Some Australian experiences in performance assessment

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In this presentation I will provide a very brief overview of:

- Australia’s federal system
- My organisation (the Productivity Commission), and the Steering Committee for which I head up the Secretariat

And then address some of the project questions, with a particular focus on:

- Improving services through performance assessment
- Theories of improvement in different contexts
- Measuring the impact of performance assessment
- Best practice performance assessment.

In my responses I will be drawing on information from several Australian sources:

- A 2009 review of the Report on Government Services commissioned by the Council of Australian Governments. After 15 years of reports, the review examined “the degree to which data published in the ROGS has led to changes in the delivery of services by government; and the ongoing usefulness of the ROGS to its government, non-government and community stakeholders”.

- A 2011 (Commonwealth) Parliamentary inquiry into National Funding Agreements. Introduced in 2008, these agreements replaced previous
prescriptive funding arrangements between the Commonwealth and State governments with “mechanisms for monitoring accountability and ensuring that the objectives of funding agreements are being achieved”.

- A current COAG review of the performance indicators in National Agreements. (Announced February 2011, “to ensure progress is measured and all jurisdictions are clearly accountable to the public and COAG for their efforts”.) This series of reviews (each Agreement is being reviewed separately) follow a broader 2009 review of all National Agreements (which in turn followed CRC criticisms).

- A current Victorian Auditor General’s office (VAGO) performance audit into performance reporting by local governments

- Recent (and ongoing) Productivity Commission work into measuring the impact and benefits of the COAG reform agenda.
The Commonwealth of Australia was established in 1901. It is made up of six states and two Territories (some legal distinctions between states and territories, but treated the same in this presentation).

The original division of powers in the Constitution was deliberately decentralised — federal powers are limited and specific; while State powers are general.

However, the distribution of powers has become significantly more centralized over time (even though the Constitution itself remains largely unchanged). Expansion in the role of government in general, and of the Commonwealth Government in particular, has been driven by:

- expansive interpretation of the Commonwealth’s powers by the High Court
- the Commonwealth’s dominance in revenue raising.

**Vertical Fiscal Imbalance** refers to the imbalance between the Commonwealth’s ability to raise revenue, and the states’ responsibilities to provide services. An extensive system of intergovernmental transfers has developed to redress the imbalance (will come back to in a moment).

Australia also has a third level of local governments, established under State law (not mentioned in the Constitution). Very briefly:
• 560 Councils across the country
• metropolitan, regional, rural, and Indigenous communities (539 are regional/rural)
• Elected Councillors (average 10 per council)
• Councils employ around 178,000 people (almost 10% of the total public sector)

Revenues from:
  – Rates (38 per cent)
  – User charges (33 per cent)
  – Grants from State and Commonwealth Governments (17 per cent (but up to 50 per cent some Councils)

Council functions include:
  – infrastructure and property services — local roads, bridges, footpaths, drainage, waste collection and management
  – Recreation and cultural facilities — parks, sports fields and stadiums, camping grounds and caravan parks, libraries, art galleries and museums
  – health services — water and food inspection, immunisation services, toilet facilities, noise control and meat inspection and animal control
  – community services — child care, aged care, community care and welfare services (often under contract to other levels of government)
  – planning and development approval and building services — inspections, licensing, certification and enforcement
  – administration of facilities — airports, ports and marinas, cemeteries, parking facilities and street parking.
Intergovernmental transfers from the ‘centre’ to the ‘states’ is characteristic of virtually all federations.

However, the degree of vertical fiscal imbalance in Australia has become an issue, with many commentators noting:

- the weakening of desirable links between taxation and expenditure decisions
- the increased scope for the Commonwealth to become involved in areas of State responsibility (by attaching conditions to the use of transferred funds)
- the heightening of political tensions around the allocation of revenue amongst the States (Garnaut and Fitzgerald 2002).

