



# Performance Information and Indicators

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The information below is provided as a guide for agencies to assist in the consideration and development of performance information (program objectives and deliverables) and key performance indicators (KPIs) to Parliament.

This guide is a reference tool only. The indicators suggested provide a base for agencies to add to, and build from, using their program specific knowledge and expertise. This guide should be read in conjunction with guidance on the preparation of agency Portfolio Budget Statements (PB Statements), Portfolio Additional Estimates Statements and Annual Reports which can be found on the Finance website at <http://www.finance.gov.au/budget/budget-process/reporting-requirements.html>. Further guidance will be provided in Estimates Memoranda each year.

## Introduction

The Outcomes and Programs reporting framework focuses government reporting on performance and results. Under this framework, agencies are required to report to Parliament by program, detailing the objectives, resourcing and KPIs for each program.

## Developing Robust KPIs of Program Performance

This section provides an overview of an approach to developing Key Performance Indicators (KPIs) and their data values for public reporting. It provides a high level outline that aims to promote good practice across agencies and contribute to discussions in this area.

Measuring program performance is essential to good management, to public accountability and transparency, and to internal organisational learning and development. Consistent, clear reports of performance provide an important record of an agency's progress towards meeting government policy objectives, how well public money is being spent and whether planned achievements are on track.

The objective of external performance reporting is to provide information that is capable of telling an accurate but succinct performance story about what has happened as a result of government actions.

Performance information will be used by:

- the public to hold government to account as to whether they are living up to their commitments;
- the government to identify potential opportunities for continuing or ending a program; and
- interested parties to identify potential opportunities for program improvement or modification.

Within a broader measurement framework that includes evaluation, performance audits and strategic reviews, KPIs provide an overview at the highest level of program efforts. While their use should not be overstated, KPIs must be carefully designed to be capable of signalling to government, Parliament and the community whether programs are delivering intended results and whether value for public money is being obtained.

## *Characteristics of Key Performance Indicators*

A number of characteristics will determine the quality of proposed KPIs, including:

**Timeliness** – the acceptable time-lag between the period of time that the data covers and its availability given the risks in basing decisions on data that is out of date, no longer accurate and non-representative of current performance.

**Practicality** – acceptable methodologies and data collection systems and the feasibility of acquiring and maintaining these over time.

**Comparability** – the implications for using the data to make comparisons over time, between target groups, or across similar programs and jurisdictions.

**Avoidance of perverse incentives** – potential behavioural incentive effects of performance measures include manipulation of data and other counter-productive behaviours. Counterbalancing indicators may be needed if negative behavioural incentive effects are identified.

**Quantity** – balance prudence with comprehensiveness in stipulating the number of indicators [between 2-3] that will ensure an even coverage of the most important performance aspects of a program being measured.

**Balance** – providing a balanced overall picture of the most significant aspects of what is happening, particularly the effectiveness in achieving intended results, timeliness, and for services, equity and appropriateness for all users.

Agencies should establish the standard of quality required for both the design of KPIs and the data values attached to them to assure users of performance information about the reliability of the data.

Agencies should consider a number of other factors in developing KPIs.

## *Focus on results*

The development of program KPIs requires agreement on the intended results the government is seeking and a definition of program success. The intended result may either be the result specified in the outcome statement, a particular aspect of it, or a necessary precursor for the achievement of that result.

There should be a coherent logic between the problem the program seeks to address, the program intervention and the intended result. To demonstrate that the program is effective in achieving the intended result, the result should be attributable to the program and the program should exert an influence over the result.

A focus on the intended result will help to:

- avoid only measuring program aspects that are easily measurable;
- limit the amount of additional data reported because it provides a basis for resisting the temptation to include other 'interesting' information;

- ensure that performance information reflects the things over which the program is understood to exert an influence.

## *Seek accuracy*

Consistent data definitions, data standards and collection methods are required in order to make accurate comparisons both over-time and across similar programs. Also, the consistency of the internal or external program factors should be considered because substantial differences will render comparisons invalid.

Where required, program managers should seek advice from statisticians and measurement specialists about: sample selection; construction of measures which use formulae such as indices; use of forecasting models to calculate targets and expected trends; validation methodologies; and causality and attribution issues.

Specialists can also advise on: proxy measures when more direct measures are not available; qualitative indicators for addressing quality; whether indicators addressing the short-term and long-term performance might be useful; the extent that indicators will respond to changes in program performance; and the behavioural incentive effects of performance measures.

## *Clearly define data*

There should be no ambiguity about whether an increase or decrease in the indicator value is meant to be interpreted as a positive or negative impact.

The development of KPIs should include clear data definitions that explain:

- what the KPI is intended to show and why it is important;
- the data source;
- collection arrangements;
- measurement frequency;
- statistical techniques for calculating performance, including any baseline or historical data; and
- limitations about the data, including factors which may be beyond the control of government.

