

# Monitoring and reporting performance

Report 18 : 2013–14



---

Queensland Audit Office

Location Level 14, 53 Albert Street, Brisbane Qld 4000

PO Box 15396, City East Qld 4002

Telephone (07) 3149 6000

Email [qao@qao.qld.gov.au](mailto:qao@qao.qld.gov.au)

Online [www.qao.qld.gov.au](http://www.qao.qld.gov.au)

---

© The State of Queensland. Queensland Audit Office (2014)

Copyright protects this publication except for purposes permitted by the *Copyright Act 1968*. Reproduction by whatever means is prohibited without the prior written permission of the Auditor-General of Queensland. Reference to this document is permitted only with appropriate acknowledgement.



Front cover image is an edited photograph of Queensland Parliament, taken by QAO.

ISSN 1834-1128

Your ref.  
Our ref. 2014-9118P



June 2014

The Honourable F Simpson MP  
Speaker of the Legislative Assembly  
Parliament House  
BRISBANE QLD 4000

Dear Madam Speaker

**Report to Parliament**

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*, and is titled Monitoring and reporting performance (Report 18 : 2013–14).

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Greaves', is written over a light grey rectangular background.

Andrew Greaves  
Auditor-General

# Contents

<b>Summary</b> .....	<b>1</b>
Conclusions .....	2
The Queensland framework .....	2
Public reporting of government services .....	3
Internal monitoring and reporting .....	5
Recommendations .....	6
Reference to comments .....	6
<b>1 Context</b> .....	<b>7</b>
1.1 Performance management concepts .....	8
1.2 Performance management frameworks .....	11
1.3 Audit objectives, scope and focus .....	13
1.4 Report structure .....	14
<b>2 Accountability for performance</b> .....	<b>15</b>
2.1 Background .....	16
2.2 Conclusions .....	16
2.3 Analysis of SDS service standards .....	17
2.4 Application of the framework in the SDS .....	20
2.5 Recommendations .....	26
<b>3 Improving service performance</b> .....	<b>27</b>
3.1 Background .....	28
3.2 Conclusions .....	28
3.3 Application of the framework in departments .....	28
3.4 External imperatives .....	31
3.5 Recommendation .....	34
<b>Appendix A— Comments</b> .....	<b>36</b>
<b>Appendix B— Audit approach</b> .....	<b>43</b>
<b>Appendix C— Glossary</b> .....	<b>46</b>
<b>Appendix D— Previous reports on monitoring and reporting performance</b> .....	<b>48</b>
<b>Appendix E— Summary of SDS analysis</b> .....	<b>52</b>



## Summary

---

It is always important to know whether a government entity is *effective*—doing the right things to achieve the intended results; and *efficient*—doing things right to make the most of limited resources. In times of fiscal constraint, it is arguably more important to know.

Those charged with running public sector entities need regular access to a suite of both financial and non-financial information to manage their business, determine whether they are on track and take timely corrective action if needed.

Public sector entities also must report publicly on their performance as part of their accountability obligations, to demonstrate their effective stewardship and responsible use of taxpayer-funded resources.

Both sets of performance information—that used for internal management purposes and that publicly reported—should share common attributes or characteristics. The information should be relevant, reliable, balanced and understandable; so that users can readily determine whether services are being delivered efficiently and effectively.

Ideally, both sets also are aligned, such that the information reported publicly to discharge accountability is a sub-set of that reported internally, for managing the business.

Publicly reported information about financial performance—how much services cost—is readily found in agency budgets and annual financial statements. This information is subject to robust international and national accrual-based reporting frameworks and accounting standards, which consistently produce reliable information that is comparable over time, between entities and between jurisdictions.

Public information on non-financial performance—how well services are delivered—generally is not subject to such recognised frameworks. It also is not audited nor required to be reported consistently in annual reports.

In Queensland, public sector entities must comply with the requirements for monitoring and reporting non-financial performance information set down in legislation and in the Queensland Performance Management Framework (PMF).

The objective of the PMF, introduced in 2008, is to improve the analysis and application of performance information to support accountability, inform policy development and implementation and create value for clients, stakeholders and the Queensland community.

Some departments are required also to report non-financial performance information, either as a condition of receiving Australian Government funding under national agreements and national partnership agreements; or as part of the Report on Government Services (ROGS) published annually by the Productivity Commission.

This audit examined how well the 20 core Queensland departments measure, monitor and publicly report on their non-financial performance. We assessed the performance information in their Service Delivery Statements (SDS) from the 2013–14 State Budget papers. We focused on these budget papers because departments were required to remove any performance information that reported on activities, inputs or processes; and replace it with outcome-based information reporting on the efficiency and effectiveness of their services.

We sought to determine if the non-financial performance information in the budget papers was outcome-based and whether it was relevant and useful, readily understood and actually measured what it claimed to measure.

We also assessed departments' internally reported management information against these same criteria, and against the most current information in their annual reports and strategic plans, to understand the quality and comprehensiveness of the full suite of performance information available to and used by management.

## Conclusions

While we support and commend the intent of the reform to the 2013–14 SDS, it has yet to deliver on its promise to support accountability and inform policy development and implementation. The service standards reported by the majority of departments and service areas fall well short of being direct measures of the efficiency or the effectiveness of the services they deliver.

With the present sharp focus and debate on the ways and means to achieve fiscal neutrality and to reduce public debt, the widespread lack of service standards and targets for the efficiency of services is of particular concern.

In this regard, the aphorism 'what gets measured gets managed' is apt. While the costs and benefits of monitoring performance must be balanced, measuring and monitoring the ongoing performance of the business is a core governance responsibility. Not knowing whether major government services are cost-efficient hampers effective decision making, particularly from the viewpoint of contestable service provision and being able to quantify reliably whether there are any significant potential savings from outsourcing of services. It also weakens accountability, as the SDS and annual reports cannot serve fully their intended purposes.

As with efficiency, there are issues with the way many departments report on their effectiveness. Their over-reliance on client satisfaction surveys to gauge service quality, as a proxy for measuring service effectiveness, makes it harder to know whether desired effects are being achieved and so, harder to evaluate the efficacy of policy implementation.

Notwithstanding this, the goal to improve public performance reporting remains realistic and attainable. We identified service standards used in other jurisdictions, and from first principles, that speak more clearly to efficiency and effectiveness to provide guidance on what could be measured.

The weaknesses we found in the suite of non-financial performance information used in some departments is evidence of a lack of commitment by executive and senior management to performance monitoring and reporting. These departments also were less likely to have any other external reporting imperatives apply to them, such as the ROGS or reporting requirements under a national partnership agreement.

These two common missing elements—management commitment and externally imposed reporting imperatives—established a clear dichotomy between the better practice departments and those lagging in this area. In this respect, requiring departments to publish audited performance statements in their annual reports to complement their audited financial statements would serve to consolidate the recent reforms.

## The Queensland framework

The PMF establishes a sound basis for public performance reporting. It sets out specific requirements and guides departments to evaluate, monitor and report on performance. Guidance for the strategic plan, SDS and annual report is comprehensive, specific and current.

Each accountable officer is responsible for implementing a system to monitor the performance of his or her specific agency, to improve service delivery and to manage resources responsibly.

The departments that have not implemented the PMF well lack a strong leadership focus on this area and have gaps in their organisational capacity and capability. Accordingly, their executives do not have sufficient, appropriate performance information about their cost-effectiveness; and cannot readily determine whether or how, they can improve their efficiency; nor can they discharge fully their public accountability obligations.

## Public reporting of government services

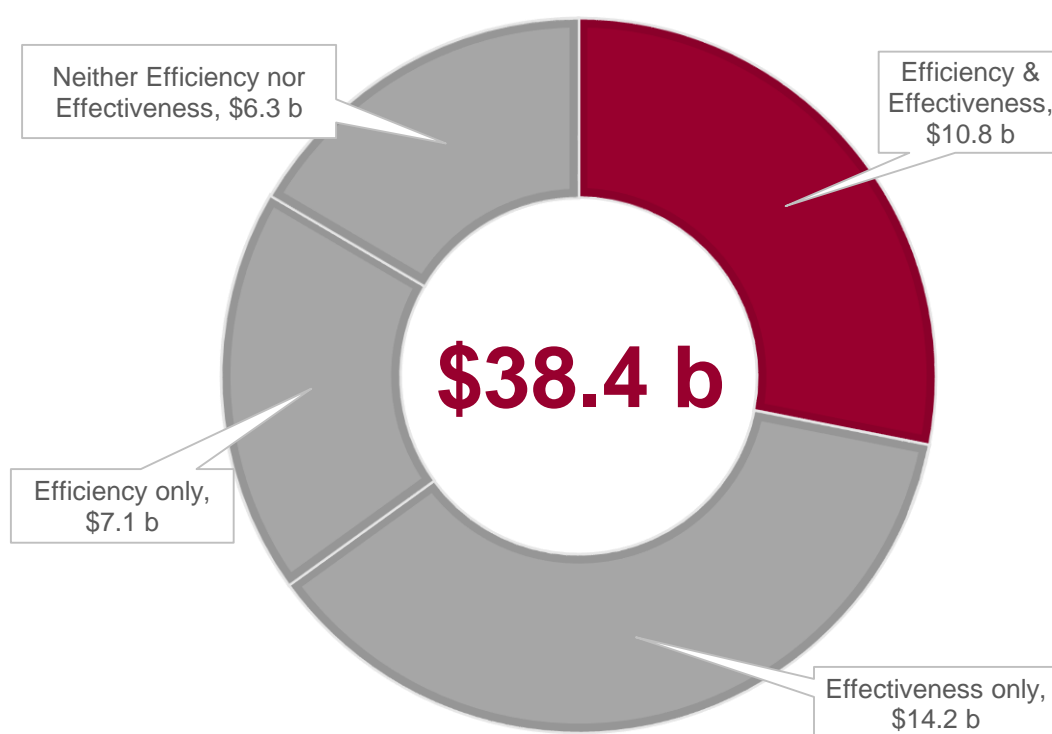
Following the annual review of the SDS in 2012, publicly reported performance information was required to focus on the services that public sector agencies produce (outputs) and their achievements (outcomes). Service standards that did not report on efficiency or effectiveness were to be discontinued in the SDS and reported elsewhere.

While the removal of input, process and activity-based measures has largely been achieved, the measures have not been replaced with relevant information to judge whether resources have been used well to achieve the desired result.

To meet the Department of the Premier and Cabinet (DPC) requirements, agencies were to publicly report at least one standard of efficiency and one standard of effectiveness for each service area. Service areas are related services grouped into a high level area, as deemed appropriate by the individual agency.

Figure 1 shows that these minimum requirements were not met in the 2013–14 budget papers, for the 20 core departments.

**Figure 1**  
**Public reporting of efficiency and/or effectiveness**  
**2013–14 budget service areas**



Source: Queensland Audit Office

Eight of 71 service areas, representing \$10.8 billion of public expenditure, report publicly at least one standard of efficiency and one standard of effectiveness. The lack of a balanced suite of efficiency and effectiveness standards for 72 per cent of the budget makes it difficult for the Parliament to hold departments fully to account.

### Setting efficiency standards

Departments report on the efficiency of the service areas less than they report on their effectiveness.



While 31 service areas did not report effectiveness standards, 61 services areas, representing \$20.5 billion of public expenditure, had no efficiency standards in their SDS.

The lack of data on the cost of service outputs is the main barrier to measuring efficiency. Where departments do not or cannot define and quantify their outputs and the costs of their individual services, they are unable to measure efficiency.

## Setting effectiveness standards

Measures of stakeholder satisfaction were most often used as proxies for service effectiveness. While such measures provide useful information about the perceived quality of the services, they do not directly demonstrate that the service objective has been achieved.

More direct indicators of service effectiveness and cost-effectiveness, while able to be defined for many services in-principle, were not used in practice.

## Defining service objectives

Significant scope remains to improve the expression of service area objectives.

Each service area must state its objective and how it contributes to the achievement of the agency's objectives and the whole-of-government direction. Objectives are meant to express clearly what the service area wants to achieve, be focused on the end result and be measurable and understandable.