[Note: 2009-10 included significant stimulus spending related to the GFC – total expenditures have decreased since then]
That said, 2008 reforms to federal financial relations shifted much of the focus of debate from the fiscal imbalance itself, to the mechanism for allocating Commonwealth transfers.

2008 reforms to federal financial relations:

- 92 Specific Purpose Payments rolled into 5:
  - Education, VET, Health, Disability, Housing
  - Also overarching Indigenous reform Agreement
- Associated National Agreements about performance
  - Monitored by the COAG Reform Council (performance data collated by the Steering Committee)
- National Partnerships with strings attached
  - Include payments subject to measured performance
  - ‘reward’ NPs include numerical targets

Between 2000-01 and 2009-10:

- Own source revenue up from $54 bill to $97 bill but as smaller % of total revenue (was 53 % now 50% of total revenue)
- Commonwealth transfers up from $47 bill to $97 bill (was 47 % now 50%)
• Untied (GST) up from $28 to $45 billion (was 27.7 % now 23 %)
• “Tied” steady around 19 – 20 % until the reforms in 2008.
• NAs only loosely tied. (12.5 % in 2009-10)
• NPs more tightly tied (14.5 % in 2009010).
  – So proportion “tightly tied” down from 20 % to 14.5 % of total revenues
  – BUT number of NPs growing rapidly.
Productivity Commission

- A Commonwealth statutory authority
  - Also Council of Australian Governments references
- Advises on social, economic and environmental issues
  - Independent, transparent, community-wide approach
- Chairman and secretariat for inter-governmental Steering Committee
  - Steering Committee focus on comparative performance reporting

A branch of the Productivity Commission (AustGov public servants).

Advises on social, economic and environmental issues — ‘core’ businesses responding to terms of reference plus self-initiated research

Key features:

- Independent — powers, protection and guidance of own legislation. Chairman and commissioners are statutory appointees. Own budget and staff. Reports tabled in Parliament.
- Transparent processes — processes and advice to government public. Extensive public consultation and, draft reports or preliminary findings.
- Community-wide perspective — interests of the economy and community as a whole, not particular groups or industries. But considers environmental, regional and social dimensions of issues.

Also provides the Chairman and secretariat services to an inter-governmental Steering Committee
Intergovernmental Steering Committee

A focus on performance measurement and accountability exercises

A neutral “fair broker” role:
- Gather and present information but stop short of definitive statements about relative performance of governments or recommendations for change

This presentation will focus on the comparative performance reporting stream of activity — RoGS and National Agreements

[RoGS background:
- 1993 origins in era of reform
- Based on model developed for GTEs
- 2012 report: $165 billion, 69% gov recurrent expenditure, 12.5% GDP.
- Costs and benefits
  - Secretariat’s costs (approximately $2.8 million per annum, mostly staff)
  - Costs of government agencies (19 Steering Committee members and 180 working group members)
  - Costs of data providers].
The review of RoGS gave some thought to how performance reporting can contribute to improved services.

### Process benefits

Governments have benefited from being involved in the process:

- **Learning about their own jurisdictions** — Steering Committee members report that peer pressure through the Review often has aided them in extracting information from line agencies that previously had not been obtainable. More generally, the Steering Committee/working group structure has contributed to better two-way understanding, within each government, of both central agency strategic priorities and line agency constraints and capabilities.

- **Learning about other jurisdictions** — through the creation of networks and opportunities for informal information sharing as well as reported performance information.

- **Clarify objectives** — the RoGS framework forced all jurisdictions to clarify and agree on the objectives of each government service, and to define how ‘success’ would be measured. This was a challenge for many service sectors, with sometimes heated debates over the appropriate role of government; for example,
whether the objective of children’s services was to facilitate parents’ labour market participation, or to promote the development of children.

- Creating inputs for broader policy work — the performance measurement process can create a rich data source that can inform policy and program evaluation. I will talk briefly about a current Australian example in a moment.

