the community.

This approach has a number of potential benefits including:

- providing service providers and governments with the opportunity to assess progress toward a long-term outcome; and
- clarifying performance reporting arrangements by disaggregating medium-term progress from long-term outcomes.

Acknowledging that performance reporting arrangements should be efficient in the first instance, impacts should be used as a conceptual tool to evaluate progress towards outcomes reported as strategic indicators in the Budget Papers and Annual Reports. Agencies may wish to distinguish between intermediate outcomes and long term outcomes for internal purposes.

2.4 The cycle of performance and accountability⁸

The performance and accountability process can be conceptualised as a cycle. It provides a model to translate intentions into action and results by continually refining goals and strategies to improve performance and ensure accountability. This cycle is ongoing, with the review stage informing the planning of the next cycle.

Four basic elements of this cycle are:

- planning objectives and actions;
- managing or delivering services;
- reporting on the performance of the service provided; and
- reviewing and evaluating the outcome of the process.

There are different, but connected cycles for each of the levels at which government performance can be assessed. In general, the higher the level of performance and accountability, the longer its cycle. For instance, the Government's long-term vision for the community articulated in the *Canberra Plan* is reviewed and updated no more than once every term of Government (that is, every four years), but agency services are delivered, reported and refined annually.

A strong performance and accountability framework depends on sound structures and processes through the entire performance cycle.

Sections 3 to 6 explore the four stages of the performance and accountability cycle in the context of ACT Government operations. This includes consideration of existing processes and practices and identifying opportunities to strengthen performance and accountability.

⁷ State Services Commission of New Zealand, 2008, *Performance Management: Advice and Examples on How to Develop Effective Frameworks*, p. 4.

⁸ *Ibid*, p. 1.

3 Planning

Planning is the foundation of effective performance and accountability systems. Good plans lead and inspire, focus effort and attention, anticipate obstacles, co-ordinate and prioritise action, and identify clear points of accountability.

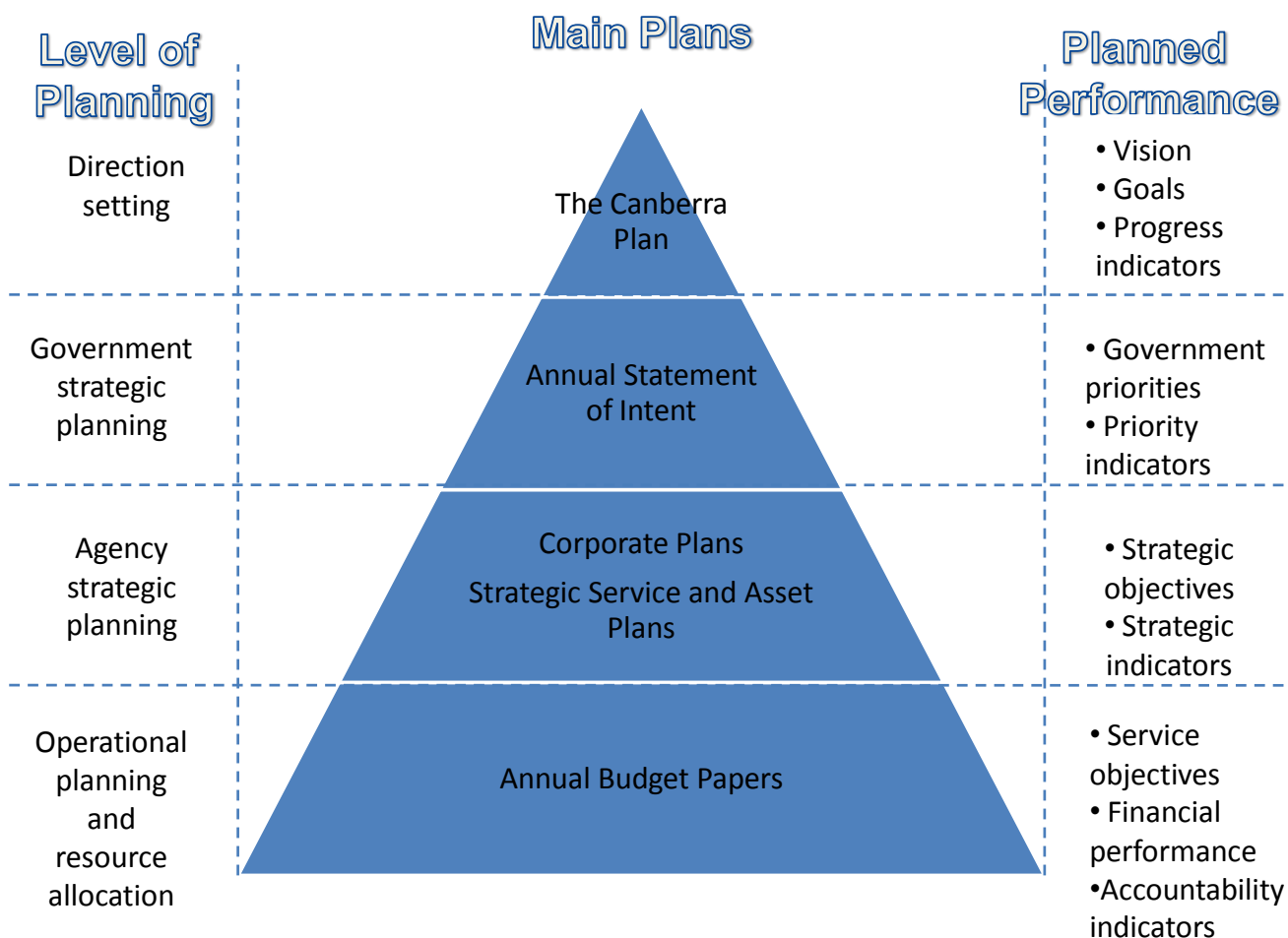
The ACT Government has a sound framework to deliver such plans.