The stated objectives for 16 of 71 service areas were unclear; most often, they described activities or processes instead of the expected results or intended effects. This makes it difficult for stakeholders to assess whether outcomes are being achieved, reducing accountability.

## Defining service areas

Some services in the 2013–14 SDS were grouped into service areas using organisational structures, rather than by logically combining interrelated services. This lack of a 'service logic' approach in these cases made it unclear how each of the disparate services, grouped into the one service area, contributed to the single service area objective or outcome.

Further, while each service area required *at least* one efficiency and one effectiveness standard, this was commonly interpreted in practice as a requirement to report *only* one standard.

Services that contribute logically to a single outcome can use a single standard of efficiency and one of effectiveness to demonstrate performance. When services comprise multiple disparate services, each individual service needs its own standard of both efficiency and effectiveness.

In these latter cases, where only one standard was reported, it tended to cover the performance of one service and not the others included in the service area. For 33 service areas (46 per cent), the service reported was not the most material, or highest cost, service.

## Matching service standards and service areas

Not all the service standards in the 2013–14 SDS were relevant to the stated objective. This mismatch blurred accountability for performance, as it placed responsibility for achieving outcomes at the wrong organisational level.

Across the 20 departments, 28 (nine per cent) of the service standards were for whole-of-government outcomes, not service-level outcomes. Such whole-of-government service standards are relevant to higher level, whole-of-government priorities; and typically require multiple agencies to work together. They are less relevant to specific departments, service areas or services within the SDS.

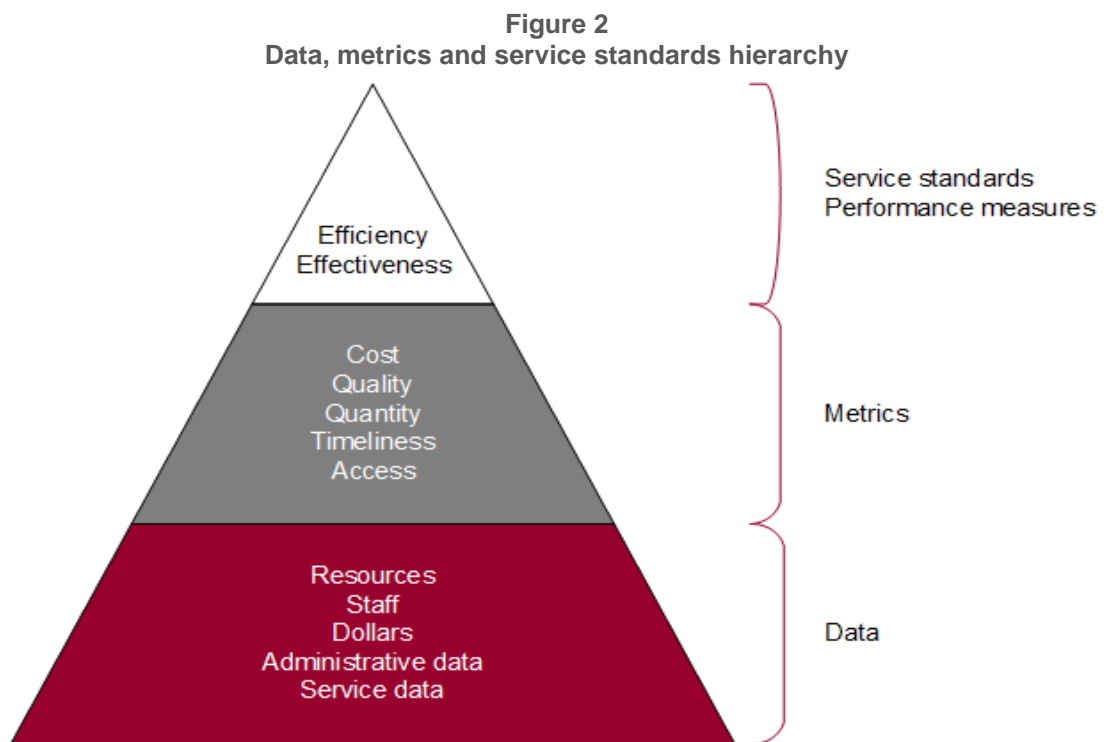
Similarly, some service areas reported standards that related to their lower level specific program or project objectives. Across the 20 departments, 154 standards (51 per cent) related to lower level program or project objectives. As a result, they also were not as relevant to the performance of the whole service area.

## Internal monitoring and reporting

The deficiencies we identified in public reporting by departments correlated strongly with weaker internal monitoring and reporting in these same departments.

Of the 61 service areas in the SDS that do not report on efficiency, 59 service areas also do not report internal efficiency standards to departmental executive management. Internal reporting on effectiveness shows similar patterns; 28 of the 31 service areas not reporting publicly on effectiveness, also did not monitor it internally.

Figure 2 shows the performance reporting hierarchy where data on inputs inform the output metrics, which, in turn, are used to develop service standards and performance measures. By combining output metrics, departments can report on the efficiency and effectiveness of their services.



Source: Queensland Audit Office

Without an underlying suite of output-based metrics informed by reliable data on each service area, departments cannot identify opportunities to improve their operations and demonstrate they are doing more or doing better, with less.

A common constraint identified by departmental staff is the lack of systems to measure and track reliably the cost of their services. This particularly inhibited their ability to develop useful efficiency service standards.

## Creating external imperatives

The PMF is aligned to the national framework, ROGS. Service areas that are required to report under the national ROGS performance indicator framework were more able to report a balance of efficiency and effectiveness standards in their SDS.

Across the 71 service areas in the 2013–14 budget papers, 47 of the 61 (78 per cent) that did not report efficiency standards also do not report in ROGS.

## Recommendations

It is recommended that:

1. **departments apply a service logic approach to define their service areas so that they only group services where they contribute to common objectives and outcomes**
2. **Queensland Treasury and Trade and the Department of the Premier and Cabinet update their mandatory guidance to require:**
  - **service standards that relate to whole-of-government objectives and outcomes to be reported at the ministerial portfolio or departmental level, not at the service standard level**
  - **where a service area comprises multiple services, that each material service has a separate line item budget and at least one efficiency service standard and one effectiveness service standard**
3. **departments be required to publish an audited performance statement in their annual reports to complement their audited financial statements.**

## Reference to comments

In accordance with section 64 of the *Auditor-General Act 2009*, a copy of this report was provided to the Department of the Premier and Cabinet and Queensland Treasury and Trade with a request for comments. All departments were provided with copies of their individual assessments throughout the audit and a copy of this report with advice that a fair summary of other responses received within the 21 days, would be included in the report.

Their views have been considered in reaching our audit conclusions and are represented to the extent relevant and warranted in preparing this report.

The comments received are included in Appendix A of this report.

# 1 Context

---

Governments deliver public goods and services for use by, or to benefit, the community. While some are provided on a fee-for-service basis, most are funded through taxation and other involuntary transfers.

The cost of government services are significant to national and state economies. Around \$184 billion or 12.1 per cent of Australia's gross domestic product was spent on such services in 2012–13, according to the Australian Government's *Report on Government Services 2014*.

In Queensland, the cost of public services in 2012–13 provided by the general government sector (comprising the 'core' departments, statutory authorities and agencies that are largely budget-funded) was \$46.129 billion, or 15.9 per cent of gross state product.

The processes and systems to capture and measure these costs are mature and robust; as are the financial reporting frameworks used in the preparation and presentation of public sector financial statements. Accrual-based budgeting and reporting is a long-standing requirement and is commonplace in government financial management frameworks. A hallmark of transparency and public accountability in this regard is the requirement to include independently audited financial statements in agency annual reports.

In the context of public sector service delivery, however, measuring and reporting on the cost of services tells us only how much is spent, not how well it is spent.

By way of contrast, the profit or loss reported by private sector entities is a direct measure of entities' efficiency of production and of their effectiveness in delivering goods and services that consumers want to buy; as is their share price and other financial measures like earnings per share and return on their assets.

For the general government sector, there is no meaningful 'bottom line', equivalent to profit or loss, which speaks directly to service efficiency and/or effectiveness. For this reason, significant attention has been paid over the past twenty years to establishing 'non-financial' performance reporting frameworks in all state and territory jurisdictions, nationally and internationally.

The common features of such frameworks are that they comprise a set of performance indicators or measures aligned to major government services that ideally provide direct insights into the cost-efficiency and effectiveness of each service in fulfilling its objectives.

Less commonly, the suite of indicators developed, or a sub-set thereof, may be contained in a 'performance statement', an analogue to the financial statement. These statements may be included in either, or both, the annual budget papers and the annual reports of agencies.

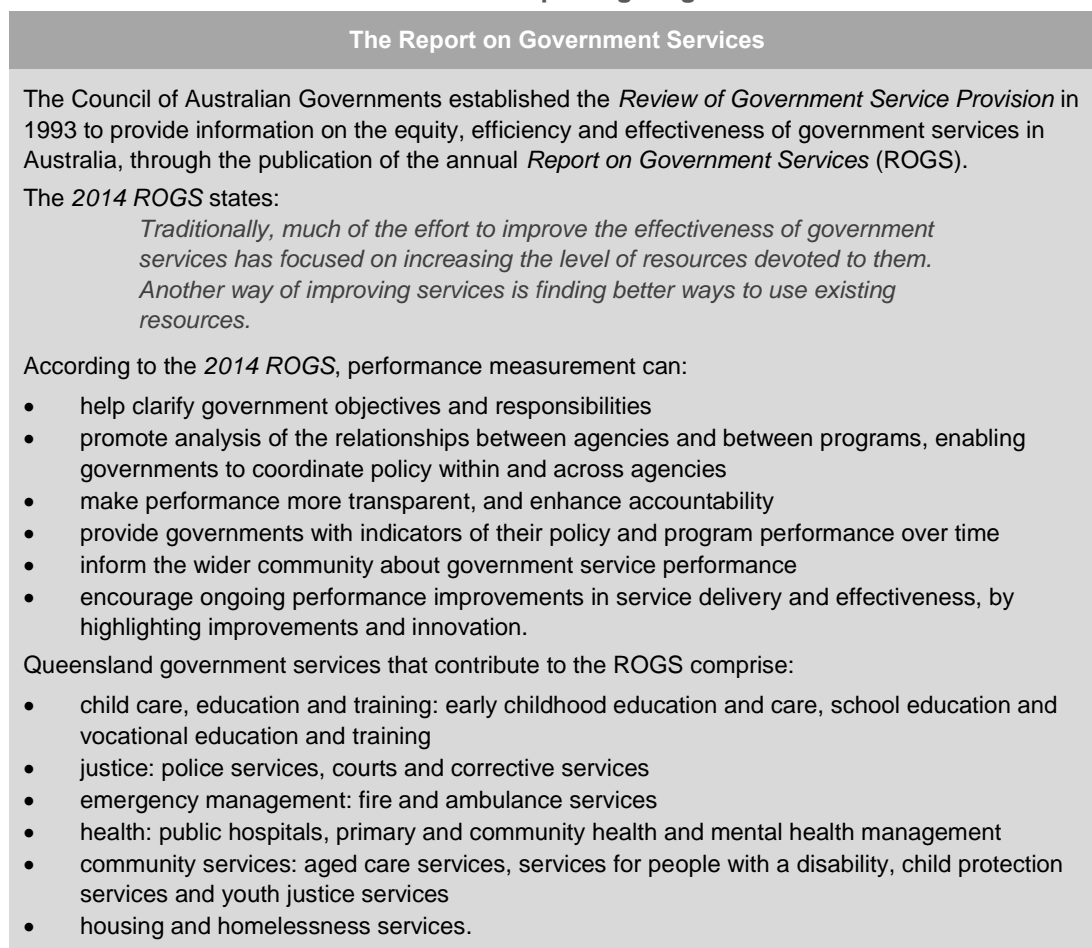
However, while non-financial performance reporting frameworks are now a long-standing requirement, it is clear from reviews by Auditors-General over the past decade that they consistently fail in their intent. Appendix D summarises the reports and findings of such audits. Notably, the list includes five previous reviews undertaken in Queensland that found serious deficiencies.