**Agency benefits**

Much (if not all) performance information is also relevant to decision making by agencies and service providers. Particularly in its early years, RoGS drove significant improvements in basic management information. In order to provide data to RoGS, many services had to upgrade their rudimentary information systems. The Victorian local government example clearly links performance measurement with improved information for decision making.

And performance information is a two edged sword — it can be used to demonstrate good performance and to argue for additional resources.

**Public benefits**

Increasingly, advocacy groups, media and the general public are seeking to hold governments and service providers to account.

Robust performance monitoring information can provide an agreed set of facts to anchor the debate — to “bring light, rather than heat”. Comprehensive information can demonstrate the inherent trade-offs — between access and cost for example.

Increasingly, it is recognised that governments are not the source of all knowledge. Public information allows third party researchers and academics to contribute analysis and ideas.
In 2008 COAG agreed to an agenda of reforms aimed at boosting productivity, increasing workforce participation and mobility and improving the quality of public services (COAG 2008).

These reforms were informed by previous Productivity Commission work that estimated that:

- Enhancement of workforce participation and productivity though the NRA stream directed at health promotion and disease prevention, education and work incentives could potentially result in increases in GDP of around 6 and 3 per cent, respectively, after 25 or more years. However, the magnitude of prospective net gains in GDP, and in governments’ fiscal balances, would depend on the magnitude of costs incurred by governments in implementing specific reform programs.

This was an example of the power of numbers to drive reform. The perceived economic payoffs were used to justify ambitious reforms (and investments). But the investment only worthwhile if the payoffs actually result.

So the Productivity Commission has been commissioned to report “every two to three years” on what is actually being achieved. Particularly in the human capital stream, performance information is a crucial input to the model.
For information, the first report included VET reforms. A discussion draft was released in December 2011, with a final report due to government in March 2012.
I spoke earlier about some of the benefits from performance assessment. Another project question related more directly to the underlying “theories of improvement” in different contexts.

As noted in the 2008 UK 2008 report on The State of Local Services: Performance Improvement in Local Government (Martin 2008), performance reporting is based on the assumption that “local” authorities require external stimuli in order to improve, and performance measurement can provide that stimulus.

But different approaches may be appropriate (or more effective) in different contexts.

I have chosen three broad sets of context — there are many others.

**Incentive structures:**

Different performance reporting systems are based on different incentive structures intended to drive improvement in performance.

**Public exposure**

We know that RoGs used for:
• clarification of the objectives and responsibilities of government agencies
• an improved information base for management
• identification of data gaps and pressure to address them
• measurement of relative performance over time
• verification of expected performance
• identification of peer agencies and potential for improved performance
• incentives for ongoing performance improvement
• accountability to the community about performance
• provision of information to enable analysis of the relationships between agencies and between programs.

When the ROGS commenced, there was a clear sense within government that improved comparative service information across jurisdictions would not only enhance accountability, but also lead to improved outcomes, particularly where significant variability in performance became apparent.

• However, the ROGS is a learning and information exchange reporting system, in which the collation and presentation of reliable, comparative performance data is the primary aim. It is not itself intrinsically analytical. (Review of RoGS exec sum)

• The aim of ROGS is to report comprehensively performance information that can be used for comparison and assessment. In turn, the comparison and assessment would then promote government reform to improve service delivery.

**Independent analysis and report**

The National Agreement system is based on the independent COAG Reform Council analysing the performance data and reporting to COAG. Amongst the National Agreements performance indicators are a small number of specific targets (but no direct consequences for achieving or not achieving the targets).

• The IGA includes an express intention to improve the quality, efficiency and effectiveness of government service delivery. This is anticipated to occur through reducing Commonwealth prescriptions on the states, clarifying roles and responsibilities (to reduce “passing the buck”) and public accountability for outcomes.