Where a survey is being used to collect performance data, the method used for selecting the sample, the sample size, response rates and the margin of uncertainty in the reported level of performance should also be documented.

## *Accountability for data*

Staff with appropriate skills should be assigned responsibility for each stage in the performance information system: KPI design; data collection; statistical calculation; analysis, interpretation of performance results and identification of variations which call for close examination; coordination and reporting in the required formats; and retaining information for validation.

Agencies may seek the assurance of internal auditors that their performance information systems for external reporting is operating effectively, and that performance data is of a high standard quality without risk of corruption or being lost.

In practice, accountability for performance information will generally be shared across two groups of staff: those with technical expertise; and those with coordination skills.

## *Management engagement*

Performance information that is integrated into program management will make it more likely that it can be used by managers and staff to identify and act upon improvement opportunities. KPI data for external reporting represents a component of performance information for internal use and should not require a separate system as parallel systems are wasteful and can increase the risk of poor data reliability and accuracy.

## *Validation*

To ensure that performance information is sufficiently robust, the selection of KPIs and a sample of the data values should be reviewed periodically by independent and qualified performance measurement specialists.

This validation can consider whether: each KPI provides a measure of an important aspect of the program; the data is 'fit' for external reporting purposes, especially if it was originally collected for another purpose; the methodology is properly documented; appropriate and robust arrangements are in place for ensuring quality control; and limitations placed on the data by the provider are strictly adhered to, and the implications for accountability and transparency understood. Cross validation across similar types of programs and reviewing may also be useful. Recalculation of a sample of the indicator values should take place.

## *Program Classification Matrix*

The guide's Program Classification Matrix (the Matrix), which is shown below in Table 1, draws on the United Nations System of National Accounts and its classification of the functions of government. It has been developed in consultation with working groups with membership from Commonwealth departments and agencies.

| <b>A<br/>Focus</b> | <b>B<br/>Mechanism</b> | <b>C<br/>Type</b>        | <b>D<br/>Delivery</b> | <b>Performance<br/>Reporting</b>   |
|--------------------|------------------------|--------------------------|-----------------------|--|
|                    | Cash                   | 1.Supporting             | Transfer              | Performance reporting indicators will be developed using these four types of classification. |
| Individual         | Service (In kind)      | 2.Assisting              | Direct Service        |  |
|                    |                        |                          | 3rd Party Service     |  |
|                    |                        | 3.Educating              | Direct Service        |  |
|                    |                        |                          | 3rd Party Service     |  |
| Collective         | Service (In kind)      | 4.Advising/<br>Informing | Direct Service        |  |
|                    |                        |                          | 3rd Party Service     |  |
|                    |                        | 5.Regulating             | Direct Service        |  |
|                    |                        | 6.Protecting             | Direct Service        |  |

Table 1: Program Classification Matrix

# Performance Information and Indicators

Performance information and indicators should in all cases link back to the program objective and, in turn, to the relevant outcome statement's intended result.

The Matrix can assist agencies in the development and reporting of KPIs. The following is a step by step guide to identify the type of program an agency has and how it fits into the Matrix.

## **Step 1 – Determining a Program's Focus (A).**

Is the program, whether financially or through goods and services, benefiting individuals or a collective?

### Individuals

Programs that benefit individuals are generally based on an assessment of a person's circumstances which determines their eligibility for a payment, good or service.

### Collective

Programs that benefit a collective can be described as funds, infrastructure, education or other services that benefit a group, community, or Australians as a whole.

Examples of these two types of focus can be found below:

| <b>INDIVIDUALS</b>   | <b>COLLECTIVE</b>   |
|--|---|
| Age Pension<br>Child Care Benefit<br>Child Tax Rebate<br>Unemployment benefits<br>Grants program<br>Individual Research grants | Reduce the use of illicit drugs<br>Border security<br>Training places for General Practitioners<br>Improving Road Safety<br>Defence |

## **Step 2 – Identifying the Mechanism (B) for which the benefit is delivered.**

### Individuals

If the program objective is focussed on benefiting the individual, there are two ways in which the benefit can be received.

1. Cash – e.g. rebates, grants, incentive payments, or funds.
2. Service in Kind – e.g. health care, housing, educational material or needle exchange.