This is not just an Australian phenomenon. In 2008, the Auditor-General of New Zealand commented that:

*'Overall, the poor quality of non-financial performance reporting by public entities is disappointing. It needs to improve significantly to allow Parliament and the public to hold public entities accountable for their use of taxes and rates and for the effectiveness of their service delivery.'*

Some Queensland agencies presently report also to the Australian Government as a condition of funding agreements or through special purpose reports. The mechanism for collecting, collating and comparing performance across all states and territories is the Report on Government Services (ROGS). Figure 1A provides background information on the ROGS framework.

**Figure 1A**  
**The national framework for reporting on government services**



Source: Queensland Audit Office, adapted from ROGS

## 1.1 Performance management concepts

### 1.1.1 Service level concepts

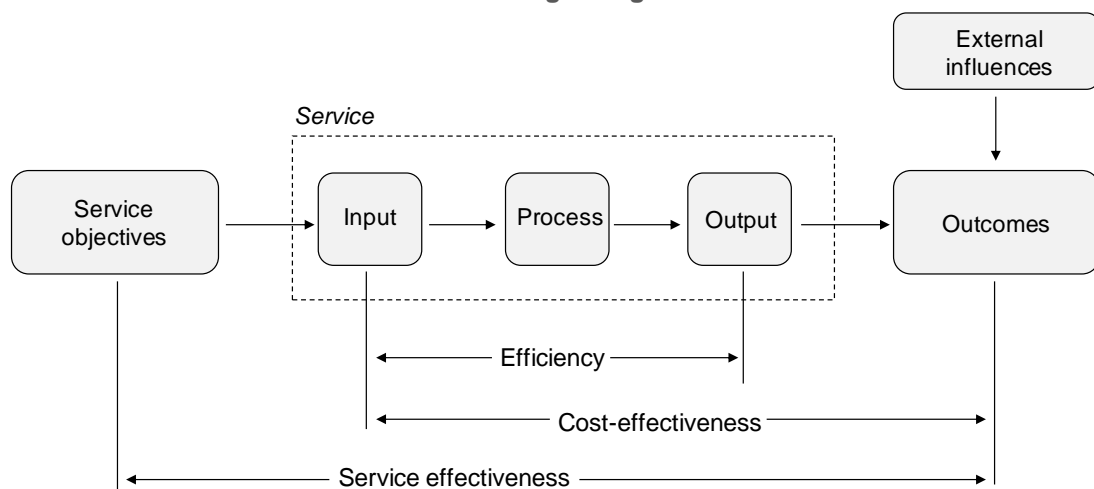
Public sector entities are typically made responsible through administrative arrangements and thus organised and resourced; and their services are typically defined in such a way that there is no overlap with other entities. This means each entity has its own unique set of services assigned to it.

The government services provided by these entities are many and varied—for example:

- services provided to the benefit of all such as those that maintain and uphold the law and good order, like criminal and civil court services, law enforcement, custodial and public safety services
- services provided to the benefit of some individuals or groups such as economic infrastructure (roads, railways and ports) and social infrastructure (public and social housing public open space, parklands and gardens), education, childcare and aged care
- services provided directly to other public sector entities that then indirectly support service delivery such as policy advice, economic forecasting, public debt management and control.

A relatively few, well established concepts underpin the frameworks used for measuring and managing the non-financial performance of such services. Service logic diagrams provide a succinct depiction of these concepts and their interrelationships. Figure 1B is one example of a service logic diagram that is used widely in Australia.

**Figure 1B**  
**Service logic diagram**



Source: Queensland Audit Office adapted from ROGS

This diagram demonstrates that each service delivered:

- requires a combination of **inputs**
  - human effort, skill and knowledge
  - physical assets
  - information and other intangible assets
  - financial assets.
- which are translated, converted or otherwise used up in **processes**
- that are applied to produce **outputs**—the units of services produced, which may themselves be discrete units (such as licenses issued) or continuous units (such as teaching hours provided).

Objectives for each service delivered are able to be expressed in terms of the outputs produced and the outcomes expected.

## 1.1.2 Service standards

Service level **output** objectives relate to the delivery of the service to pre-determined service level standards. Such output performance standards typically are expressed in terms of:

- their quantity—the desired number to be produced for discrete outputs or planned activity level for continuous outputs
- their timeliness—when the service is to be provided as required by the user, or otherwise made available as intended by the provider when it is not a demand-driven service
- their cost—the expected cost, as set out in the approved budget
- their quality—the fitness for purpose of the service, which may include factors such as accuracy or extent of adherence to externally mandated quality standards.

Service level **outcome** objectives relate to the intended or desired effect of that service on the recipient. If the objective of the service is to provide affordable housing, then the outcome objective would be to maximise the numbers of those requiring assistance who are successful in finding long term housing solutions.

The service logic diagram also shows services may be evaluated in terms of their efficiency and their effectiveness:

- **efficiency**—measured by establishing the relationship between the quantum of outputs produced and the cost of inputs, this 'technical efficiency' is typically measured as the cost per unit output
- **effectiveness**—the degree of correlation between, or the extent of divergence from the service objective, its expected cost and the actual outcomes achieved, service effectiveness is typically determined by measuring the effect on the service recipient; service cost-effectiveness is measured by relating the cost of the service to the economic and other benefits realised.

## 1.1.3 Organisation and whole-of-government level concepts

While each public sector entity provides its own unique set of services; a number of these services may be aggregated usefully into 'service areas', which are not necessarily unique to one entity.

Ideally, the service areas within an entity are established by grouping the separate services provided into combinations that collectively contribute to a common outcome objective.

The same principle applies across entities, where each entity provides a service or combination of services that collectively contribute to a higher order outcome; an outcome that each entity can influence through the services it delivers, but which none controls completely.

This means there will be objectives and outcomes more relevant at the service area level than at the service level. These are often represented as 'whole-of-government' objectives and outcomes and are not able to be simply attributed to the actions of any one entity.

For example, a common service area across the Department of Transport and Main Roads and the Queensland Police Service is road safety: both contribute toward this service outcome, one standard of which is the number or rate of deaths and serious injuries from road accidents.

## 1.2 Performance management frameworks

### 1.2.1 Central agency roles and responsibilities

The Department of Premier and Cabinet (DPC) has responsibility for the design and oversight of the operation of the Performance Management Framework (PMF) and for the guidance material which supports it.

Queensland Treasury and Trade (QTT) administers the Financial and Performance Management Standard 2009 (the FPMS).

The FPMS outlines governance requirements for departments, including the requirement for each director-general to establish a performance management system. Performance management and reporting systems are implemented to enable stakeholders to decide whether each department is:

- achieving the objectives stated in its strategic plan efficiently, effectively and economically
- delivering the services stated in its operational plan to the standard stated in the plan.

While QTT oversees departmental reporting of financial performance, it is DPC which oversees non-financial performance reporting across government. It sets out its requirements in three guidelines:

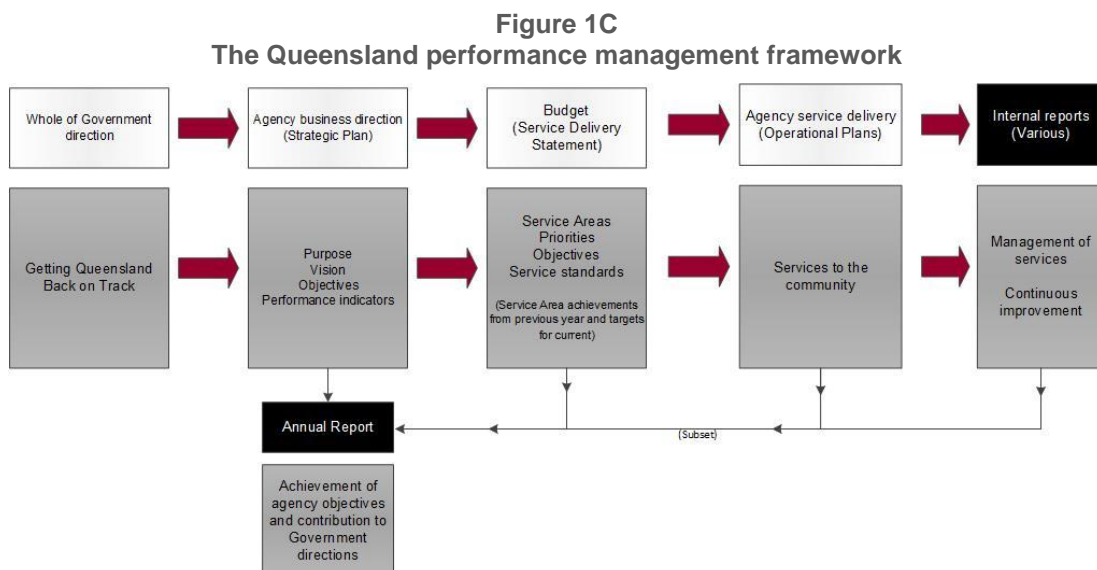
- *The Guide to the Queensland Government Performance Management Framework*
- *Agency planning requirements*
- *Annual report requirements for Queensland Government agencies.*

DPC and QTT each year review the departmental service area objectives, standards and targets that are published in departments' Service Delivery Statements (SDS). Departments submit their draft service standards to DPC which checks:

- there is at least one service standard that measures the effectiveness of the service area
- there is at least one service standard that measures the efficiency of the service area
- there are no measures of activity, process, input or quality of the services.

### 1.2.2 Departmental roles and responsibilities

In August 2008, the Managing for Outcomes framework was replaced with the PMF, illustrated in Figure 1C. The PMF aims to integrate and align planning and budgeting with resource management and performance management.



Source: Queensland Audit Office



The PMF guidance material sets out clear minimum requirements for departments' three primary external accountability documents: their strategic plans; the SDS; and their annual reports.

### Strategic plans

Section 9 of the Financial and Performance Management Standard 2009, requires accountable officers and statutory bodies to develop a strategic plan. They must comply with the *Agency planning requirements* prepared by DPC. A strategic plan clearly articulates an agency's direction to staff, clients and other stakeholders and sets the parameters for operational plans. Strategic planning is an ongoing organisational process that helps agencies identify their objectives, the strategies they will implement and the performance indicators to measure how well they achieved their objectives.

The purpose of strategic planning is to:

- describe the vision (strategic direction) of the agency
- identify the agency's purpose
- demonstrate how the agency's objectives will contribute to the achievement of the whole-of-government direction (objectives for the community, priorities and strategies)
- describe strategies to make the agency's vision a reality
- determine how the objectives will be measured (performance indicators).

### Service delivery statements

The SDS are published annually as part of the state budget. They predominantly contain budgeted financial and non-financial information about each agency for the current and coming financial year.

The non-financial component outlines the services each agency will deliver and the standards to which these will be delivered.

The SDS are a primary source of information for hearings of the parliamentary estimates committees. These hearings allow Parliament to examine the funding provided in the state budget to each ministerial portfolio.

The SDS are used by Members of Parliament, the media, the public and other interested parties to obtain information on the objectives, service areas, key strategies and performance of Queensland Government agencies.

### Annual reports

Section 63 of the *Financial Accountability Act 2009* requires all departments and statutory bodies to prepare annual reports for tabling in the Legislative Assembly. They must comply with the *Annual report requirements for Queensland Government agencies* prepared by DPC.

Annual reports complement each agency's SDS by reporting both actual non-financial and financial performance information and analysing this against targets and budgets. Annual reports support transparency and can drive continuous improvement in performance. Where annual reports incorporate relevant and reliable performance information, they increase trust and confidence in public sector service delivery.

### Special purpose performance reports

Public sector agencies also may contribute to, or produce, additional reports on their performance that are not required by the PMF. Figure 1D lists examples of such reports.

**Figure 1D**  
**Special purpose reports**

Department	Report	Frequency
Department of Education, Training and Employment	Performance measures report	Annually
Department of Environment and Heritage Protection	State of the environment report	Four-yearly
Department of Health	Hospital and Health Service performance	Quarterly

Source: Queensland Audit Office

Statistics and data on government services are also available as part of the open data initiative at <https://data.qld.gov.au/>. The open data initiative aims to:

- encourage people, companies, researchers and non-government organisations to develop innovative solutions to Queenslanders' problems
- help make government more transparent and accountable.