3.1 The ACT’s strategic planning framework

The main elements of the ACT Government’s strategic planning framework can be categorised into:

- informing planning;
- direction setting;
- Government strategic planning;
- agency strategic planning; and
- agency operational planning and resource allocation.

Figure 3.1: ACT Planning Framework



SOURCE: ACT Government, Chief Minister’s Department, August 2010.

The ACT Government’s planning framework, summarised in Figure 3.1, also aligns with the principles outlined by the Council of Australian Governments (COAG) to inform the strategic planning priorities of capital cities. The COAG principles provide high-level direction to facilitate and support cities that ‘are well placed to meet the challenges of the future’.⁹

⁹ Council of Australian Governments communiqué, “Capital City Strategic Planning Systems”, 7 December 2009, p. 8.

These principles include:

- preparing a hierarchy of plans addressing the long, medium and near term;
- integrating planning across functions such as land use, transport and economic development and across government;
- responding to nationally significant policy issues such as climate change, demographic changes and social inclusion;
- strengthening networks between capital cities and regions; and
- developing evidence-based land release programs with an appropriate balance between greenfield and urban infill.¹⁰

3.1.1 Informing planning

Good plans are well-informed. In the context of public policy, plans should be informed by:

- community expectations;
- evidence of current economic, social and environmental conditions and future requirements and challenges;
- experience of what policies and programs work; and
- research into new policy approaches.

The ACT Government is committed to developing well-informed plans across all levels of its operations. In particular, planning across government should be informed by:

- sound evidence, including demographic data and projections;
- robust policy development, including the assessment of all policy options from a sustainability perspective;
- community needs and aspirations, based on concerted engagement; and
- a review of findings from the previous performance cycle.

3.1.2 Direction setting

Direction setting is broad, long-term and aspirational. It relates to the Government's ultimate objective to improve the overall wellbeing of Canberrans contributing to real and sustainable progress in our health, education, prosperity, social inclusiveness and environment.¹¹

The Government's long-term vision for the ACT is articulated in the *Canberra Plan*, which is updated no more than once per term of Government. The current plan has seven broad goals:

- quality health care;
- a fair and safe community;
- excellent education, quality teaching and skills development;
- a strong dynamic economy;
- a vibrant city and great neighbourhoods;
- a sustainable future; and
- high-quality services.

Government, individuals, businesses and community groups all contribute to outcomes in these areas.¹² Nonetheless, the Government has a significant role and is committed to leading and coordinating efforts to meet these goals.

3.1.3 Government strategic planning

Strategic planning relates more closely to the way in which services are planned and delivered. Identified strategic priorities define where the Government will focus its attention and effort from a high-level policy perspective. It also requires identification of priority actions and achievements that will contribute to the longer-term goals of Government.

Government priorities may relate to strategies and initiatives, or results defined by associated performance targets and indicators.

¹⁰ Council of Australian Governments communiqué, "Capital City Strategic Planning Systems", 7 December 2009.

¹¹ See also Queensland Government, 2009, *A Guide to the Queensland Government Performance Management Framework*.

¹² Ibid.

The ACT Government's strategic priorities are articulated in a range of documents including:

- broad strategic plans such as *People, Place, Prosperity*; the *Social Plan*; the *Spatial Plan*, and *Capital Development*;
- whole-of-government strategies addressing particular issues such as *Think water act water*, *Weathering the Change*, the *Sustainable Transport Plan*, and the *ACT Infrastructure Plan*; and
- intergovernmental agreements such as the National Partnership Agreements with the Australian Government.

The Government reviews and refines these priorities each year as part of its annual priority setting process. This allows the Government to clarify and reinforce the priorities that agencies are expected to deliver. It also provides capacity to respond to emerging challenges and opportunities in particular policy areas.

To enhance accountability and transparency, the Government has committed to publishing an annual Statement of Intent. This statement will articulate priority results, which the Government will work towards over the medium-term, and the priority actions which will be delivered over the next 12 months to help achieve these results. The statement will be published after the annual Budget, around the beginning of each financial year.