### Collective

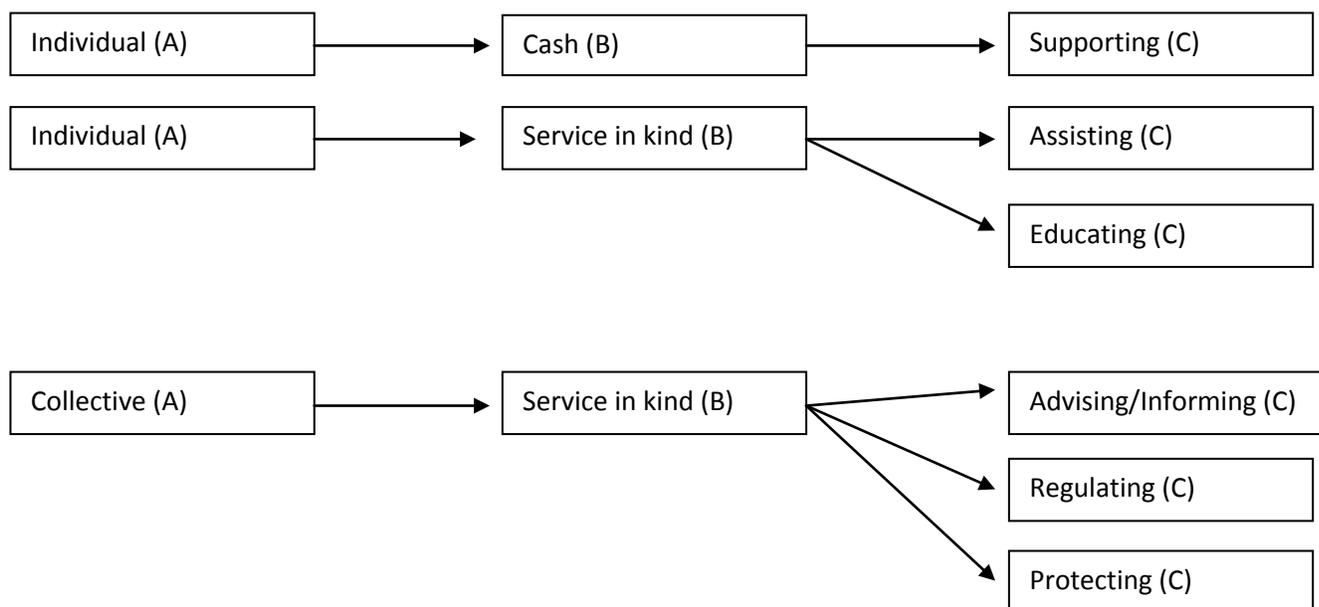
If the program objective is focussed on benefiting a collective, then the benefit can only be received as service in kind.

Examples of service in kind for collective focus programs include: travel advice, military equipment, legal advice and surveillance equipment.

## Step 3 – Determining the Type (C) of Program.

Using the assessments made above, determining the type of program should be fairly straight forward. Below is a breakdown of the matrix to assist in identifying the type of program.

Explanations of the type of program below will assist in the decision making process.



### Explanations of program type

Click on the Links below for a more detailed explanation for each type of program:

- 1. [Supporting](#):** Supporting individuals through the provision of benefit and transfer payments, subsidies, waivers of debts, tax rebates and allowances.
- 2. [Assisting](#):** To provide or direct the provision of goods or services (professional) to assist individuals.
- 3. [Educating](#):** To provide or direct the provision of services that educate, train and/or increase the acquisition of skills and knowledge through both formal and informal processes.
- 4. [Advising/Informing](#):** Advising people of an issue in order to alter their behaviour or actions, or informing people on a particular topic to improve their decisions and choices.
- 5. [Regulating](#):** Designing and implementing laws and regulations to an optimal level to shape behaviour and actions, and arbitration to ensure compliance.
- 6. [Protecting](#):** Protect the community through maintaining capability, directing actions and enforcement of the law to ensure physical safety, promoting security, ongoing compliance and law and order.

## Step 4 – Determining the Delivery (D) of the Program

Program delivery typically takes one of three forms:

1. **Transfer payment:** A cash payment from the government to the recipient. Generally these are determined through Special Appropriations.
2. **Direct service:** Delivery of services by an agency through staff (including contractors) and supporting costs which directly engage the target group. An example of direct service is the border management activities carried out by the Australian Customs and Border Protection Service.
3. **Third party service:** Funding and policy resides with the agency, but delivery is through another entity. For example, National Partnership payments made from Treasury to and through the State and Territory governments. Further information on National Partnerships payments can be found by references to the Federal Financial Framework on the website: <http://www.federalfinancialrelations.gov.au/>

When determining the delivery mechanism agencies should take into account the administered/departmental appropriation as generally:

### Departmental

Direct service programs are funded through departmental appropriations, which are under the control of the agency Chief Executive Officer; or

### Administered

Transfers and third party service programs are funded through administered appropriations, which are directed by the government and the agency has no discretion.

## Step 5 – Developing Key Performance Indicators of Program Performance

Once an agency has worked through the steps presented above to determine (A) through (D) of the Matrix they can begin to develop appropriate KPIs and deliverables to measure performance.