### Internal performance monitoring

Section 13 of the Financial and Performance Management Standard 2009, requires accountable officers and statutory bodies to have systems in place to provide information about performance to the accountable officer every 3 months and the appropriate Minister at least annually or when asked for. Internal monitoring of service performance within an organisation is an integral part of managing the business. Decision makers need regular, relevant and reliable information to assess whether they are doing a good job and are on track to achieve their objectives. Internal reports are the main mechanism for management to judge performance and take corrective action if needed.

Internal reports typically contain a broader set of performance information than external reports. Accountable officers determine the format, timing and approach to internal monitoring of performance.

The reports are tailored to the individual agency but generally include:

- performance reports—trend data on key performance metrics against the objectives and service standards
- human resource reports—staff numbers, absenteeism, vacancies, age profiles and equal employment targets
- finance reports—year to date figures and actuals, by organisational unit
- risk reports—strategic risk registers and mitigating strategies
- action/status reports—progress reports against milestones and budgets.

## 1.3 Audit objectives, scope and focus

The objective of the audit was to assess whether the core, general government, public sector departments included in the SDS are efficiently and effectively measuring, monitoring and reporting on their non-financial performance.

The audit examined whether:

- the departmental performance measurement and public performance reporting policy framework establishes a sound basis for comprehensive public performance reporting
- departments have implemented a balanced suite of output and outcome efficiency and effectiveness measures
- publicly reported performance information enhances public sector accountability and transparency.

Entities subject to this audit comprised:

- Department of the Premier and Cabinet
- Queensland Treasury and Trade
- Department of Aboriginal and Torres Strait Islander and Multicultural Affairs
- Department of Agriculture, Fisheries and Forestry
- Department of Communities, Child Safety and Disability Services
- Department of Community Safety (former)
- Department of Education, Training and Employment
- Department of Energy and Water Supply
- Department of Environment and Heritage Protection
- Department of Housing and Public Works
- Department of Justice and Attorney-General
- Department of Local Government, Community Recovery and Resilience
- Department of National Parks, Recreation, Sport and Racing
- Department of Natural Resources and Mines
- Queensland Health
- Queensland Police Service
- Department of Science, Information Technology, Innovation and the Arts
- Department of State Development, Infrastructure and Planning
- Department of Tourism, Major Events, Small Business and the Commonwealth Games
- Department of Transport and Main Roads.

### 1.3.1 Audit method and cost

We examined the SDS, strategic plans, annual reports and internal corporate reports of the entities subject to the audit. The 2012–13 SDS contain the service standards for 71 service areas with a total budget allocations of \$38.4 billion.

Feedback was provided to the departments throughout the audit as they were reviewing and updating their SDS for the 2014–15 budget.

We also delivered two workshops on monitoring and reporting performance attended by 77 participants across the public sector, to gather qualitative data on the implementation of the Queensland performance management framework and their views on the barriers to good performance monitoring and reporting.

The cost of the audit was \$ 460 000.

## 1.4 Report structure

---

The remainder of the report is structured as follows:

- Chapter 2 discusses accountability for performance
- Chapter 3 discusses improving service performance
- Appendix A contains responses received
- Appendix B contains the audit approach
- Appendix C contains a glossary
- Appendix D contains extracts from national and international reports on monitoring and reporting performance
- Appendix E contains a summary of findings across the 71 service areas.

## 2 Accountability for performance

### In brief

#### Background

Government departments publicly account for their financial and non-financial performance through their Service Delivery Statements (SDS) in the annual budget papers and through the performance information they include in their annual reports.

Relevant and reliable information, which fairly represents performance, strengthens accountability and improves transparency. Information on the efficiency and the effectiveness of the services delivered is of most use; this has been recognised through the shift towards output-based efficiency measures and outcome-based effectiveness measures.

#### Conclusions

While we support and commend the intent to reform the SDS, it has yet to deliver fully on its promise. The service standards reported by the majority of service areas fell well short of being direct measures of efficiency or the effectiveness of the services delivered by departments.

With the present sharp focus and debate on the ways and means to achieve fiscal neutrality and to reduce public debt, the widespread lack of service standards and targets for the efficiency of services is of particular concern. Not knowing whether services being delivered are cost-efficient hampers effective decision making and weakens accountability.

#### Key findings

- Of 71 service areas reported in the 2013-14 SDS across 20 departments, 51 (72 per cent) express their service objectives clearly and in a way that facilitates measurement.
- Not all service areas meet the requirements to report efficiency and effectiveness:
  - eight (11 per cent) report at least one standard of efficiency and one standard of effectiveness
  - 23 (32 per cent) report only effectiveness
  - two (3 per cent) report only efficiency
  - 38 (54 per cent) report no standards of efficiency or effectiveness.
- There is a mismatch between service objectives and standards—60 per cent of the service areas report standards that are too low level (51 per cent), relevant to project/program objectives; or at too high a level (9 per cent), relevant to whole-of-government objectives and outcomes.
- The barriers to good performance monitoring and reporting include a lack of incentives, poor leadership, limited staff capabilities and data and systems limitations.

#### Recommendations

It is recommended that:

1. **departments apply a service logic approach to define their service areas so that they only group services where they contribute to common objectives and outcomes**
2. **Queensland Treasury and Trade and the Department of the Premier and Cabinet update their mandatory guidance to require:**
  - **service standards that relate to whole-of-government objectives and outcomes to be reported at the ministerial portfolio or departmental level, not at the service standard level**
  - **where a service area comprises multiple services, that each material service has a separate line item budget and at least one efficiency service standard and one effectiveness service standard.**

## 2.1 Background

---

Public performance reporting by departments is a practical way to make government open and accountable. The annual budget papers and annual reports have long been the foundation for such reporting.

In the annual budget papers tabled in June each year, Service Delivery Statements (SDS) for each department provide the Parliament and the public with unaudited forecasts of the expected financial and non-financial performance for the current financial year; and the financial and non-financial targets for the next budget year.

The annual reports of departments, tabled after financial year-end, contain the actual results and should explain why these varied from the targets set and forecasts made for that year. Only the financial results in the annual report are audited.

In 2012, the annual review of the service standards, led by the Department of the Premier and Cabinet (DPC) and Queensland Treasury and Trade (QTT) changed the focus of the standards from what was done to what was achieved and how well.

Standards of input and/or activity, which did not demonstrate effectiveness or efficiency, were viewed as not relevant standards of the agency's services. The 2012 DPC review identified 335 standards across the 20 departments that did not report on the efficiency or effectiveness of the service areas. These were discontinued for the 2013–14 State Budget and if appropriate reported elsewhere.

The aim was to replace these with direct outcome-based standards of efficiency and effectiveness of services. In its conception, this is a positive step toward strengthening public accountability, designed appropriately to shift the focus of public performance reporting away from inputs and activities to achievement of outcomes.

We examined the departmental SDS in the 2013–14 budget papers to determine whether the intent of these reforms had been realised.

## 2.2 Conclusions

---

While we support and commend the intent to reform the SDS, it has yet to deliver fully on its promise. The service standards reported by the majority of service areas fall well short of being direct measures of outcomes, either in the efficiency or the effectiveness of the services delivered by departments.

With the present sharp focus and debate on the ways and means to achieve fiscal neutrality and to reduce public debt, the widespread lack of service standards and targets for the efficiency of services is of particular concern. Not knowing whether services being delivered are cost-efficient hampers effective decision making and weakens accountability.

In the same way, the tendency for departments to report output-based measures of service quality, as a proxy for service effectiveness, makes it harder to know whether intended or desired effects are being achieved, and so, harder to evaluate the efficacy of policy.

This notwithstanding, the goal to improve public performance reporting remains realistic and attainable. We identified service standards in other jurisdictions and from first principles that speak directly to efficiency and effectiveness to provide guidance on what could be measured but not what must be measured. We also identified some weaknesses with the current framework in the way service areas are grouped that work against transparent reporting. Remedying these will help departments to develop more robust service standards and targets.

## 2.3 Analysis of SDS service standards

### 2.3.1 Background

Section 12 of the Financial and Performance Management Standard 2009 (FPMS) describes the need for an accountable officer to know whether the department's objectives are being achieved 'efficiently, effectively and economically' and whether the services stated in its operational plan are delivered to the standard stated in the plan'.

Service standards are set with the aim of defining a level of performance that is appropriate and expected to be achieved for a service area or service. Establishing service standards enables government and the public to make an assessment of whether or not departments are delivering services to acceptable levels of efficiency and effectiveness.

The performance information of each department published in the SDS includes a selection of service standards for each service area.

### 2.3.2 Summary analysis

All departments were required to include *at least one* service standard to demonstrate their service efficiency and *at least one* standard to demonstrate their service effectiveness in the 2013–14 budget papers.

Figure 2A shows that, of the 71 departmental service areas in the budget papers, eight (11.3 per cent) fulfilled this requirement, accounting for 28.1 per cent of total departmental budgets of \$38.3 billion.

A further 23 service areas (32.4 per cent) had at least one effectiveness standard, but no standards of efficiency; while two more had at least one efficiency standard, but had no effectiveness standards.

Figure 2A  
2013–14 Budget: service area reporting on efficiency and/or effectiveness

Service Delivery Standards	Service areas		Cost	
	Number	Per cent	\$ billion	Per cent
Effectiveness and efficiency	8	11.3	10.8	28.1
Efficiency only	2	2.8	7.1	18.5
Effectiveness only	23	32.4	14.2	37.0
<b>Sub-total</b>	<b>33</b>	<b>46.5</b>	<b>32.1</b>	<b>83.6</b>
No effectiveness or efficiency	38	53.5	6.3	16.4
<b>Total</b>	<b>71</b>	<b>100.0</b>	<b>38.4</b>	<b>100.0</b>

Note: in Appendix E we categorise each service standard in terms of whether it is a direct **outcome** standard of efficiency or effectiveness; a direct **output** standard of activity, cost, timeliness or quality of service; or an **input** or **process** standard.

Source: Queensland Audit Office

### 2.3.3 Outcome standards for efficiency

Only ten service areas reported an outcome efficiency standard, meaning that 61 areas (85.9 per cent), accounting for \$20.5 billion (53.4 per cent) of departmental budgets, provided no direct information on the efficiency of their services.

Efficiency is about making the most out of available resources (dollars, people and infrastructure) to optimise the quality and quantity of services produced.

Streamlining systems and processes, using new technology, introducing innovative management approaches and reducing waste are all ways of making more efficient use of resources. DPC provides clear and comprehensive guidance to departments on how to measure efficiency. Figure 2B outlines the definitions, descriptions and some examples of efficiency from the Performance Management Framework (PMF).

**Figure 2B**  
**Definitions and examples of service standards of efficiency**

Definitions and examples			
Standards of efficiency—How the agency’s resources are being used			
<p><b>Definition:</b> Reflect how capabilities (resources) are used to produce outputs for the purpose of achieving desired outcomes.</p> <p><b>Description:</b> Efficiency standards are generally shown as a ratio, e.g. cost per service transaction, or some other form of comparison</p>			
<p><b>Example 1:</b> Screening cost per patient</p>	<p><b>Example 2:</b> Average cost of service per student: Primary (Prep—Year 7)</p>	<p><b>Example 3:</b> Average cost of policy advice</p>	<p><b>Example 4:</b> Average cost per regulation activity</p>

Source: Queensland Audit Office adapted from Department of the Premier and Cabinet, *Better Practice Guideline for Developing Performance Information—useful information and examples*

Departmental staff involved in developing service standards frequently contended that the proportion of their operating budget used in delivering their services is a measure of their efficiency. Budget underspend does not demonstrate efficiency, as overspend does not demonstrate inefficiency. It is simply the direct measure of input cost; and at best it could be a proxy indicator of activity, where cost and activity are correlated.

Similarly, completing projects and initiatives on budget, on time, or delivering activities when planned, while purported in the SDS also to be efficiency standards, are simply activity standards.

In this regard, DPC staff are not consistently applying the PMF definitions when advising departments; for example, three accountable officers specifically commented that measuring performance against plan, such as projects delivered on time and on budget, has been agreed by DPC and Queensland Treasury and Trade (QTT) as an acceptable standard of efficiency.