• The recent Commonwealth Parliamentary inquiry recommended increased Parliamentary scrutiny — tabling of reports and explicit response by
government. (Although this appears to be more about accountability for use of Commonwealth funding rather than State service delivery accountability)

**Conditional payments**

National Partnership payments can be made to fund specific projects and to facilitate and reward states that deliver on agreed reforms. Reward payments can be conditional on achievement of specified targets.

- Although the dollar amounts can be relatively small, from our experience as data collators, states place significant emphasis on achieving the targets in order to receive the rewards.
- There is increased risk of goal displacement or perverse incentives when significant rewards are attached to a small number (sometimes a single) indicator.

**Additional support for identified underperformers**

Although not explicitly used in the Australian systems I am involved with, some performance assessment regimes use indicators to identify services or individual providers that need additional resources or support to improve performance (although these carrots are often balanced by a stick).

**Maturity of performance assessment culture**

The expectations of a performance monitoring system can change as the system itself matures.

This can also apply to the level of experience of different service sectors — for example, many health services, used to evidence based medicine, adapted quickly to performance measurement. But it has been challenging for other service areas, such as school education and justice.

**Less mature**

As noted, it was originally intended that the ROGS would encourage governments to ‘lift their game’, invigorate reforms and improve service delivery, purely as an outcome of the comparison and benchmarking of performance.

Similarly, the VAGO local government work anticipates that a robust performance reporting system will lead to improved service delivery through better informed management/Council decision making.
More mature

As RoGS has matured, there are increasing calls for a more active translation of performance information into reform.

As noted by the review of RoGs: “While the publication of the ROGS arguably has the potential to promote reform, there is little systematic use of the ROGS for this purpose. It seems clear that the ROGS has a role in informing, influencing or aspiring to policy change, but it does not provide the sole basis for reform. The value of the ROGS lies in its capacity to provide supplementary, supporting evidence of the need for change, rather than as a main driver of reform.”

Governments have been seeking a mechanism by which comparative performance reporting can drive reform more directly. The review of RoGS recommended that the Steering Committee should highlight improvements and innovations in service delivery by selecting a small number of subjects to be developed as case studies. This reinforces an aspect of the original terms of reference — ‘to compile and assess service provision reforms’ — which lost impetus after an initial burst of enthusiasm. Similarly, the IGA requires CRC to “… highlight examples of good practice and performance so that, over time, innovative reforms or methods of service delivery may be adopted by other jurisdictions.” (IGA, Schedule C, para. C14).

The Steering Committee has agreed to include ‘mini case studies’ in RoGS, and to consider undertaking more substantial research into improvements and innovations in service delivery.

However, this is a difficult issue — performance monitoring is not the same as program evaluation (although it can contribute to such an evaluation).
Report on Government Services

As a performance monitoring body, we try and assess our own performance.

Survey of users
- 80% satisfied or very satisfied (What about those who could, but don’t use it?)
- data comparability, quality and timeliness areas for improvement

Published references to the report

Regular use in parliament, media, political press releases, academic and research publications
- Regarded as authoritative (often citing PC authorship)

Review of RoGS
- Regarded as a key element of the national performance reporting system
- Value as a more comprehensive “compendium” to support NA focus on outcomes
- Unique efficiency perspective
“The ROGS has improved management information within jurisdictions, contributed to developing or revising policy and programs or decisions, assisted in understanding and comparing policy across jurisdictions, provided input to briefing for executives, ministers and the judiciary, provided data that can be applied to internal reporting and policy analysis, and improved government accountability. SCRGSP Working Group members share experiences of reforms, assist each other to improve data and their understanding of what their data mean. Working Group members have often collaborated outside formal ROGS processes to the mutual benefit of their jurisdictions.”

“The ROGS is valued by many within government and non-government organisations as a major source of such structured data. It has driven considerable data improvement since its inception. Performance indicators have been established where none previously existed and a system and requirements for data collection and publication have been developed which enjoy strong support in government and non-government organisations.”

“Both government and non-government organisations regarding the ROGS as a primary reference point because it is the only publication they are aware of that contains the data needed in one place.”