## Step 6 – How to Report Performance Information in the PB Statements .

Agencies can use both qualitative and quantitative information to measure program performance in their PB Statements.

### Quantitative

This type of reporting is represented by numbers or percentages in a table.

### Qualitative

This type of reporting is represented by narrative text. Agencies should identify aspirational goals or milestones that are intended to be achieved by the program.

For further advice on the reporting of performance information in the PB Statements please refer to the Finance website (<http://www.finance.gov.au/budget/budget-process/portfolio-budget-statements.html>).

## KPIs and Deliverables

Performance Information for each program must include the deliverables and its KPIs.

### Deliverables

Deliverables are the goods and services produced by the program in meeting its objective. Collectively, the deliverables represent the intervention government has chosen to take to meet a particular policy need.

They are the tangible, quantifiable products of a program and include both the direct program activities, (e.g. payments) and the support activities that deliver and manage the program. However, agencies should focus on the impacts the program will be making in the community more so than the support activities.

Some examples of program deliverables include:

- Number of payments/transfers made
- Number of days/hours of a service provided (either provided directly by the agency or through a third party)
- Number of information sessions held/participants

### Key Performance Indicators

KPIs assist in determining if a program is achieving its objectives. KPIs should measure the effectiveness and efficiency of the program and clearly measure the program's success, particularly against the intended result of the relevant outcome statement.

Some examples of KPIs include:

- Relative change observed in the target group (i.e. decline in hospital admissions for drug abuse)
- Access to a service or payment
- Take-up of a service or payment

## 1. Supporting programs

| <b>A<br/>Focus</b>            | <b>B<br/>Mechanism</b> | <b>C<br/>Type</b> | <b>D<br/>Delivery</b>         |
|-------------------------------|------------------------|-------------------|-------------------------------|
| Individual                    | Cash                   | Supporting        | Transfer                      |
|                               | Service<br>(In kind)   | Assisting         | Direct Service                |
|                               |                        |                   | 3 <sup>rd</sup> Party Service |
|                               |                        | Educating         | Direct Service                |
| 3 <sup>rd</sup> Party Service |                        |                   |                               |

Table 2: Supporting programs

### *Description*

Supporting individuals through the provision of benefit and transfer payments, subsidies, waivers of debts, tax rebates and allowances.

### *Assumptions:*

1. Typically leave spending decisions to the recipient, rather than being predetermined by the government.
2. For a specific purpose (i.e. to meet a need), however program results may vary because the recipient has discretion over spending.
3. Payments may be tied to spending on a specific good or service (e.g. Medicare rebates), whereas others may be more generic support payments with much greater flexibility (e.g. Aged Pension and Family Tax Benefits).
4. Payments may be contingent on other factors, most commonly on meeting specific criteria such as age or economic circumstances. This also includes obligations on the recipient (i.e. work for the dole payments).
5. Payments may allow recipients to access or receive benefits/services from another type of program (e.g. youth allowance supports those in educating programs).
6. Payments, be they pre- or post- an event, can be periodic or one off. Those made after an event are more likely to be contingent on the recipient meeting an obligation. Those made prior to an event or those made periodically are less likely to be tied to a recipient obligation, and may take the form of general support payments.
7. Allowances may be contingent on the recipient already qualifying and receiving another government entitlement (e.g. fares allowance is contingent on the recipient already receiving a student income support payment such as ABSTUDY).

### *Delivery*

Supporting programs are delivered through transfers. This includes entitlements (e.g. Aged Pension), allowances (fares and utilities allowances), rebates (both taxation, e.g. small business research and development grants, and non-taxation, e.g. solar panels rebate), subsidies (e.g. Research and Development subsidy programs) and waivers (e.g. special circumstances and special claims).

Where the physical transfer of funds is done through a separate body, the program is still to be treated as a transfer type program of the responsible agency. The payment agency's program (e.g. Centrelink) will be classified as an assisting program, capturing the service they deliver to the program agency.

## *Performance information*

Performance information should show **access** to and **take-up** of income support payments, rebates, subsidies and allowances. Below are some examples that agencies can refer to as a guide when developing performance indicators (it is not an exhaustive list):

- **Take-up of support payments.**

Performance indicators should measure the changes in behaviour as a result of take-up of the support payment. Measurement should be as a proportion (%) of the total industry to ensure variations in the size of the target group do not affect measurement. Or measurement could look at proportional (%) change year on year if the target group size is difficult to know or define.

- **Community awareness of a specific rebate, subsidy or allowance.**

Performance indicators should measure the proportion of recipients who access a payment, subsidy or rebate through the program's intended/preferred access point.