Government strategic planning is supported by all agencies, and co-ordinated by central agencies and the Chief Executives Strategic Planning Committee. The role of this committee includes:

- preparing information and evidence to inform strategic planning;
- identifying and advising the Government on strategies to improve service and infrastructure delivery, minimise risk, and improve integration across government; and
- co-ordinating the development of the *ACT Infrastructure Plan*.

3.1.4 Agency strategic planning

Agency strategic planning is focused on the individual contribution that each agency makes toward the Government's priorities and long-term goals.

Key outputs of agency strategic planning are:

- strategic objectives — what effect or difference the agency aims to make in the community;
- strategic indicators — measures of achievement against these objectives by assessing progress of outcomes on the community; and
- high-level strategies for achieving these objectives.¹³

These elements are summarised in agency corporate plans and in the annual Budget Papers.

More detailed information is presented in agency strategic service and asset plans. These plans look to the medium-term and include:

- strategic objectives and indicators and their links to Government priorities and goals;
- integrated service delivery and asset management strategies to achieve objectives;
- emerging issues and risks and how these might be managed; and
- organisational capacity.

Agencies are required to prepare and submit strategic service delivery plans and asset management plans annually to the Strategic Planning Committee. The committee supports longer-term infrastructure and service planning.

The Chief Minister's Department and Treasury have prepared guidelines to assist agencies in the preparation of these plans. They facilitate closer alignment and integration between government and agency planning and resource allocation.

ACT Government agencies may also prepare strategies that focus on specific issues central to their operations and responsibility. Examples include the *ACT Women's Plan*; the *ACT Strategic Plan for Positive Ageing*; the *ACT Young People's Plan*; the *ACT Affordable Housing Strategy*; and the *ACT Chronic Disease Strategy*.

¹³ See also Queensland Government, 2009, *A Guide to the Queensland Government Performance Management Framework*.

Characteristics of sound strategic objectives and indicators are listed in Table 3.1 on the following page.

Table 3.1: Characteristics of Strategic Objectives and Indicators

Strategic objectives	Strategic indicators
<ul style="list-style-type: none"> • Short, concise statement • Focused on results (not activities) • Contribute to government priorities and goals • Can be influenced by the agency over the medium term • Measurable or verifiable through strategic indicators 	<ul style="list-style-type: none"> • Relevant to objectives • Reliable and verifiable • Informative • Attributable to agency actions

SOURCE: ACT Government, Chief Minister’s Department, August 2010.

3.1.5 Agency operational planning and budget allocation

Agency operational planning is specific, detailed and focused on the near-term. It determines agency work programs and how resources will be managed over the year to achieve longer-term agency objectives and government priorities.

Key outputs of this planning are:

- agency output classes that summarise agency services and activities and the objectives of these outputs;
- the strategies, services and initiatives that compose each output class;
- performance indicators that allow agencies to measure outcomes and outputs; and
- the resources allocated to each output.

The outcome of this planning is consolidated in the annual Budget Papers.

Performance indicators measure agency performance in delivering their outputs. They should present a balanced, but concise picture of performance, which may include how much was done, how well it was done and what it achieved. This is summarised in Table 3.2.

Table 3.2: Characteristics of agency performance indicators

	Quantity	Quality
<ul style="list-style-type: none"> • What was done (outputs and inputs) 	<i>How much was done.</i> For example: <ul style="list-style-type: none"> • number of clients served • number of reports produced 	<i>How well it was done.</i> For example: <ul style="list-style-type: none"> • cost per client • per cent of reports on time
<ul style="list-style-type: none"> • What it achieved (impacts and results) 	<i>How much impact it had.</i> For example: <ul style="list-style-type: none"> • number of people changing their behaviour • number of clients better off 	<i>The quality of the impact.</i> For example: <ul style="list-style-type: none"> • per cent of people changing their behaviour • per cent of clients better off

SOURCE: Friedman, 2005.¹⁴

The appropriateness of the types of measures used, either qualitative or quantitative, will vary according to the strategic objectives and services provided by agencies. It is not necessary to present measures from both these categories.

A sound set of performance indicators are generally:

- within the direct control of or significantly influenced by agencies;
- clearly linked to strategic objectives; and
- measurable or verifiable.

The Budget Papers present a summary or subset of agency performance indicators. These particular indicators are called ‘Accountability Indicators’ as they are audited by the ACT Auditor-General, and must be reported in Annual Reports. Other performance indicators may be published and reported in agency-specific plans and reports, or used for internal management and monitoring purposes.

¹⁴ Friedman, 2005, *Trying Hard is Not Good Enough: How to Produce Measurable Improvements for Customers and Communities*, Trafford Publishing, Victoria, BC.

At the beginning of each budget development process, the Government informs agencies of its priorities for the next Budget. These priorities are based on the Government's long-term goals and vision, and also on agency strategic planning, which identify emerging pressures and opportunities.

The Government will allocate and reprioritise resources to meet these needs through the budget process. Accordingly, all agency budget proposals should clearly demonstrate how they address these priorities.