### Case study 1

#### Good practices

Housing services in the Department of Housing and Public Works report a standard of efficiency in the SDS that demonstrates how well the area is using its resources:

- average tenancy and property management administration cost per households assisted.

Other good efficiency standards that departments report publicly in their SDS include:

- cost of supervision per day (Department of Justice and Attorney-General)
- average cost per transaction to deliver biosecurity registration, certification and licensing services (Department of Agriculture, Fisheries and Forestry)
- gross cost per ambulance incident (Former Department of Community Safety).

Source: Queensland Audit Office

## 2.3.4 Outcome standards for effectiveness

There were 31 service areas that reported an effectiveness standard, meaning 40 service areas (56.3 per cent), accounting for \$13.4 billion (34.9 per cent) of departmental budgets, provided no direct information on the effectiveness of services.

Outcome effectiveness is about measuring the quantifiable effect of the service in the community. The level and quality of the service provided are variables that can change the effect of the service in the community.

Figure 2C outlines the PMF definitions, descriptions and some examples of effectiveness standards.

**Figure 2C**  
**Definitions and examples of service standards of effectiveness**

Definitions and examples			
Standards of effectiveness: How well the agency's service delivery is creating the desired results			
<b>Definition:</b> Reflect how well the actual outputs of a service achieve the agency's stated purpose (objective) of the service.			
<b>Description:</b> Standards of effectiveness describe the quantifiable extent of the effect of the service on recipients (i.e. the outcome experienced by them), as a result of the level and quality of the service or product provided.			
<b>Example 1:</b>	<b>Example 2:</b>	<b>Example 3:</b>	<b>Example 4:</b>
Number of stage 1 XYZ cancers detected through screening service as a proportion of total patients diagnosed with XYZ cancer	Years 3, 5, 7 and 9 test—Proportion of students at or above the national minimum standard: reading, writing and numeracy	Proportion of Cabinet submissions that meet or exceed agreed quality criteria	Percentage of decisions upheld on appeal

*Source: Queensland Audit Office adapted from Department of the Premier and Cabinet, Better Practice Guideline for Developing Performance Information – useful information and examples*

In place of outcome efficiency or effectiveness standards, there was a propensity by departments in their SDS to use output-based standards of the quality and timeliness of their services as proxies for service effectiveness.

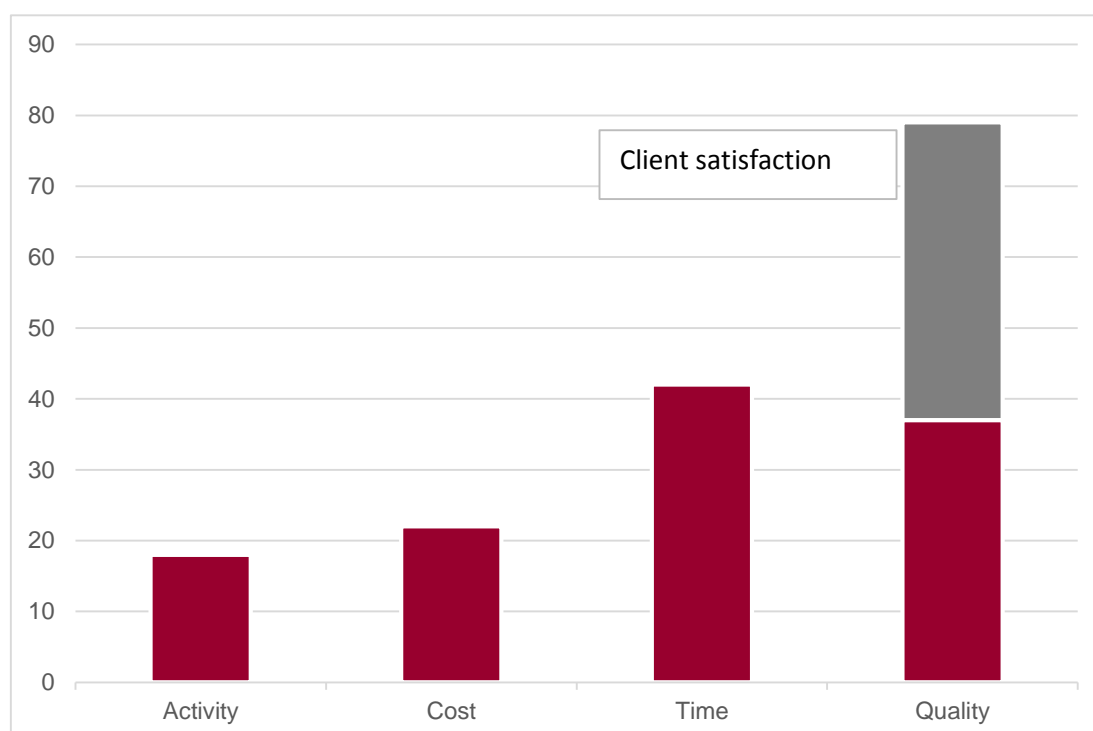
Of the 301 standards in the 2013–14 SDS, 161 (53 per cent) are standards that relate to outputs, rather than outcomes. Figure 2D summarises the numbers of output-based metrics by type.

Cost is the least used, and quality the most used, output-based standard.

The lack of cost-based standards is consistent with comments from the workshops we ran, at which the absence of costing systems to generate data on the unit costs of services was identified as a major barrier to departments being able to measure directly their service efficiency.



**Figure 2D**  
**Numbers of output standards in the SDS by type, 2013–14**



Source: Queensland Audit Office

Measures of service quality are, at best, indirect indicators of effectiveness. The quality of a service can be quite high but still not be effective; for example, clients of a weight loss clinic may be very satisfied with the service but not have lost any weight.

There also is a strong preference to measure service quality by determining the level of 'client satisfaction'—even where the client is another government agency. Just over half (53 per cent) of the output-based quality metrics are standards of client satisfaction.

But client satisfaction is not an end in itself. It is, therefore, a weak measure of service quality and so an even weaker proxy for outcome effectiveness. If used, it needs to be combined with other quality standards to understand if service objectives are being met.

## 2.4 Application of the framework in the SDS

The results of this analysis indicate that departments are experiencing problems in the interpretation and application of the performance management framework to the SDS.

The following common issues were evident from our review of the SDS:

- setting objectives—lack of clarity in expression of service and service area objectives
- defining service areas—organisational structures, rather than a 'service logic', being used to establish service areas, leading to combinations of unrelated services
- mismatching objectives and standards—service standards set too low for project-level outcomes; or too high for whole of government outcomes, blurring accountability
- selective reporting of service standards—a minimum compliance approach taken where 'at least one' is interpreted as 'only one'; and the one used relates to immaterial services
- poor formulation of service standards—confusion between standards and targets and the ways these are represented, which obscures expected and actual performance and reduces transparency.

## 2.4.1 Setting service objectives

A clearly stated service objective:

- is easy to understand and to measure
- expresses what the agency wants to achieve from that service
- focuses on the end result, not on the means of achieving the result
- is consistent with the government's broad objectives for the community.

Figure 2E provides an example of a service objective clearly articulating the outcome for the community.

**Figure 2E**  
**Example of a clear service area objective**

Service area	Objectives
Police services	The objectives of the Queensland Police Service are to: <ul style="list-style-type: none"> <li>• stop crime</li> <li>• make the community safer (including stopping road trauma)</li> <li>• build relationships across the community.</li> </ul>

*Source: 2013–14 SDS Queensland Police Service*

Of the 71 service areas in the 2013–14 SDS, 51 have clear and measureable objectives. Due to machinery of government changes, the objectives of the four service areas for the former Department of Community Safety were not assessed.

Unclear, poorly expressed service objectives reduce accountability for the resources invested in the service, because stakeholders cannot readily determine what the intended outcomes are and so, whether they are achieved.

When service areas do not have clear, outcome-focused objectives, they tended to describe what they do, such as:

- work with partners and industry
- develop and implement a strategy
- provide policy advice
- lead programs and initiatives.

Figure 2F provides two examples of services areas that describe the service or how they intend to deliver the service, rather than the results they want to achieve for their clients, stakeholders or the community.

**Figure 2F**  
**Examples of service areas with unclear objectives**

Service area	Objective	Audit observations	How it could be improved
Revenue management	The revenue management service area administers a revenue base of around \$13 billion by delivering and administering simple, efficient and equitable revenue management services for state taxes and royalty revenue. Additional responsibilities include undertaking revenue compliance, grant schemes and debt recovery activities for the state.	This describes the role of the service, not its objective. It is internally focused rather than stating what the service will deliver and how it will contribute to the government's priorities.	Maximise revenue collected, reduce the cost to collect debt and improve client satisfaction.
Disability services	Disability Services leads disability policy and manages program investment across the government and non-government sectors to support people with disability, their families and carers and provides and funds services for children, young people and adults with disability and their families and carers.	This an internally focused description of how the service undertakes its responsibilities. It does not state the outcomes to be achieved for the community.  Measuring this objective would involve assessing how successful the department was in leading program investment, rather than the end result for its clients.	Enhance the quality of life experienced by people with disability by assisting them to live as valued and participating members of the community.

Source: Queensland Audit Office

Expressing objectives that are centred on actions steers departments to monitor their progress through activity standards or quantity metrics, instead of standards of efficiency and effectiveness.

## 2.4.2 Defining service areas

Service areas are the lowest level 'units of accountability' used in the SDS, against which budgeted revenues and costs and service standard targets are set.

To maximise their usefulness requires the application of a 'service-logic' approach. Such approaches relate and align objectives, inputs, processes and outputs to outcomes. They produce service areas comprising either a single service, where there is one-to-one correspondence between output and outcome; or groupings of interrelated services which work together to produce common outcomes against a common objective.

This allows users of the SDS and annual reports to make better sense of how individual services work either singly or collectively to deliver on the government's priorities.

Such a service logic approach was not used consistently to define service areas in the 2013-14 SDS—for example:

- transport safety, regulation and customer service (Department of Transport and Main Roads (DTMR)): the two functions in the service area are not closely aligned to any one outcome as evidenced by the need to express two objectives, being 'improved customer service' and 'managing and regulating the transport system safely, economically and sustainably'
- economic (QTT) functions include the Government Statistician, government owned corporations sector, best practice regulation and reducing red tape, microeconomic and competition reform, intergovernmental fiscal relations issues, including national financial agreements, matters pertaining to the distribution of the goods and services tax (GST), and national tax reform and Queensland's compulsory third party insurance scheme and the Motor Accident Insurance and Nominal Defendant funds.

### 2.4.3 Matching service standards to objectives

To be useful, service standards must be relevant; that is, they need to relate closely to the service objective if they are to demonstrate that the objective is being achieved or the desired impacts are being effected.

Not all the service standards in the 2013–14 SDS were relevant to the stated objective. This mismatch operates to blur accountability for performance, because it ostensibly attributes responsibility for outcomes to the wrong organisational level.

Some service areas used standards that were more relevant to higher-level, whole-of-government objectives and outcomes; many of which are outside the direct control of a department or which could not be significantly and directly influenced by the services under that service area. Across the 20 departments, 28 (nine per cent) of the service standards were whole-of-government outcomes.

One example is the Department of Health which includes service standards on Queenslanders' healthy eating habits, engagement in physical activity, alcohol consumption, rates of smoking, sun protection behaviours and screening rates. Changes in these statistics rely on actions across a number of government departments, as well as the positive actions of individuals. While the standards indicate the contribution of public health campaigns, they would be better placed at a whole-of-government plan level so the coordinated actions and outputs can be assessed.

Some service areas used standards that related to lower level program or project objectives; standards that did not assess the performance of the whole service area. Across the 20 departments, there were 120 service standards that reported on the overall performance of the service area, but there were 154 (51 per cent) that related to lower level program or project objectives. Examples are:

- National parks: percentage of the protection and wildfire mitigation zones prescribed burning target achieved on Queensland Parks and Wildlife Service-managed estate to protect life and property
- Revenue management: State Penalties Enforcement Register (SPER) clearance rate (finalisations/lodgements)
- Prevention, promotion and protection: number of rapid tests for human immuno-deficiency virus (HIV) performed.

### 2.4.4 Fairly representing performance

The PMF requires that departments include a selection of service standards for each service area to demonstrate the efficiency and effectiveness of service delivery.