“The uses and benefits of the ROGS, some of which were unanticipated at its inception, have also expanded over time. The use of the ROGS as a public accountability tool advances the commitment of all governments under the new federal financial relations framework to increase transparency of government actions. Its role as a major data source contributes to a renewed emphasis, within government and academic spheres, on evidence-based policy.”

**National Agreements**

Still relatively early days. Following the introduction of the reforms in 2008, the CRC has completed three cycles of education and training reports (calendar year) and two cycles of health, housing, disability and Indigenous reform (financial year) reports to COAG.

Significant government attention following CRC reports (for example, the reviews of NAs) but more limited media/public response to CRC reports. May be partly due to timing (Steering Committee collates data, CRC has three months to analyse and report, COAG response typically delayed).
Balancing flexibility and accountability

Going back to the “theory of improvement” for NAs, the Parliamentary inquiry identified as a core issue “… balancing the flexibility to allow states and territories to determine their own priorities with mechanisms for monitoring accountability and ensuring that the objectives of funding agreements are being achieved”.

Lack of conceptual frameworks

In practical terms, the CRC has called for improvements in two main areas:

1. Strengthened conceptual frameworks linking performance indicators with objectives and outcomes
2. Improved availability and timeliness of robust and nationally comparable data. “The extent to which the council is able to meaningfully report on the achievement of outcomes year-on-year is significantly constrained by the availability and quality of nationally comparable data. Without quality data, accountability and transparency fail.”

Cultural change

The Parliamentary inquiry and the CRC both emphasised the scale of the reforms, and the need for collaboration and coordinated action to facilitate economic and social reforms of national importance.

However, some concerns that the required cultural change is not occurring:

- Growth in NPs relying on prescriptive input controls rather than NA high level accountability indicators
- Unwillingness to accept responsibility for outcomes that are subject to other influences
- “shooting the messenger” on data issues
- Failure to follow mandated processes and frameworks (eg consultation on development of new NPs, applying HoTS conceptual framework)
- “reporting fatigue” — complaints about reporting burden (not just data provisio, but responding to published reports).
“Third level” of government

In Victoria, 78 local governments range from $8.6 million to $331.3 million annual expenditure.

Potential for performance measurement long recognised

Recurring challenges in local government. Issues have persisted over many years, and due in part to deficiencies in the quality and availability of performance information to managers and councillors.

Challenges:

- Poor asset and financial management and investment decisions
- Could not demonstrate that decisions were sound, appropriately targeted, or effective and efficient in meeting community needs
- Lack of service reviews — investments in recurrent services not supported by adequate analysis of service need, value for money, cost and financial sustainability
- Not effectively managing the full costs of services provided or basing fees on clear understanding of costs
But also concerns about resource constraints, compliance burden, difficulty attracting and retaining staff

**Four year plans**

**Local Government Act** (1989) requires Councils to set out a four year plan including:

- Strategic objectives
- Strategies for meeting them
- Performance indicators for monitoring their achievement.

**2008 VAGO audit** found:

- Information of limited relevance to ratepayers/residents
- Lacked information about quality of Council services, outcomes being achieved, and how these related to Council objectives
- Most Councillors and staff did not have the knowledge and skills for performance reporting
- Relevant policies limited or non-existent.

**VAGO recommended:**

- All Councils critically review performance information in their annual reports
- Regulations be issued establishing minimum standards for form and content
- All Councils document and approve performance reporting policies and standards
- Councillors and staff given appropriate training

**2011 VAGO audit** found little improvement. In particular, non-financial indicators of limited relevance. Current information deficiencies:

- Poorly expressed objectives that cannot be effectively measured. Lack of connection between strategic objectives and service level objectives
- Indicators do not cover all aspects of objectives and activities
- Indicators do not provide balanced information on quality, effectiveness and efficiency
Centralised system:

October 2009 the Minister for Finance called on the Essential Services Commission to develop a performance assessment and benchmarking regime for local government.