- **Timely and accurate payment or processing of rebate or subsidy.**

Performance indicators should measure the proportion (%) of payments, subsidies and rebates made within a specific period (i.e. within 7 days of lodgement) if they fall after the engagement of the service or purchase of a good. If the transfer is periodic then indicators should look at the proportion (%) of payments made on the designated day. Accuracy of payments, subsidies and remedies should be measured by the proportion (%) of the total transfers which require amendment.

- **Time in receipt of income support payment.**

Performance indicators should look at the length of time an individual remains on a specific income support payment as a measurement of effectiveness, if self sufficiency is the intent of the support payment. This would not be an appropriate indicator for payments that are considered long term such as disability and aged pensions. Indicators can be proportional (%), i.e. proportion of potential target group receiving payment, or in real terms (#), estimating recipient numbers.

Whether proportional or in real terms, indicators can be split into periods that program managers believe to be an appropriate timeframe for receiving payments i.e. number of recipients receiving income support payment for 12 months or more. In addition, measures can look at the number of recipients who had previously ceased receiving the support payment, only to require payments again.

- **Allowances in addition to income support payments.**

Performance information should look at the proportion (%) of income support recipients who are accessing additional allowances such as Rent Assistance, Fares Allowance etc. These indicators can in turn be used to assess the suitability of the principal income support payment.

- **Intended purpose of grant or payment is realised in accepted timeline.**

The performance indicator should measure the proportion (%) of projects, events, goods or services funded that were realised within agreed timelines, e.g. First Home Owners grants taken up within available time.

## 2. Assisting programs

| <b>A<br/>Focus</b> | <b>B<br/>Mechanism</b> | <b>C<br/>Type</b> | <b>D<br/>Delivery</b>         |
|--------------------|------------------------|-------------------|-------------------------------|
| Individual         | Cash                   | Supporting        | Transfer                      |
|                    | Service<br>(In kind)   | Assisting         | Direct Service                |
|                    |                        |                   | 3 <sup>rd</sup> Party Service |
|                    |                        | Educating         | Direct Service                |
|                    |                        |                   | 3 <sup>rd</sup> Party Service |

Table 3: Assisting programs

### *Description*

To provide or direct the provision of goods or services to assist individuals.

### *Assumptions*

1. Many individuals, for various reasons, require assistance from government for both essential and non-essential services. Assisting programs use the term 'individuals' broadly to include all recipients of assistance that is for individual consumption (as outlined in the classification of program focus). This includes, but is not limited to, the Government, industry, international bodies, families, as well as individual members of the community.
2. Typically define and limit the amount or quantity of assistance in criteria set by government or defined in legislation (and regulations).
3. Provide goods or services and not transfer payments. The recipient often has little choice in the form, delivery or type of assistance.
4. Require the individual to seek or at least make themselves available to receive goods or services, i.e. they can not be passive recipients.
5. Are typically services provided by professional practitioners, whether or not the program is delivered directly by the agency or by a third party provider. Can take the form of advice and targeted research that is for the purposes of the recipient (where research is for broad consumption or not for a targeted purpose it should be treated as an informing program). Targeted assistance includes policy advice and recommendations to government (excluding that which is part of program operations which would be considered part of program support).

### *Delivery*

Assisting programs are typically delivered through a third party provider but can be through direct service provision.

### *Other variables specific to the program type*

Defining the target 'individual' may require agencies to re-think the way they perceive some of their current activities. Policy advice to Government, for example, is assisting the Government to achieve its objectives, because it is targeted and specific to government decision making.

## *Performance Information*

Performance information might show **access** to and **take-up** of assistance programs. Below are some examples that agencies can refer to as a guide when developing performance indicators (it is not an exhaustive list):

- **Direct v third party provision.**

Performance indicators should take note of the delivery mechanism and respond accordingly. The effectiveness of delivery needs to be assessed whether the good/ service is provided by the agency or through a third party. The success of the agency/ third party relationship should also be measured.

- **Take-up of goods/services.**

Performance indicators should measure the changes in behaviour as a result of the good or service. Take-up of the good or service can be used as a proxy to measure the behaviour changes where, for example, increasing the provision of one service reduces pressure on another service.

Measurement can be as a proportion (%) of the total industry to ensure variations in the size of the target group do not affect measurement. Or measurement can look at proportional (%) change year on year if the target group size is difficult to know or define.

- **Timely delivery of good/service.**

Performance indicators should measure the proportion (%) of requests for assistance that are responded to within a specific time period (e.g. call centre phone calls answered within 90 seconds).

- **Satisfaction of client.**

Performance indicators could measure the proportion (%) of clients satisfied with the provision of the good or service. For example, Centrelink may survey customers regarding the quality of the 'in person' versus 'call centre' service they are provided. Centrelink's client satisfaction measures the performance of Centrelink as a delivery agency for other government programs.