As part of its 2012 review of service standards in the SDS, DPC advised departments to review the service standards for the 2013–14 SDS so:

- there is at **least one** service standard that measures the effectiveness of the service area
- there is at **least one** service standard that measures the efficiency of the service area.

For the performance of a service area to be fairly represented by the standards selected requires consideration of which services contribute most to the objective and which consume the most funds. This may mean that more than one efficiency and more than one effectiveness standard is needed; particularly where a service area comprises multiple services or functions.

The minimum requirement of 'at least one' was translated in practice into a 'maximum' requirement for the efficiency standards in the 2013–14 SDS. Of the 10 service areas that had an efficiency standard in the SDS, nine had only one. By contrast, of the 31 service areas that had an effectiveness standard, 13 had only one.

When the service areas are constructed along organisational structures or using other non-service logic approaches, a single service standard for efficiency or for effectiveness does not help users assess performance. To demonstrate:

- transport safety, regulation and customer service (DTMR): measuring how long a customer waits in line does not demonstrate improved safety on roads or ports
- economic (QTT): measuring satisfaction of the Government Statistician provides no accountability for the other important functions undertaken by the Economic Division.

There were 33 service areas (46 per cent) that did not report on the material services within service areas or on significant aspects of their objectives. Case study 2 demonstrates the selective reporting of an immaterial service, while ignoring services that consume relatively more material expenditures.

## Case study 2

Science Delivery: Budget 2013–14 \$60.7 million

### Objective

Science Delivery provides a scientific evidence base to underpin legislative responsibilities across several Queensland Government departments. This scientific evidence base contributes to Queensland Government policy and planning related to legislation, ensuring that government decision making is founded on sound, practical science. The work of Science Delivery supports planning and management processes in other government departments across the environment and natural resources spectrum.

DSITIA's ambient air quality monitoring network comprises 27 monitoring sites throughout Queensland, including South-East Queensland, Gladstone, Mackay, Townsville, and Mount Isa. Program objectives are to evaluate compliance with National and State standards and goals, identify long-term trends in air quality, support the statutory role of the Department of Environment and Heritage Protection (DEHP) in investigating air quality complaints and managing emissions for licensed facilities, and to provide the community with information on air quality.

### Services

- informed purchaser and/or independent broker of scientific services for and in partnership with client agencies
- scientific and technical services and advice in the priority areas of water (freshwater and marine), land and vegetation, climate variability, air quality and biodiversity.

### Service standards

- average time taken to upload air quality monitoring data to the Department of Environment and Heritage Protection website
- percentage of clients satisfied with the natural resource and environmental science, information and services provided.

### QAO analysis

1. Air quality monitoring is only one output of the service area costing \$1.5 million annually (2.5 per cent of the \$60.7 million budget). There is no reporting on the other outputs; scientific and technical services and advice on water, land and vegetation, climate or biodiversity.
2. Client satisfaction on the quality of services as perceived by the recipient of the advice is an indirect and highly subjective measure. It does not measure the quality of the scientific and technical services against objective standards but client perceptions.

Source: Queensland Audit Office

## 2.4.5 Service standards and targets

Service standards use the data from organisational metrics on activities, quality, cost and time. The standards are typically calculated and reported as numbers, dollars, percentages or hours. The way they are defined and reported can either demonstrate performance or obscure performance.

Service performance can be obscured by constructing the standard as the percentage of improvement in timeliness. This confuses the standard with the target.

The Department of State Development, Infrastructure and Planning reports the percentage of projects being managed, delivered or facilitated which meet committed time frames and approved budgets. This standard is a process measure that relates directly to how the department delivers these services, rather than to the outcomes of the services themselves. By reporting the percentage, the department obscures actual performance, as the standard provides no useful data on the actual length of any delays or on the amount of any cost overruns or revenue shortfalls.

Another example are the DTMR reports on the percentage of projects in the State Planning Program:

- commencing no later than four months after the programmed commencement date
- completed no more than 10 per cent after the programmed period
- costing less than 10 per cent over the programmed estimate.

Again this provides no useful data on the actual length of any delays or on the amount of any cost overruns or lost revenues.

## 2.5 Recommendations

---

**It is recommended that:**

- 1. departments apply a service logic approach to define their service areas so that they only group services where they contribute to common objectives and outcomes**
- 2. Queensland Treasury and Trade and the Department of the Premier and Cabinet update their mandatory guidance to require:**
  - **service standards that relate to whole-of-government objectives and outcomes to be reported at the ministerial portfolio or departmental level, not at the service standard level**
  - **where a service area comprises multiple services, that each material service has a separate line item budget and at least one efficiency service standard and one effectiveness service standard.**

## 3 Improving service performance

---

### In brief

#### Background

The Queensland Performance Management Framework (PMF) aims to allow clear line of sight between planning; measuring and monitoring results; and public reporting so performance information is accountable, relevant and valuable to the Queensland community.

The Department of the Premier and Cabinet (DPC) administer the PMF. Accountable officers are responsible for implementing the PMF in their respective departments.

#### Conclusions

Departments have not implemented the PMF well. A lack of leadership and internal capability in applying the PMF is frustrating improvements in accountability and transparency. Service areas outside the human services arena have made little progress reporting efficiency and effectiveness as there are few incentives or pressures to do so.

Shortfalls in public reporting of efficiency and effectiveness reflect deficiencies in internal monitoring of government services. As a result, opportunities to improve the performance of government services are being missed. Departments are not able to optimise available resources to meet the government's broad objectives for the community.

#### Key findings

- The minimum requirements for external documents are specific and guidance is detailed. DPC's advice to departments is occasionally at odds with the PMF.
- The 2012 review of the Service Delivery Statements concentrated on reporting standards of efficiency and effectiveness by discontinuing 335 service standards reporting on inputs, activities or processes.
- Service areas delivering human services and operating within a Report on Government Services performance framework have more mature performance measurement systems and are more likely to report efficiency standards.
- Barriers to good performance monitoring and reporting include a lack of incentives, poor leadership, limited staff capabilities and data and systems limitations.

#### Recommendation

3. **It is recommended that departments be required to publish an audited performance statement in their annual reports to complement their audited financial statements.**



## 3.1 Background

---

The objective of the PMF is to improve the analysis and application of performance information to support accountability, inform policy development and implementation and create value for clients, stakeholders and the Queensland community.

Accountable officers implement the PMF through systems, practices and controls for their departments. When departments monitor and report on both their service efficiency and effectiveness, it improves their accountability and their decision making.

They can identify areas for improvement and develop the best and most appropriate solutions. To do this, departments need to have non-financial measures of how well they are performing, complementing their traditional financial measures of how much they are spending.

## 3.2 Conclusions

---

That the PMF is not well implemented in many departments can be attributed variously to a lack of leadership, knowledge, skills and systems required to support a strong performance management culture. By not realising the full benefits of the PMF, departments are missing opportunities to analyse systematically and improve their delivery of government services.

Public confidence in reports on the delivery of government services is reduced by the lack of a corroborated performance statement in annual reports. Trust in performance reports could be improved if the reports were independently audited to demonstrate they included relevant and appropriate information that fairly represented performance.

## 3.3 Application of the framework in departments

---

To achieve its objective, the PMF needs to be implemented as part of a sustained and deliberate effort to improve performance.

At the department level, it means officers need to have the skills and capacity to develop efficiency and effectiveness standards that provide a relevant, balanced view of performance, underpinned by a reliable and robust performance measurement system.

### 3.3.1 Guidance, training and culture

Currently, departmental officers can access guidance materials on planning, monitoring and reporting from the DPC website, but training on the principles of the PMF and their implementation is not offered routinely.

Responding to this lack of training, as part of this audit, we ran two workshops for departmental staff who develop strategic plans, SDS and annual reports. In addition to providing these staff with practical guidance on how to develop efficiency and effectiveness standards, we also used these workshops to canvass with them whether they encountered or perceived any systemic barriers to developing robust performance measurement systems.

In relation to leadership and the 'tone at the top'—promoting and fostering a strong performance management culture—systemic matters were commonly raised by workshop participants:

- Performance measurement is undervalued and not supported. Some departmental staff perceive their executive and senior management lack necessary understanding of the principles and concepts involved in measuring, monitoring and reporting on service performance.
- Departments adopt a 'compliance mentality' to performance reporting—something which has to be done, rather than something which provides valuable insights into service performance gaps and which could be used to drive improvements.

- There is resistance to adopting a more outcome-focused framework. Departments do not want to publicise poor or under-performance.
- There are perceptions that the cost of performance measurement, including investing in information systems and skilled staff, is too high. Little or no budget is set aside for making improvements to performance measurement systems.

In relation to performance measurement systems and processes:

- There is a tendency by departments to measure what they can, rather than what they should. Their information systems are not being tailored to capture, collate and report information on the achievement of outcomes. 'Legacy' performance measurement systems have traditionally been activity-focused and, accordingly, staff have difficulty accessing accurate, reliable and up to date data for performance analysis and reporting.

In relation to staff capability—their skills and knowledge—matters were consistently identified as requiring a systemic response:

- Staff lack education and understanding of performance measurement. They are not familiar with terminology and definitions, especially about objectives, outputs and outcomes. They have difficulty defining relevant and meaningful objectives, service outputs, intended outcomes and standards of efficiency and effectiveness
- Staff are not skilled in developing meaningful and measurable performance indicators. They find it challenging to establish relevant benchmarks and standards that report performance attributable to the department.

These comments echo barriers to good performance reporting identified in other jurisdictions.

### Case study 3

#### Barriers to good performance reporting

##### Obstacles:

- basic principles of good reporting are not understood or applied
- performance reporting takes place in a political environment
- there are few incentives for good reporting and few sanctions for poor reporting.

As there is little incentive to prepare quality reports, those preparing performance reports often:

- report what can be reported rather than what should be reported
- are reluctant to report information that may reflect poorly on the entity
- do not adequately report information to allow users to assess how outputs affect intended outcomes.

*Source: Queensland Audit Office adapted from Report of the Auditor-General of Canada, April 2002; and The Auditor-General's observations on the quality of performance reporting, Office of the Auditor of New Zealand, June 2008.*

Accountable officers have commented that monitoring and reporting performance can be a complex and costly task which must be balanced with drawing resources away from frontline service delivery.

While the costs and benefits of developing new standards and the effort to compile the data must be judged, measuring and monitoring the ongoing performance of the business is a core governance responsibility.

Only when accountable officers receive regular, reliable and relevant performance data, are they best placed to assess how well their organisations are using public resources and to identify improvement and savings opportunities. They are also better able to determine the cost and effectiveness of their services to evaluate their contestability.

### 3.3.2 Internal reporting of efficiency standards

Departments often consider that measuring the time it takes to deliver a service, such as licence applications, is about being efficient. Processing cycle times typically correlate weakly to resource consumption and, at best, are a weak proxy for efficiency. This is because cycle time does not directly measure the resources used to deliver the service or the cost of those resources.

The length of time a customer or client waits is a better measure of service quality and could be used as an effectiveness standard.

Where efficiency standards are reported publicly, they are not being further disaggregated or reported more frequently within the departments as part of monitoring service area performance.

Only three of the 61 service areas that do not publicly report on their efficiency reported information internally to management. The remaining 58 service areas did not provide information to management about their efficiency in delivering services.

Case study 4 is an example of good practice for a service area that has a range of internal performance standards to assess and manage the efficiency. These internal standards are summarised and reported publicly to demonstrate performance.

#### Case study 4

##### Monitoring and reporting efficiency: Custodial services

###### Overview

The area of custodial services includes government and privately operated facilities and a range of service providers to support the rehabilitation of offenders within and outside custodial services facilities. Custodial services provide community safety and crime prevention through the humane containment, supervision and rehabilitation of offenders in correctional centres throughout Queensland.

###### Internal standards

The following standards are reported internally either quarterly or monthly to executive management, by facility:

- cost of containment per prisoner per day
- average daily state vs. built bed capacity: high security facilities
- high security facilities built capacity use
- built capacity use—male and female custodial centres and farms.

These internally reported standards allow senior management to maintain accountability for the efficient use of resources and to take action to remediate any variations in performance on a site by site basis. This reduces the risk of significant variance against the budget. These standards then form the basis of their public performance reporting.