Performance measurement guidelines are regularly updated by ACT Treasury to help prepare and present this information in the Budget Papers and Annual Reports.

3.2 Embedding and strengthening the framework

Key directions for strengthening the ACT strategic planning framework are summarised in Table 3.3.

Table 3.3: Key directions for strengthening the ACT strategic planning framework

Focus	Objectives	Actions
<ul style="list-style-type: none"> Informing plans 	<ul style="list-style-type: none"> Strengthen sustainability analysis in policy development 	<ul style="list-style-type: none"> Develop a Triple Bottom Line Assessment Framework
	<ul style="list-style-type: none"> Increase the amount of community input into plans through community engagement 	<ul style="list-style-type: none"> Launch Canberra Conversations
<ul style="list-style-type: none"> Government strategic planning 	<ul style="list-style-type: none"> Balance the need for long-term goals with the flexibility to respond to emerging issues Provide clear direction for agency planning Strengthen transparency and accountability for Government priorities 	<ul style="list-style-type: none"> Integrate agency strategic planning directly into annual government priority setting process Prepare an annual Government Statement of Intent
	<ul style="list-style-type: none"> Improve co-ordination and integration of strategic infrastructure planning 	<ul style="list-style-type: none"> Formalise strategic asset planning processes Co-ordinate infrastructure planning through the Strategic Planning Committee
<ul style="list-style-type: none"> Agency strategic planning 	<ul style="list-style-type: none"> Ensure a consistent approach to strategic planning across agencies which reflects best practice Improve integration between agency strategic planning and Government priority setting 	<ul style="list-style-type: none"> Develop formal guidelines for strategic asset and service planning Coordinate this planning through the Strategic Planning Committee to inform annual Government priority setting
<ul style="list-style-type: none"> Performance indicators 	<ul style="list-style-type: none"> Ensure a meaningful, balanced set of indicators Develop a more consistent approach to setting indicators Minimise the cost and complexity of gathering and reporting data 	<ul style="list-style-type: none"> Update performance indicator guidelines Government review of its strategic indicators Align the hierarchy of performance indicators Align government performance indicators with external performance measures (e.g. COAG's) where possible
<ul style="list-style-type: none"> Plans 	<ul style="list-style-type: none"> Strengthen the clarity and integration of plans 	<ul style="list-style-type: none"> Show clearer linkages between plans Ensure plans clearly link performance objectives and performance indicators

SOURCE: ACT Government, Chief Minister's Department, August 2010.

4 Managing

Good plans are important. They ensure we are aiming for the right things. The imperative then is to hit the target – to deliver on plans and priorities for real progress. This depends on good management.

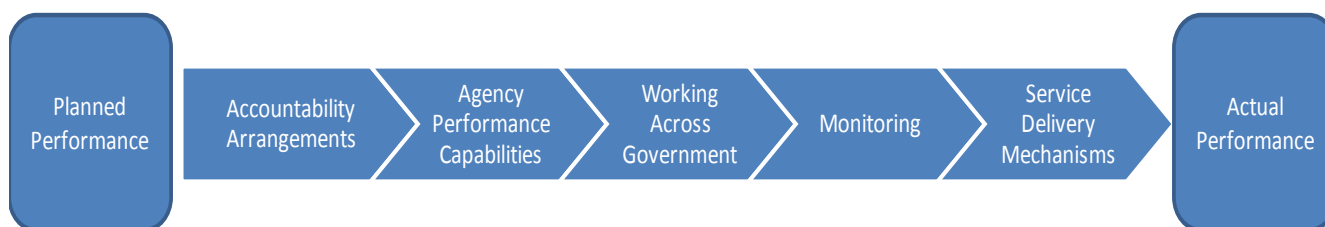
The ACT Government has a strong management framework to ensure this happens.

4.1 The ACT’s management framework

Key elements of the ACT’s management framework, outlined in Figure 4.1, are:

- accountability arrangements – the *incentive* to manage;
- performance capabilities – the *resources* to manage;
- working across government – *co-operating* to manage;
- service delivery mechanisms – the *flexibility* to manage; and
- monitoring – the *information* to manage.

Figure 4.1: Managing for better performance



SOURCE: ACT Government, Chief Minister’s Department, August 2010.

4.1.1 Accountability arrangements

The basic accountability arrangements across government are shown in Table 4.1. These arrangements ensure that effort is focused on agency objectives and government priorities, and accountability is shared across government as outlined in Table 4.1 below.

Table 4.1: Accountability arrangements

Accountable entity	Accountability arrangements
<ul style="list-style-type: none"> • The Legislative Assembly 	<ul style="list-style-type: none"> • Elections
<ul style="list-style-type: none"> • The Government and Ministers 	<ul style="list-style-type: none"> • Published plans and reports • Estimates hearings • Independent review by the Auditor-General
<ul style="list-style-type: none"> • Agency Chief Executives 	<ul style="list-style-type: none"> • Performance agreement with Minister • Annual Reports
<ul style="list-style-type: none"> • Agency Senior Executives and Managers 	<ul style="list-style-type: none"> • Performance agreement with Chief Executive
<ul style="list-style-type: none"> • Agency Officers 	<ul style="list-style-type: none"> • Performance agreement with manager

SOURCE: ACT Government, Chief Minister’s Department, August 2010.