## 3. Educating programs

| A<br>Focus | B<br>Mechanism       | C<br>Type  | D<br>Delivery                 |
|------------|----------------------|------------|-------------------------------|
| Individual | Cash                 | Supporting | Transfer                      |
|            | Service<br>(In kind) | Assisting  | Direct Service                |
|            |                      |            | 3 <sup>rd</sup> Party Service |
|            |                      | Educating  | Direct Service                |
|            |                      |            | 3 <sup>rd</sup> Party Service |

Table 4: Educating programs

### *Description*

To provide or direct the provision of services that educate, train and/or increase the acquisition of skills and knowledge through both formal and informal processes.

### *Assumptions*

1. Educating programs lead to: increased choice and opportunities; better life outcomes; and increased income earning capacity.
2. Educating programs may rely on additional assistance so recipients, particularly those from disadvantaged backgrounds, can participate in education, i.e. income support payments, family and community services etc. These components should be addressed through supporting program types (see supporting programs).
3. Educating programs contribute to a cumulative process and individuals require a basic skills/knowledge base to be able to access higher levels of education and training.
4. Educating programs can encompass both the practical training and theoretical learning.
5. Educating programs can impart both technical and theoretical aptitude as well as social and developmental skills and behaviours (i.e. socialisation).
6. Educating programs demand that individuals engage to be educated; it is not a passive activity.

### *Delivery*

Educating programs are typically delivered through a third party provider but can also be through direct service provision. Educating programs cannot be delivered through transfers.

### *Other variables specific to educating programs*

Measuring performance will be relatively straightforward in formal education programs, as opposed to informal processes or the informal benefits of formal education (e.g. socialisation and behavioural ability).

Educating programs are inherently a service for individual consumption.

### *Performance Information*

Performance information might show **access** to and **take-up** of educating programs.

Below are some examples that agencies can refer to as a guide when developing performance indicators (it is

not an exhaustive list):

- **Direct v third party provision.**

Performance indicators should take note of the delivery mechanism and respond accordingly. The effectiveness of delivery needs to be assessed whether the good/ service is provided by the agency or through a third party. The success of the agency/ third party relationship should also be measured.

- **Engagement of participants.**

School attendance is legislated in all school jurisdictions in Australia. Therefore performance indications cannot simply measure the school attendance of children but rather the success of engaging those children when at school. This may include the change of participant behaviour (e.g. the proportion of children completing post compulsory schooling).

- **Take-up of education programs.**

Where educating programs are not compulsory, such as, tertiary education programs, the take-up of such programs can be measured as a proportion of the target group. External factors need to be noted and the impact assessed. For example, take-up of tertiary education typically increases in an economic downturn. General economic conditions may contradict the ongoing performance of the program.

- **Access to education programs.**

Performance indicators should measure the accessibility of educating programs to their target group. This includes the provision of complimentary programs such as supporting programs that allow the target group greater access to educating programs (e.g. Youth Allowance (Full Time Student), ABSTUDY and Austudy).

- **Increased productivity.**

Performance indicators should look at the increased productivity / profitability of a target group based on their participation in an educating program.

## 4. Advising and Informing programs

| <b>A<br/>Focus</b> | <b>B<br/>Mechanism</b> | <b>C<br/>Type</b>      | <b>D<br/>Delivery</b>         |
|--------------------|------------------------|------------------------|-------------------------------|
| Collective         | Service<br>(In kind)   | Advising/<br>Informing | Direct Service                |
|                    |                        |                        | 3 <sup>rd</sup> Party Service |
|                    |                        | Regulating             | Direct Service                |
|                    |                        | Protecting             | Direct Service                |

Table 5: Advising and Informing programs

### *Description*

Advising people of an issue in order to alter their behaviour or actions, or informing people on a particular topic to improve their decisions and choices.

### *Assumptions*

1. Advising programs attempt to get individuals to make specific decisions, whereas informing programs allow individuals to make better decisions. Each is addressed below.
2. Advising and informing programs are passively distributed to the collective (the whole community) with individuals then actively accepting/rejecting the service.

### *Advising*

3. Advising programs aim to alter the behaviour or actions of people, business, families etc.
4. Advising programs are based on an inherent assumption by government of 'what is right'.
5. Advising programs may induce either positive (promote) or negative (deter or discourage) impacts.
  - Positive: will alter behaviours and actions to use services, to engage and be more involved in other programs and events, and to make better choices in situations of uncertainty.
  - Negative: will alter behaviours to deter people from making choices or taking actions not deemed positive to themselves or the community.
6. Advising program impacts may be one of several factors which cause people to change their actions and behaviours. Causality and results will therefore need to be established as the basis of performance information.
7. Advising programs may be at the population level, providing advice which is intended to impact the population on an issue that may be of interest or affect all people, while other advising programs may be at a lower level, aiming to bring about change for a specific group or sector.
8. Advising programs may be specific to a service program (e.g. assisting or supporting programs), and will be delivered by either the program agency or through a third party provider. In these instances the advising component should be split as an administered/departmental item to be reported on as an 'advising' component of the broader program.