###### Public reporting

Standards reported externally for transparency purposes allow users of the public information to form a view on whether the service area is efficient:

- cost of containment per prisoner per day
- facility utilisation (percentage).

Source: Queensland Audit Office

### 3.3.3 Internal reporting of effectiveness standards

Of the 40 service areas with no service standards of effectiveness in the SDS, service effectiveness was being monitored in three cases through internal reports to senior executive management and in departmental annual reports. For the other 37 service areas with no standards in the SDS, there is no other internal monitoring or reporting on effectiveness to senior management.

Case study 5 highlights one service in the emergency management, fire and rescue service area that does have a range of internal performance standards to measure and manage the effectiveness of the services. These internal standards are also summarised and reported publicly to demonstrate performance.

### Case study 5

#### Monitoring and reporting effectiveness: Fire and emergency services

**Service area objective:** Emergency management, fire and rescue services contribute to safer and sustainable communities through emergency management, community assistance, responses to structure and landscape fires, and rescue across all hazards. This area includes the State Emergency Service, enhancing community resilience and mitigating risk through community safety programs.

#### Internal standards

These effectiveness standards are reported quarterly/monthly to executive management in the area of fire safety services:

- estimated percentage of households with a smoke alarm/detector that is operational/has been tested
- percentage of households with non-mandatory fire safety measures
- percentage of building premises inspected and deemed compliant at first inspection
- hazardous condition incidents attended by urban personnel/rural brigades
- number of hazardous material incidents
- number of accidental residential structural fires
- number of incomplete rural vegetation fire reports
- response times to structure fires including call taking time (50<sup>th</sup> percentile / 90<sup>th</sup> percentile)
- percentage of building approvals processed within agreed time frame
- total number of mobile property crashes.

The internal effectiveness standards allow senior management to monitor the service at the state and regional level and take action to remediate any variations in performance on a site by site basis. This reduces the risk of service failures.

#### Public reporting

These effectiveness standards are reported externally for accountability purposes. They allow the department to demonstrate that the service area is effective and delivering value:

- estimated percentage of households that have undertaken new natural disaster preparedness actions within the last 12 months
- percentage of identified disaster management training capability delivered
- percentage of local governments with a current disaster management plan reviewed for effectiveness
- estimated percentage of households with a smoke alarm/detector that is operational/has been tested
- response times to structure fires, including call taking time (50<sup>th</sup> percentile / 90<sup>th</sup> percentile)
- percentage of building and other structure fires confined to room/object of origin
- percentage of building premises inspected and deemed compliant at first inspection.

Source: Queensland Audit Office

## 3.4 External imperatives

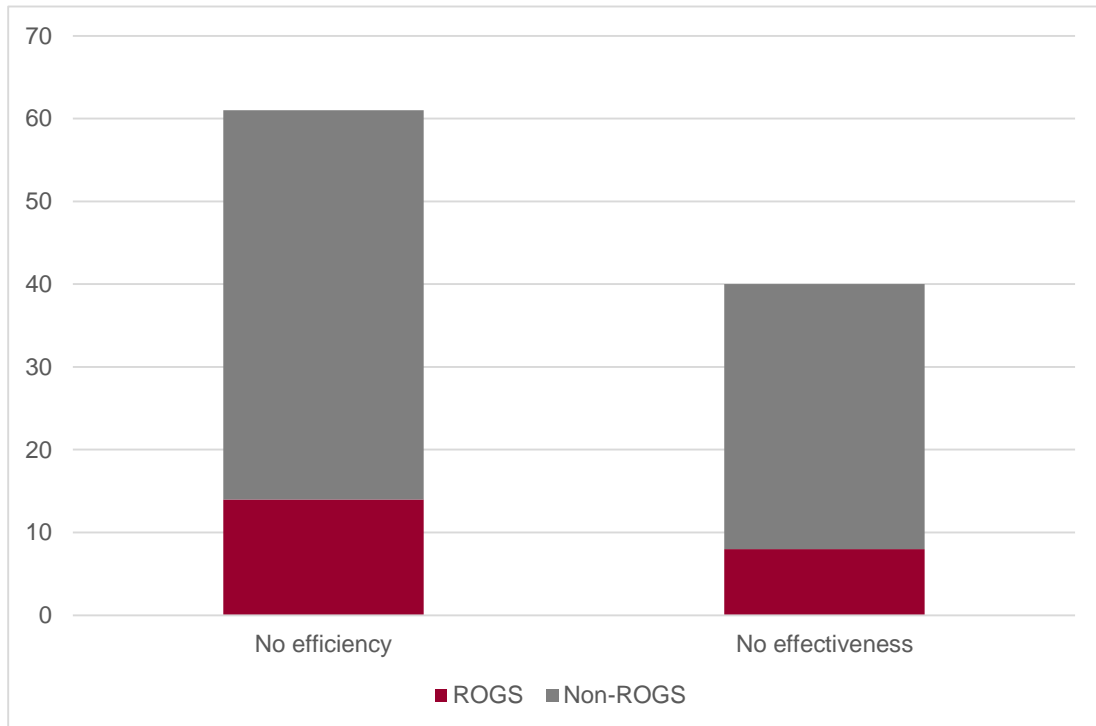
The PMF incorporates the better practice principles from the national Report on Government Services (ROGS) framework. ROGS is a key tool to measure and report on the productive efficiency and cost effectiveness of government services.

The strength of aligning these two frameworks is that Queensland service areas reporting for ROGS can use the same standards for PMF reporting. This removes duplication and provides national benchmarks that departments can use to compare their performance—important where the agency may be the only one delivering government services in that state or territory.

Education, health, justice, emergency management, community services and housing and homelessness sectors report on their performance in ROGS. Across these sectors, 16 service areas contribute to ROGS and have national performance frameworks that include a balance of equity, efficiency and effectiveness indicators.

Service areas that are required to comply with national reporting requirements are more likely to report a balance of efficiency and effectiveness standards. Figure 3A shows that 47 (78 per cent) of the 61 service areas not reporting on efficiency also do not have a ROGS performance framework.

**Figure 3A**  
**Service areas not reporting efficiency or effectiveness**



Source: Queensland Audit Office

Human service areas have been able to work with other jurisdictions to develop common performance frameworks with a set of balanced performance indicators.

Government services such as infrastructure project delivery, policy development and regulators have not had the same external drivers or support to develop performance frameworks. These areas have not successfully initiated or led inter-jurisdictional partnerships themselves to develop national performance frameworks for the non-human service areas.

Figure 3B shows three examples of jurisdictions where government departments include audited performance statements in annual reports.

**Figure 3B**  
**Jurisdictions with audited non-financial performance statements**

Performance statements in annual reports

In **Western Australia**, annual reports include certified performance indicators. By signing the certification, the accountable officer provides assurance that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the agency's performance and fairly represent the performance of the agency for the financial year.

The Auditor-General for Western Australia is required to audit the performance indicators disclosed in the annual report and express an opinion on their relevance and appropriateness, and whether they fairly represent performance for the period under review.

Similar requirements exist in **New Zealand** where the accountable officer signs a statement of responsibility in the annual report that, in the officer's opinion, the agency's statement of service performance fairly reflects its operations for the financial year. The Auditor-General of New Zealand audits the performance information contained in the annual reports and expresses an opinion.

In **Canada (British Columbia)**, the Auditor-General provides an assurance for organisations on request: a user driven process. An opinion is given that performance was fairly presented in accordance with the reporting requirements. There is corroboration provided to the public that the reports contain reliable information on the organisation's actual performance in relation to its planned performance and the information was relevant, as required by the reporting principles.

*Source: Queensland Audit Office*

Some aspects of performance can be gauged or measured with greater certainty than others. Management can build the confidence of users in the reliability of the performance reports by providing greater levels of assurance. Figure 3C shows the different steps management can take to improve trust in reporting.

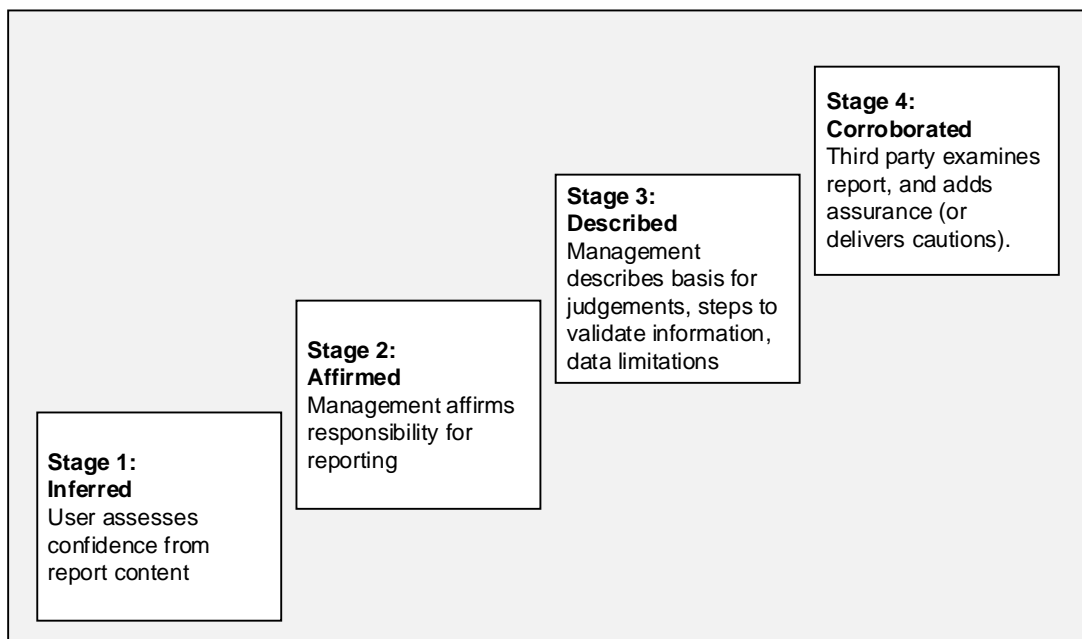
At stage one, users assess the reports themselves, based on the content. This provides users with little confidence in the reliability of the performance reports. At stage two, the report might include a brief statement acknowledging management's responsibility for the preparation of the report and confirming that it reflects all circumstances and decisions that might affect it.

Stage three builds further confidence of users by:

- briefly describing the steps management has taken to develop confidence in the reliability of reported information
- identifying any significant caveats or limitations in the supporting information (such as limitations of proxy indicators being used until better measures become available) that might reasonably influence the judgments of readers
- describing strategies to remedy limitations (where appropriate to do so)
- affirming that the interpretations embedded in reporting reflect the best judgments of the reporting unit's leaders.

The highest level of assurance is to engage outside support at stage four. A formal corroboration from a third party of the information and judgements in the report is the hallmark and top level of credibility of a performance report.

**Figure 3C**  
**Basis for confidence in reports**



Source: CCAF-FCV, *Reporting Principles: Taking Public Performance Reporting to a New Level*, 2002

The PMF currently requires an assurance that all information in departmental annual reports complies with the relevant legislative requirements and associated policy and/or guidelines. A letter of compliance addressed to the relevant Minister for the agency must be included in the annual report and the letter of compliance must be signed by the accountable officer. This affirms that management are confirming that all aspects of the reporting requirements have been acquitted (stage two). The level of assurance over financial performance is stage four — corroborated, independent audit assurance.