These arrangements set out performance requirements and the consequences of failing to meet these. They are the foundation of accountability, providing both clear responsibilities and incentives to manage.

Other arrangements include:

- intergovernmental agreements;

- statutory accountability;
- agreements between agencies; and
- contracts or partnership agreements with third parties.

Suitable accountability arrangements are expected to apply to all government activities. Characteristics of sound accountability arrangements include:

- specific and clear objectives and responsibilities;
- balanced accountability for outcomes and processes;
- flexibility to manage and adapt to changing circumstances; and
- permissible incentives.¹⁵

4.1.2 Agency performance capability

Good performance requires the capacity within an organisation to effectively manage activities and deliver desired outcomes. Key capacities include:

- people – recruitment, training, development and management;
- leadership – strategic planning, internal communication and organisational culture;
- systems and processes – information, asset and financial management;
- structures – service delivery mechanisms, decision-making bodies; and
- relationships – with Ministers, the public, other agencies and stakeholders.

Agencies are expected to regularly review and develop strategies to build internal capacity. This process involves assessing requirements and reviewing current capacity. This assessment should account for agency purposes and objectives, Government priorities, the broader operating environment and emerging issues. Agencies are then able to develop objectives, strategies and priority actions to build the necessary performance capacity.

This process is part of the broader strategic planning of agencies. Objectives, strategies and priority actions for building capacity should be detailed in strategic agency service plans and summarised in corporate plans.

4.1.3 Working across government

Many government priorities and long-term goals depend on contributions from a range of agencies. It requires co-ordinated activity across government and cooperation between agencies.¹⁶

This degree of co-operation clarifies roles and responsibilities, reduces duplication, and ensures the most effective use of expertise, experience and resources across government.

The ACT Government employs a range of mechanisms to foster across government co-operation and shared delivery of priorities. These include:

- executive strategic planning committees providing whole-of-government direction;
- statutory positions with the power to direct and co-ordinate activity across government to achieve particular objectives;
- policy development forums to share expertise and experience in developing policies and programs; and
- interdepartmental working groups to develop and manage specific programs and initiatives.

The Government expects that agencies will continue to identify areas of shared interest and use appropriate mechanisms to manage relevant activities. A framework for working across government to deliver shared priorities will be developed to assist agencies in this work.

4.1.4 Service delivery mechanisms

To deliver services and initiatives as efficiently and effectively as possible, agencies will need to consider and use a wide range of mechanisms to manage their activities and deliver services.

Mechanisms include traditional government service delivery, regulation, market-based mechanisms, third-party providers and partnerships that share risk and benefits.

¹⁵ See also The Allen Consulting Group, 2009 and 2010. These reports are available on the Chief Minister's Department website.

¹⁶ Ibid.

The benefits and costs of these options should be considered initially during policy development, and reviewed periodically during service management.

Agencies must develop appropriate accountability arrangements to support its service delivery mechanisms. For example, contracts with third-party providers should specify performance criteria, service standards and reporting requirements.

4.1.5 Monitoring

To manage effectively, decision-makers rely on a timely flow of meaningful information. An effective monitoring system gathers and disseminates information about milestones, risks, budget and achievements to decision-makers.¹⁷

The ACT’s monitoring regime includes:

- agency-specific arrangements, which provide information about agency activities to managers, Chief Executives, Ministers and other stakeholders;
- across-government monitoring and oversight by the Chief Minister’s Department and Treasury; and
- biannual reports to the Government monitoring progress toward identified priorities.

Agencies are expected to review their monitoring capacity and requirements as part of their broader organisational capability planning.

Characteristics of effective monitoring arrangements:

- provide timely, reliable, concise and clear information;
- target the relevant decision-maker and tailor information to suit their needs;
- gather information aligned with strategic, accountability and external performance indicators; and
- are cost-effective.

4.2 Embedding and strengthening the framework

Table 4.2 summarises the areas which the government will focus on over the next five years to strengthen its management framework.

Table 4.2: Strengthening the management framework

Focus	Objectives	Actions
<ul style="list-style-type: none"> • Agency performance capability 	<ul style="list-style-type: none"> • Strengthen performance capacities across government, including people, leadership, systems, structures and relationships 	<ul style="list-style-type: none"> • Embed performance capability review and development into agency strategic planning
<ul style="list-style-type: none"> • Working across government 	<ul style="list-style-type: none"> • Improve the co-ordination of activity across government to deliver shared priorities 	<ul style="list-style-type: none"> • Develop framework for delivering shared priorities

SOURCE: ACT Government, Chief Minister’s Department, August 2010.