- July 2010 proposed a framework
- 18 service indicators and up to 20 supporting indicators associated with 8 service areas
- Indicators primarily drawn from those that Councils already reported to other government departments
- 33 Councils participated in a pilot report January 2011 (confidential report)
- September 2011 Minister directed ESC to cease work on the framework.

Current VAGO performance audit

Currently working on draft framework for performance reporting. Grappling with “first principle” issues:

Purpose — what is intended to be achieved:

- Public accountability
- Better informed management/Council information and decision making
- “compliance” reporting (especially on financial matters)

Scope — what Council activities should be measured (Each activity has multiple separate programs. Quickly leads to a very large reporting burden):

- Health and community services (often under contract to other levels of government, with separate reporting obligations)
- Infrastructure (roads, parks and gardens, community facilities)
- Recreation and cultural services
- Environmental management
- Regulation (planning and zoning) and local laws
- Economic development and tourism.

Responsibility

- Part of Annual Report?
- An independent authority? ALGA? VAGO?
Not necessarily claiming ‘best practice’ status, but some factors that have contributed to success of RoGS.

A couple of slides follow on each area.
The governance arrangements have been a key strength of the Review.

- **Central agency Steering Committee** provides authority and drive required to encourage service areas to report transparently on performance. Central agency representatives have provided high level strategic direction, with a focus on longer term government objectives, because of their ‘distance’ from the short term imperatives that, at times, dominate line agency priorities.
  - The ROGS has often been the ‘first mover’ in performance reporting for the services it covers, and typically the first to identify a need and press for the development of particular performance indicators (subsequently adopted by other reports).

- **Line agency working groups** provide subject area expertise. Cross membership of working groups with related parallel groups (such as Ministerial Council information sub-committees and COAG working groups) assists the ROGS to remain aligned with governments’ strategic and policy priorities.

- **Independent Chair and Secretariat** foster a collaborative and cooperative approach, and facilitates consensus decision-making in potentially contentious areas.

The governance arrangements have helped the development of some pragmatic **guiding principles**:
• non-technical report — accessible to non-specialists
• comparative performance reporting — both over time and across jurisdictions
• data from a range of sources — including some collected by the Secretariat
• progressive data availability (no general veto) — data are generally presented for those jurisdictions that can currently report
• timeliness — to retain relevance for decision makers there may be some trade-off with the degree of precision or validation of initial data
• comprehensiveness — across aspects of performance and service areas. The generic ROGS performance information framework (modified for specific services as required) provides a convenient and useful resource for people interested in more than one service area. It allows insights into approaches to performance assessment across services, and Secretariat research into improved performance measurement techniques can be shared across services. There is also an opportunity to address issues that affect (or are affected by) multiple service areas.
Can contrast the Steering Committee arrangements with those for National Agreement reporting.

National Agreements are multilateral agreements signed by heads of government, which gives a high level mandate.

- However, there have been some issues with lack of technical knowledge about what is practical — eg indicators that cannot be measured in practice
- And difficulty of revising Agreement content over time
- JCPAA inquiry concern about inadequate (Commonwealth) Parliamentary scrutiny. Recommended tabling of CRC & PC reports and formal government responses.

The Independent COAG Reform Council analyses performance data and reports to COAG:

- Established 2006. Six members: Chairman appointed by the Commonwealth; Deputy Chairman appointed by the States and Territories; four members agreed by COAG (at least one member having regional and remote experience)
- Some similarities to previous National Competition Council (rewarded/penalised states for competition reforms in the national interest — only ‘reward’ NPs involve actual $)
• Comments on both performance AND the performance reporting system
• The independence of the CRC is crucial. Not practical to ask the inter-jurisdictional Steering Committee to pass judgement on each other.