### *Informing*

9. Informing programs raise awareness of an issue, and, through increased awareness, people should make better decisions regarding their own behaviour and actions.

10. Informing programs may provide people with the necessary information to decide appropriate behaviours and actions, i.e. there is no outcome specified by government, apart from awareness.
11. Informing programs may be one of several factors which cause people to make decisions. Causality and results will therefore need to be established as the basis of performance information.
12. Informing programs include research produced for general consumption to increase the level of knowledge in an area.
13. Informing programs include broadcasting and dissemination of information and content as the program agency (generally) cannot exclude recipients.

## *Delivery*

Delivery will most likely link to the sector concerned. For example, health matters are typically dealt with by States and Territories and are therefore third party service provision advising programs (although they may still be a Commonwealth Government initiative). Travel advice is an area of Commonwealth Government activity and is therefore more likely to be a direct service program (albeit often through the use of contractors).

Advising and informing programs cannot be delivered through a transfer.

## *Other variables specific to advising and informing programs*

Reflecting the collective nature of advising and informing programs, the target group involved is broad, typically encompassing the community as a whole. The nature of most advising and informing services is that anyone can access the advice or information.

A research-informing type of program is different to research that is a component of the delivery of a government program. Such research would be captured in program support and not be a program in its own right. Where the research is a distinct and separate function to specific programs, and/or informs policy and delivery in a broader sector of activity, then it can be treated as an informing program.

Programs delivering displays, recreation or entertainment are, for the purposes of reporting, to be treated as informing programs (incl. cultural institutions and broadcasting).

## *Performance Information*

Performance information should look at the provision of services to the whole community (collective) in line with government policy, criteria and, if applicable, legislation. It would be underpinned by the assumption that the provision of advising/ informing services then allows the individual to make judgements about the advice/ information provided and act accordingly.

Performance information can look at **access** to advising/informing programs. Below are some examples that agencies can refer to as a guide when developing performance indicators (it is not an exhaustive list):

- **Direct v third party provision.**

Performance indicators should take note of the delivery mechanism and respond accordingly. The effectiveness of delivery needs to be assessed whether the good/ service is provided by the agency or through a third party. The success of the agency/ third party relationship should also be measured.

## Advising

- **Acceptance and take-up of advice by specific target group(s).**

Performance indicators should measure the acceptance of advice by the target group. This can be measured through the change in behaviour of the target group (e.g. the change in smokers' behaviour).

## Informing

- **Take-up of informing programs**

Performance indicators should measure the take-up of informing programs through, for example attendance at cultural institutions, such as the National Gallery of Australia (NGA). The NGA itself is informing the whole community.

## 5. Regulating programs

| <b>A<br/>Focus</b> | <b>B<br/>Mechanism</b> | <b>C<br/>Type</b>      | <b>D<br/>Delivery</b>         |
|--------------------|------------------------|------------------------|-------------------------------|
| Collective         | Service<br>(In kind)   | Advising/<br>Informing | Direct Service                |
|                    |                        |                        | 3 <sup>rd</sup> Party Service |
|                    |                        | Regulating             | Direct Service                |
|                    |                        | Protecting             | Direct Service                |

Table 6: Regulating programs

### *Description*

Designing and implementing laws and regulations to an optimal level to shape behaviour and actions, as well as facilitate arbitration to ensure compliance.

### *Assumptions*

1. Regulating programs and the law aim to influence the community's future behaviour and actions through incentive and/or reprimand.
2. Regulating programs may take the form of legislation (including legislative instruments and regulations), government policy or agency instruction.
3. Regulating programs typically occur in two phases:
  - Design and Implementation is when the need for regulation is identified, or existing regulation requires amendment, and the optimal level to achieve government objectives is determined.
  - The Compliance and Arbitration phase monitors the target groups' actions to ensure compliance. Where breaches occur, options for penalties are considered and following arbitration enforced.
4. Regulating programs are values based and work to shape peoples' actions in line with what government has identified as beneficial to the individual, the broader target group or the population.
5. Regulating programs can employ many policy mechanisms (apart from legislation) to achieve the desired change in behaviours and actions.
6. Regulating programs require monitoring for non-compliance or breaches, and then enforcement of penalties through arbitration and judgements.
7. Regulating programs and law inherently recognise a body of authority that is empowered to adjudicate on matters arising under the regulation or law and to apportion appropriate penalties where breaches are proven to have occurred.

### *Delivery*

Regulating programs are only delivered through direct service provision, where the program agency delivers the service by using staff (including contractors) and operating costs to directly engage with the target group (as a collective).