¹⁷ See also The Allen Consulting Group, 2009 and 2010. These reports are available on the Chief Minister’s Department website.

5 Reporting

5.1 The ACT’s reporting framework

The ACT’s reporting framework seeks to:

- align performance plans with reports on actual performance;
- achieve a balanced and integrated presentation of performance; and
- ensure accessibility and efficiency.

5.1.1 Alignment

For the sake of clarity, transparency and accountability there should be clear alignment between planned performance and reporting of actual performance.¹⁸ Figure 5.1 has mapped these links in the context of overall ACT Government operations.

At a minimum, reporting of actual performance should be against the goals, priorities, strategic objectives and performance indicators articulated in corresponding plans.

Figure 5.1: Mapping of government performance planning and reporting



SOURCE: ACT Government, Chief Minister’s Department, August 2010.

Overall progress of the Canberra community, as envisaged in the *Canberra Plan* is reported on a new website, *Measuring our Progress*. The website was launched on 30 June 2010 and is updated on a regular basis as information becomes available.

Progress towards government priorities will be identified and reported in the annual Statement of Achievement. The Statement will assess performance against previously determined priorities and identify future directions.

Agency performance is reported in agency Annual Reports and corresponds with corporate plans. Similarly, accountability indicators identified in the Budget Papers are reported in Annual Reports.

5.1.2 Balance and integration

Reporting is more valuable when it captures an overall picture of performance.¹⁹ An integrated reporting framework, as outlined in Figure 5.1, improves accountability across government operations by providing this snapshot.

¹⁸ See also Queensland Government, 2009, *A Guide to the Queensland Government Performance Management Framework*.

¹⁹ Ibid.

Effective reporting systems:

- identify whether desired outcomes are delivered and opportunities for improvement in the future;
- cover an appropriate range of activities and achievements;
- use both quantitative and qualitative measures of performance where appropriate; and
- explain, analyse and interpret performance outcomes.²⁰

The analytic and evaluation component of reporting should assess:

- the appropriateness of planned performance criteria and their limitations;
- factors affecting performance, such as changes in the operating environment;
- unintended performance outcomes, positive or otherwise;
- causes of performance outcomes both positive and negative; and
- steps taken to review and improve performance.²¹

A basic principle of balanced reporting for the ACT Government is considering performance from a perspective informed by social, economic, and environmental considerations.

Agencies are now required to summarise their 'triple bottom line' (TBL) in their Annual Reports, using a concise TBL indicator scorecard.

Where possible, reports should indicate how performance relates to the broader operations of agencies depending on the context. For example, when agencies report against government priorities, it should be clear which strategic objectives are contributing to the priority and which long-term progress goal the priority is working towards. Similarly, in agency Annual Reports, it should be clear which services and initiatives are contributing to agency strategic objectives and government priorities.

5.1.3 Accessibility and efficiency

Agencies should aim to make performance information broadly accessible. Accessibility of performance information may be improved by:

- clear and concise presentation;
- more timely performance reporting;
- use of a range of different and emerging media to communicate effectively; and
- developing more user-friendly information; for example, by providing full data sets and interactive interfaces online.

Accessibility of reporting needs to be balanced against its efficiency. There is a point at which reporting can become burdensome and reduce resources available for service delivery. The Government is committed to maintaining informative, transparent reporting, that does not place unreasonable burdens on agencies.

To streamline and refine reporting, agencies should:

- use existing performance indicators and criteria rather than expand the range of indicators;
- focus on strategic reporting, rather than everything;
- consolidate public reporting where possible rather than create new arrangements; and
- regularly review reporting requirements to consolidate and reprioritise effort.

²⁰ See also The Allen Consulting Group, 2009 and 2010. These reports are available on the Chief Minister's Department website.

²¹ See also Queensland Government, 2009, *A Guide to the Queensland Government Performance Management Framework*.

5.2 Embedding and strengthening the framework

Table 5.1 summarises the areas on which the Government will focus to strengthen the reporting framework.

Table 5.1: Strengthening the reporting framework

Focus	Objectives	Actions
<ul style="list-style-type: none"> Reporting the ACT's progress 	<ul style="list-style-type: none"> More accessible and timely progress reporting Developing shared goals by promoting broad engagement to inform, measure, and deliver progress 	<ul style="list-style-type: none"> Develop and maintain the <i>Measuring our Progress</i> website
<ul style="list-style-type: none"> Government performance reporting 	<ul style="list-style-type: none"> More accessible and transparent reporting of Government performance against its priorities 	<ul style="list-style-type: none"> Present summary of government performance in the new Statement of Achievement
<ul style="list-style-type: none"> Sustainability 	<ul style="list-style-type: none"> Strengthen the government's focus on sustainability and its visibility in public reports 	<ul style="list-style-type: none"> Reflect the dimensions of sustainability on the <i>Measuring our Progress</i> website Report Triple Bottom Line Indicator Scorecard in agency Annual Reports

SOURCE: ACT Government, Chief Minister's Department, August 2010.