Steering Committee:
• agrees indicator specifications (in consultation with data providers, relevant Ministerial Council committees etc)
• endorses performance data for CRC analysis
• jurisdictional sign-off on data simplifies CRC task. CRC values being able to short cut arguments about the data – have been signed off by jurisdictions
**Theoretical issues**

- As raised by the CRC, the Parliamentary inquiry and the VAGO local government audits, performance monitoring needs to be based on a sound conceptual framework.

- RoGS approach (which has been reflected in the new Conceptual Framework for National Agreements and in the VAGO draft framework) is based on the service process, through which inputs and converted into outputs in the pursuit of desired outcomes.
Indicators can inform on a range of underlying purposes.

Depends on the purpose of the assessment. Lots of cross over, but:

- Funders of services might be primarily interested in:
  - accountability for resources (auditing)
  - Outcomes achieved
  - Cost effectiveness

- Providers of services might be more interested in:
  - Technical efficiency (inputs and outputs)

- Users of services are interested in:
  - Outcomes
  - Quality and appropriateness of services
  - Access (aspects of equity).
RoGS general framework provides information on effectiveness and efficiency on services for dual purposes:

- Improve services over time (info for government)
- Public accountability (info for service users).

Performance = the extent to which shared government objectives are met.

*Outcome* indicators = direct measures of the impact of a service.

*Output* measures = the services themselves. Included where there is evidence of a link between those outputs and outcomes.

*Equity* — outcomes or access for different groups.

*Effectiveness*—Indicators grouped according to NB characteristics of a service:

- *access* (availability and take-up)
- *appropriateness* (the right service)
- *quality* (fit for purpose, satisfaction).

*Efficiency*— how well organisations use their resources.

- *Technical efficiency* - (government) inputs per unit of output.
• *Cost-effectiveness* - (government inputs per outcome). Difficult to develop.
Meaningful and Understandable

- Does the measure accurately describe performance towards and the achievement of agreed objectives or outcomes?
- Does the measure provide a good indication of success?
- Does the measure aid public understanding of government achievement?

Timely

- Has a timeframe been specified for the achievement of the outcomes?
- Can the data be collected at a frequency that aligns with the required reporting frequency?
- Is there a significant delay in collecting and collating data?

Comparable

- Does the measure allow for comparisons:
  - over time?
  - between jurisdictions?
  - between target groups?
  - across similar programs or initiatives?
Administratively simple and cost effective
- Have the costs of data collection been considered?
- Does the benefit created by performance reporting outweigh the administrative burden and costs of data collection?
- Have other measures been considered that may be more cost effective?

Accurate
- Will data be of sufficient accuracy so that the community has confidence in the information on which to draw conclusions?

Hierarchical
- Can the measure provide information on performance at a lower level, for example in target groups or areas?

Avoidance of perverse incentives
- Has the measure been tested for unintended consequences?
- As far as possible, does the measure avoid encouraging perverse incentives?

Measurable
- Is the outcome or output quantifiable?

Documentation
- Is the measure stated in an unambiguous manner?
- Is it clear what is being measured?
Data quality

Some overlap with indicator criteria above.

ABS Data Quality Framework. Standards for assessing and reporting on the quality of statistical information. Seven dimensions:

- Institutional environment — factors that may influence the effectiveness and credibility of the agency producing the statistics
- Relevance — how well the statistical product or release meets the needs of users
- Timeliness -
- Accuracy — how well the data portray reality
- Coherence — internal consistency of a statistical collection or product, and its comparability with other sources of information, within a broad analytical framework and over time
- Interpretability — the availability of information to help provide insight into the data
- Accessibility — ease of access to data (and ability to reproduce indicators)
References

Report on Government Services

COAG Review of RoGS
http://www.coag.gov.au (December 2009 meeting link)

CRC National Agreement performance reports

Parliamentary inquiry into National Agreements

COAG conceptual framework for performance reporting
http://www.federalfinancialrelations.gov.au (Performance reporting link)

VAGO audit of local government performance reporting
http://www.audit.vic.gov.au (audits in progress link)