### *Other variables specific to regulating programs*

The nature of regulating programs is that typically all individuals (incl. business entities, people etc.) that are

within the scope of a specific law or regulation form the target group. This is the case both for population level (e.g. criminal law) or specific to a sector (e.g. Corporations and trade law). However, even in cases of sector regulation, the scope is typically broad. For the development of performance information, sector splits are used to define the different forms of regulating programs.

In incidents of industry self regulation, is it important for agencies not to attribute this to their own regulation performance. Agencies may facilitate this regulation but the causal link should be clear.

## *Performance Information*

Performance information should look at the provision of a service to the collective (the whole community) in line with government policy, criteria and, legislation. It would be underpinned by the assumption that the provision of regulation then requires the individual to make judgements about the regulatory environment and act accordingly. Performance information can look at **take-up** of regulation.

Due to the collective focus of regulation, performance indicators can, where appropriate, be applied to smaller target groups within the whole community. For example, the financial industry versus the manufacturing industry for an industry regulating program or buyers versus sellers for a consumer regulation program.

Below are some examples that agencies can refer to as a guide when developing performance indicators (it is not an exhaustive list):

- **Breaches of regulation.**

Performance indicators should measure the number of breaches of existing regulation and/or the successful prosecution (where appropriate) of those breaches. Where there are numerous breaches, a corresponding indicator could be awareness of the regulation.

- **Timely response to breaches of regulation.**

Performance indicators should measure the proportion (%) of breaches that are prosecuted within a specific period.

- **Appropriateness of regulation.**

Performance indicators should measure the impact of the regulation on the industry in terms of productivity, efficiency, safety, etc. A clear causal link will need to be established.

- **Design and implementation of new regulation/deregulation.**

Performance indicators should measure responsiveness of the agency to regulate a new issue or introduce deregulation where appropriate.

## 6. Protecting programs

| A<br>Focus | B<br>Mechanism       | C<br>Type              | D<br>Delivery                    |
|------------|----------------------|------------------------|----------------------------------|
| Collective | Service<br>(In kind) | Advising/<br>Informing | Direct Service                   |
|            |                      |                        | 3 <sup>rd</sup> Party<br>Service |
|            |                      | Regulating             | Direct Service                   |
|            |                      | Protecting             | Direct Service                   |

Table 7: Protecting programs

### *Description*

Protect the community through the development and maintenance of capability, direct action and enforcement of the law, to ensure physical safety, and promote security as well as law and order.

### *Assumptions*

1. Protecting programs are where government controls legal physical power and force.
2. Protecting programs involve 'uniformed officers' of the Commonwealth, who are authorised to use force to achieve government objectives and maintain law and order.
3. Programs protect Australia through defence force capability and deployment that requires government approval.
4. Protecting programs enforce the specified penalties decided through arbitration (i.e. when regulation and laws are breached).
5. Protecting programs include presence / visibility of potential action to act as deterrence.
6. Protecting programs require maintenance of capability even if actions are not required.
7. Protecting programs include surveillance, intelligence gathering and information security.
8. Protecting programs involve domestic protection activities which are carried out by State and Territory government agencies (e.g. NSW police), however, unlike education or health sectors, there is no presence or funding provided by the Commonwealth (with the exception of the ACT).

### *Delivery*

Protecting programs are only delivered through direct service provision, where the program agency delivers the service by using staff and operating costs to directly engage with the target group (as a collective). Protecting programs are not delivered by third party providers, and can not be achieved through transfers.

### *Other variables specific to protecting programs*

Reflecting the collective nature of protecting programs, the target group is broad, encompassing the community as a whole. More so than the other five program types, protecting programs typically have the broadest scope.

The nature of protecting programs is that all individuals who are within the scope of a protecting activity form the target group. This is the case both for population level (e.g. defence) or specific to a sector (e.g. border

control). However, even in cases of sector regulation, the scope is typically broad.

## *Performance Information*

Performance information should look at the provision of a service to the collective (the whole community) in line with government policy, criteria and, legislation. It would be underpinned by the assumption that the provision of protection may lead to the individual altering their behaviour, (e.g. through a deterrence mechanism) but this is not always the case.

Performance information can look at **access** to protection.

Below are some examples that agencies can refer to as a guide when developing performance indicators (it is not an exhaustive list):

- **Protection as deterrence.**

Performance indicators should measure the change in behaviour of the target group where deterrence is an aim of the program. For example, the change in drink driving offences if Australian Federal Police officers conduct random breath testing. The presence of Quarantine officers at airports may reduce the incidence of flora and fauna smuggling.

- **Timely response to government request.**

The deployment of protection, such as the armed forces, must be requested by the Executive Government. The timeliness of the program's response can be used as a measure of performance. This may include requests for peace keeping, assistance with natural disasters, armed conflict, etc.