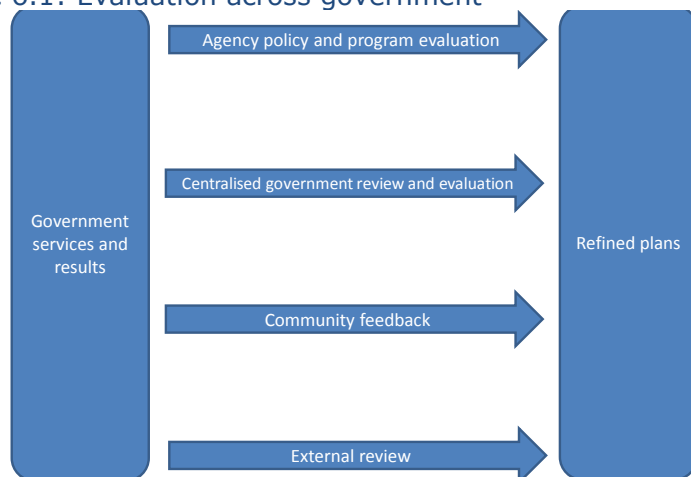
6 Reviewing

6.1 The ACT's evaluation framework

Figure 6.1 illustrates the main elements of the ACT's evaluation framework. They are:

- policy and program evaluation by agencies;
- whole-of-government evaluation of policy and expenditure;
- feedback from the community; and
- external review by the Legislative Assembly and Auditor-General.²²

Figure 6.1: Evaluation across government



SOURCE: ACT Government, Chief Minister's Department, August 2010.

6.1.1 Agency policy and program evaluation

Self-reflection can be the most incisive, informed and timely type of evaluation. It is a fundamental requirement for improvement. For this reason, agencies are expected to continuously and critically evaluate their own activities.

Agencies should take a continued and long-term approach to evaluation by:

- fostering a culture of evaluation;
- building evaluation capability – the expertise, systems and structures to conduct evaluations internally;
- planning to evaluate by embedding evaluation into policies and programs, and co-ordinating evaluation activity;
- evaluating strategically by prioritising and scaling evaluation activity, based on an assessment of the size, risk and complexity associated with a program;
- conducting evaluations to a high standard and from an overall perspective of sustainability i.e. social, economic and environmental; and
- making evaluation count – by communicating results and acting on recommendations.

As part of their strategic planning process, agencies are required to develop:

- a plan to improve agency evaluation strategies, including objectives and priority actions; and
- a schedule of planned evaluation activity that is strategically focused.

The Chief Minister's Department (CMD) has developed guidance material to help agencies prepare evaluation plans.²³

6.1.2 Centralised government review and evaluation

Centralised arrangements balance and supplement agency evaluation activity.

²² See also The Allen Consulting Group, 2009, *Performance and Accountability in the ACT: Towards a New Framework*.

²³ ACT Government Chief Minister's Department, 2010, *The ACT Government Evaluation Policy and Guidelines*.

In general, the central agencies, CMD and Treasury, are responsible for coordinating and monitoring evaluation activity across government. This includes:

- prioritising the evaluation of particular policies and programs;
- reviewing evaluation reports and the manner and extent to which arising recommendations have been implemented; and
- directing evaluation findings to relevant policy development and decision-making processes.²⁴

More specifically, the Chief Executives of CMD and Treasury chair an Expenditure Review and Evaluation Committee. The role of this Committee is to:

- examine the appropriateness, effectiveness, and efficiency of agency programs, functions and activities;
- identify possible cost savings, more effective service delivery methods and opportunities to co-ordinate activities better; and
- report these findings to the Government for consideration in developing the annual budget.

6.1.3 Community feedback

The views of the community – the recipients of government services, and the ultimate beneficiary of Government activity – matter a great deal in reviewing, refining, and reprioritising government services.

Are government services meeting community needs and being delivered to expected standards?

Are there other services that would be preferred over current services?

Could services be improved, better co-ordinated, more accessible, or delivered more efficiently and effectively?

To answer these and other questions, agencies are expected to remain focused on delivering broader community outcomes, particularly using evaluation processes to improve performance.

Methods of engagement include:

- satisfaction surveys;
- live feedback mechanisms, such as telephone hotlines or email; and
- community consultation forums.

6.1.4 External review

Government activities are also subject to external review by a range of bodies. These include:

- the Legislative Assembly;
- the Independent Auditor-General; and
- Australian Government bodies, such as the Productivity Commission.

The ACT Government takes these processes very seriously, particularly reviews by the Legislative Assembly and Auditor-General. Such reviews are the foundation of government accountability. The findings and recommendations of the Legislative Assembly and Auditor-General also provide another perspective on possible ways to improve government performance.

The Government carefully considers and responds to each recommendation made by these bodies, and appropriate actions are taken to improve processes and programs to ensure the best possible value for money and the best outcomes for the community.

²⁴ For a review see also The Allen Consulting Group, 2009, *Performance and Accountability in the ACT: Towards a New Framework*.

6.2 Embedding and strengthening the framework

See Table 6.1 below.

Table 6.1: Strengthening the review and evaluation framework

Focus	Objectives	Action
<ul style="list-style-type: none"> Policy and program evaluation 	<ul style="list-style-type: none"> Build evaluation capacity across government Increase the breadth and quality of evaluation activity Stronger co-ordination of evaluation activity across government 	<ul style="list-style-type: none"> Develop formal ACT Government Evaluation Policy and Guidelines Co-ordinate and monitor government evaluation activity through the Expenditure Review and Evaluation Committee
<ul style="list-style-type: none"> Resource allocation 	<ul style="list-style-type: none"> More systematic evaluation of the efficiency and effectiveness of the manner in which funding is used 	<ul style="list-style-type: none"> Targeted reviews of new budget initiatives by the Expenditure Review and Evaluation Committee
<ul style="list-style-type: none"> Community engagement 	<ul style="list-style-type: none"> Improve the level and depth of community feedback about government performance 	<ul style="list-style-type: none"> Release new community engagement guidelines

SOURCE: ACT Government, Chief Minister's Department, August 2010.

7 Glossary

TERM	DEFINITION
Accountability indicators	Accountability indicators are a measure of an agency's performance in providing each class of the outputs identified in the annual Budget Papers. These indicators are reported in the annual Budget Papers and are subject to audit, and may be measures of outcomes, outputs or inputs.
Agency objectives	Agency objectives are the effects or impacts that an agency seeks to have on its clients, stakeholders or the broader community.
Government priorities	<p>Government priorities are the actions and achievements which contribute to delivering the longer-term goals of government.</p> <p>Government priorities may relate to strategies and initiatives, or results defined by associated performance targets and indicators.</p> <p>Government priorities are strategic, high-level and measurable. It is proposed that these priorities are articulated in the Government's Statement of Intent.</p>
Impacts	Impacts are the intermediate results or outcomes of government activity.
Outcomes	Outcomes refer to changes in the state, condition, impacts on, or consequences for the community, society, economy or environment resulting from the existence and operations of the reporting entity. (The outcomes sought provide the rationale for the range of outputs delivered by the entity.)
Outputs	<p>Outputs are the goods and services produced by the reporting entity.</p> <p>The term refers only to the goods and services produced for third parties; it excludes goods and services consumed within the reporting entity (such as services provided by legal, research, human resources and information technology functions to other functional areas within the same entity, which are often referred to as 'internal outputs').</p>
Performance indicators	<p>Performance indicators measure the extent to which government, or agencies, are achieving their objectives and stated priorities.</p> <p>Performance indicators or measures are the specific criteria or means used to measure performance (most commonly of outputs produced and outcomes achieved). They may be expressed as (but are not limited to) absolute numbers, percentages, ratios, point estimates or ranges. They might also be qualitative in nature.</p>
Results	Results are lower-level outcomes, commonly referred to as impacts or intermediate outcomes. They are achievements which are closely attributable to what an agency does (that is, the outputs delivered).
Service objectives	<p>Services are the outputs delivered by agencies to identified stakeholders.</p> <p>Service objectives describe the standards of efficiency and effectiveness to which the agency aims to deliver services within its fiscal limit. Standards are set with the aim of defining a level of performance that is appropriate for the service and is expected to be achieved.</p> <p>Standards of efficiency reflect how resources (inputs) are used to produce services and objectives, expressed as a ratio of resources (inputs) to services – <i>technical efficiency</i>, or resources (inputs) to objectives – <i>cost efficiency</i>.</p> <p>Standards of effectiveness reflect how well a service achieves its stated objectives through meeting service delivery standards – <i>operational effectiveness</i>, or achieving desired objectives – <i>policy effectiveness</i>.</p>

TERM	DEFINITION
Statement of Achievement	The ACT Government Statement of Achievement articulates achievement against priorities in previous Statements of Intent(s).
Statement of Intent	The Statement of Intent will articulate priority results, which the government will work towards over the medium term, and the priority actions which will be delivered over the next 12 months to help achieve these results. The statement will be published after the annual budget, around the beginning of each financial year.
Strategic Indicators	<p>Strategic indicators are aimed at measuring the Government's performance against longer-term strategic outcomes with impact upon the ACT community.</p> <p>An agency has some accountability for performance against these indicators, although cannot be held fully responsible for achieving the specified targets, as there are external factors that will influence the result. Strategic indicators, presented in the annual Budget Papers, are not subject to audit.</p>
Vision	A government's vision represents the desired effects on, or consequences of, government services on the community over the longer-term. The ACT Government's vision is strategic and high-level. It is currently articulated in the <i>Canberra Plan</i> .

SOURCE: Adapted from The Allen Consulting Group, *A new performance and accountability framework for the ACT: Consultation and agency assessment paper*, October 2009; ACT Government, *ACT Budget 2010-2011 – Budget Paper 3*, May 2010.

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