## 3.5 Recommendation

- 3. It is recommended that departments be required to publish an audited performance statement in their annual reports to complement their audited financial statements.**

# Appendices

<b>Appendix A— Comments .....</b>	<b>36</b>
<b>Appendix B— Audit approach.....</b>	<b>43</b>
Audit objective.....	43
Reason for the audit.....	43
Performance audit approach.....	44
<b>Appendix C— Glossary .....</b>	<b>46</b>
<b>Appendix D— Previous reports on monitoring and reporting performance.....</b>	<b>48</b>
<b>Appendix E— Summary of SDS analysis.....</b>	<b>52</b>
Service Delivery Statements: 2013–14 .....	52



## Appendix A—Comments

---

In accordance with section 64 of the *Auditor-General Act 2009*, a copy of this report was provided with a request for comment to the Department of the Premier and Cabinet and Queensland Treasury and Trade, as central agencies. The following departments were also provided a copy of the report with advice that a fair summary of other responses received within the 21 days, would be included in the report:

- Department of Aboriginal and Torres Strait Islander and Multicultural Affairs
- Department of Agriculture, Fisheries and Forestry
- Department of Communities, Child Safety and Disability Services
- Department of Education, Training and Employment
- Department of Fire and Emergency Services
- Department of Energy and Water Supply
- Department of Environment and Heritage Protection
- Department of Housing and Public Works
- Department of Justice and Attorney-General
- Department of Local Government, Community Recovery and Resilience
- Department of National Parks, Recreation, Sport and Racing
- Department of Natural Resources and Mines
- Department of Science, Information Technology, Innovation and the Arts
- Department of State Development, Infrastructure and Planning
- Department of Tourism, Major Events, Small Business and the Commonwealth Games
- Department of Transport and Main Roads
- Public Safety Business Agency
- Queensland Health
- Queensland Police Service.

Responsibility for the accuracy, fairness and balance of the comments rests with the head of these agencies.

## Comments received from Director-General, Department of the Premier and Cabinet



For reply please quote: *PU/NT – TF/14/11078 – DOC/14/85513*  
Your reference: 2014-9118P

Department of the  
Premier and Cabinet

17 JUN 2014

Mr Andrew Greaves  
Auditor-General  
Queensland Audit Office  
PO Box 15396  
CITY EAST QLD 4002



Dear Mr Greaves

Thank you for your letter of 27 May 2014 about the performance audit on monitoring and reporting performance.

The Department of the Premier and Cabinet (DPC) has coordinated a response to the audit report with Queensland Treasury and Trade (QTT) as the central agencies. As you know, under the *Financial and Performance Management Standard 2009* (the standard), the accountable officer is responsible for managing the performance of their department. Therefore, it is not appropriate or possible for the central agencies to respond to findings specific to each department.

The role of central agencies (DPC and QTT) is to set financial and performance management policy, and to provide guidance and support to departments. Under the standard, each accountable officer must, in managing the performance of their department, ensure the department complies with the Queensland Government Performance Management Framework (PMF) and other legislative requirements. Neither DPC nor QTT have responsibility for auditing departments' compliance with the legislation or policies.

#### *Recommendation 1*

Under the financial legislation, accountable officers are responsible for performance management, including the definition of service areas and performance measures, and then measuring and reporting on these. While this recommendation is not specifically the responsibility of the central agencies, the central agencies support this recommendation in-principle.

DPC is responsible for developing the framework and guidance to support departments in developing their performance management systems and measures.

Executive Building  
100 George Street Brisbane  
PO Box 15185 City East  
Queensland 4002 Australia  
Telephone +61 7 3224 2111  
Facsimile +61 7 3229 2990  
Website [www.premiers.qld.gov.au](http://www.premiers.qld.gov.au)  
ABN 65 959 215 158

The PMF currently provides guidance for departments to identify appropriate service areas and recognises that this is a matter of judgement for the individual agency and its Minister and that a number of influences impact on an agency's service area specifications.

DPC will review the PMF requirements and supporting guidance to include more detailed information on a 'service logic' approach. The central agencies will work with departments to improve the specifications for service areas. It would be beneficial for the Queensland Audit Office (the QAO) to be involved in this process.

*Recommendation 2*

The central agencies support this recommendation in-principle, as it will result in a more robust framework for performance management.

DPC will consider the most appropriate way to measure and report on related services that are delivered by multiple departments across Government, and will review the PMF requirements and supporting guidance accordingly.

The level at which departments report service areas in their Service Delivery Statements (SDS) can be based on a number of factors. The requirements of management, the way the department performs its business, the limitations of departmental reporting systems, or the needs of a wide range of users to support decisionmaking can all impact on the service areas disclosed. Generally, departments align the service area reporting in their SDS with their financial statements, which provides consistent disclosure of information for users. Departments may group a number of services within the one service area (line item) in their SDS.

As part of the established annual review process of the performance information in the SDS, the central agencies will work with departments to identify whether service areas are reported at the most meaningful level for management and all other users and where a service area consists of a number of material areas, whether it is appropriate and beneficial to disclose and report on the material areas individually.

*Recommendation 3*

The central agencies do not support this recommendation, as implementation of an audited performance statement process would be costly and complex. It would require the involvement of numerous officers from the central agencies, departments and the QAO over a substantial period of time, thus taking resources away from the delivery of frontline services.

Furthermore, it is the view of the central agencies that the implementation of such a process is outside the scope of your audit mandate. While it is acknowledged that the *Auditor-General Act 2009* could be amended, there is concern that, unlike the standards of practice in place for financial audits, there is no national framework in regard to the appropriateness of performance measures to assess the delivery of services. With this lack of baseline, audit opinions would be at the perspective of the reviewer and not using widely accepted best-practice audit principles.

As stated in the audit report, the PMF establishes a sound basis for public performance reporting. As part of the continuous improvement of the PMF, the central agencies have been progressively working with departments to improve the performance information in the SDS:

- 2011–12 SDS — the performance statements in the SDS were refocused to present service standards (measures of efficiency or effectiveness only) and other measures (measures of activity, process, input or quality) published separately, underneath the service standards.
- 2012–13 SDS — amendments to service areas, service standards and performance measures were only as a result of 2012 Machinery-of-Government changes or shifts in government policy or priorities.
- 2013–14 SDS — performance information was focused on front-line services delivered by government agencies and the activities that support the delivery of services. Measures of activity, process, input and quality were discontinued from SDS reporting but were to remain available through alternative communication channels.

The audit assessed the performance information in the 2013–14 SDS and details the approach taken in the annual central agency review of performance information (the 2012 review) leading up to the 2013–14 SDS. It is recognised that improvements to performance information are being implemented on an ongoing basis with improvements expected over time. The central agencies are monitoring and working with departments to improve performance measurement and reporting.

Despite the ongoing work to improve the PMF, central agencies recognise that more can be done to improve the implementation of the framework across departments. As an alternative to an audited performance statement process, it is proposed that departments be encouraged to consider implementing:

- Continued engagement and consultation with the central agencies as part of the continuous improvement in performance information and, in particular, the performance information published in the SDS, including assisting in the development of efficiency and effectiveness measures, the development of benchmarks where appropriate, and encouraging linkages between evaluation of programs/policies. Comments and recommendations made by the Auditor-General in this, and other performance audits, would be considered within this ongoing consultation process.
- Where appropriate a department's internal audit function could be utilised to undertake an audit or review of their department's performance measures and reporting. This could be utilised by the department to target areas for specific improvement.

- Where appropriate departments could have an independent review of their performance measures (without an audit certificate). Accountable officers could determine how this is to be conducted. Options may be for a performance review to be undertaken by internal audit, another department, an external consultant/contractor, an officer within the department who is independent of the performance management function. The benefit of this approach is that the accountable officer who is responsible for the department's performance management could target the service areas for specific improvement.

As accountable officers are responsible for performance management within their department, the above alternatives give accountable officers the flexibility to implement the appropriate level of review or audit of their performance management processes, rather than be subject to an external performance statement audit. For instance, those departments that are subject to the Report of Government Services annual reporting process may not require a detailed performance statement audit and existing processes may be sufficient.

As things progress, there is significant potential to improve monitoring and reporting of performance across government. The central agencies are committed to working with departments and we appreciate your ongoing support and assistance to enhance departmental capability in this space.

I assure you that DPC and QTT are committed to working with the QAO to monitor, review and improve the implementation of the PMF, to ensure we deliver better services for Queenslanders in the most efficient and effective way.

Thank you for bringing these issues to my attention.

Yours sincerely



Jon Grayson  
Director-General

## Comments received from Director-General, Department of Transport and Main Roads



Office of the  
Director-General

Department of  
Transport and Main Roads

Our ref: DG27232

Your ref: 2014-9118P

- 4 JUN 2014

Mr Andrew Greaves  
Auditor-General  
Queensland Audit office  
PO Box 15396  
City East Qld 4002

Dear Mr Greaves

Thank you for your letter about the Performance audit on monitoring and reporting performance.

The Department of Transport and Main Roads (TMR) would like to thank the Queensland Audit Office again for its diligent work in this area and to reiterate our commitment to the continued improvement of performance monitoring and reporting.

TMR notes the report will be tabled in Parliament later this month and will maintain its confidentiality. Further, my department will be happy to assist the central agencies when they compile the coordinated response.

At this stage, TMR has no additional comments.

Yours sincerely

A handwritten signature in dark ink that reads "Neil Scales".

Neil Scales  
Director-General  
Department of Transport and Main Roads

85 George Street Brisbane  
GPO Box 1549 Brisbane  
Queensland 4001 Australia

Telephone +61 7 3066 7318  
Facsimile +61 7 3066 7122  
Website [www.tmr.qld.gov.au](http://www.tmr.qld.gov.au)  
ABN 39 407 690 291

## Comments received from Director-General, Department of Education, Training and Employment

13 JUN 2014

RECEIVED  
17 JUN 2014  
QUEENSLAND  
AUDIT  
OFFICE



QUEENSLAND  
GOVERNMENT

Department of  
Education, Training and Employment

Mr Andrew Greaves  
Auditor-General  
Queensland Audit Office  
PO Box 15396  
CITY EAST QLD 4002

Dear Mr Greaves *Andrew*

Thank you for your letter dated 27 May 2014 regarding the performance audit on monitoring and reporting performance which is to be tabled in Parliament in June 2014.

As previously advised, we are pleased that your office has found that overall across the Department of Education, Training and Employment's service areas, there is generally a balanced and relevant suite of performance measures and standards. My Department will investigate options for a suitable outcome measure for early childhood services that may be used in the Service Delivery Statement.

Should you wish to discuss this audit response further, I invite you to contact Ms Lesley Lalley, Head of Internal Audit on telephone 3513 546.

Yours sincerely



**DR JIM WATERSTON**  
Director-General

Ref: 14/188341  
Your ref: 2014-9118P

Office of the Director-General  
Floor 22, Education House  
30 Mary Street Brisbane 4000  
PO Box 15033 City East  
Queensland 4002 Australia  
Telephone +61 7 3237 0900  
Facsimile +61 7 3237 1369  
Website [www.detc.qld.gov.au](http://www.detc.qld.gov.au)  
ABN 76 337 613 647

## Appendix B—Audit approach

---

### Audit objective

The objective of the audit is to assess whether public sector entities effectively measure, monitor and report performance.

### Reason for the audit

The public sector should be accountable and sufficiently transparent to encourage public confidence in the way government does business.

Effective performance reporting provides public sector agencies the opportunity to demonstrate that government services are:

- delivering value-for-money
- achieving the government's objectives
- providing access equitably for all Queenslanders.

As per the Financial and Performance Management Standard 2009, public sector agencies demonstrate accountability and transparency through a range of external and internal planning, monitoring and reporting processes and documents.

Externally, each agency sets its long-term strategic directions in the strategic plan and service standards and targets in the service delivery statements. Performance results are published in Service Delivery Statements (SDS) and annual reports. Internally, regular (quarterly or monthly) monitoring of services against strategic plans and operational plans allows accountable officers to determine whether the department is:

- achieving its objectives efficiently, effectively and economically
- delivering its services to the standards stated in the SDS and operational plans.

By monitoring performance, the extent to which those services are creating value can be determined.

As the lead agency in the Queensland Public Service, the Department of the Premier and Cabinet (DPC) works closely with all other agencies to drive the government's key strategies and plans from conception through to implementation. *A Guide to the Queensland Government Performance Management Framework* aims to support improved performance management, evaluation, monitoring results and public reporting in the Queensland public sector. It also aims to assist government agencies to develop greater understanding of the Performance Management Framework (PMF).

Public sector agencies use taxpayers' money to deliver services, therefore it is important that they are held accountable for performance, as required under public sector ethics Principle 4: Accountability and transparency. The PMF, through the *Financial Accountability Act 2009* and subordinate legislation, addresses this by requiring agencies to publicly report results – through the SDS and annual reports.

The SDS and annual reports provide information to the public on the state budget totalling \$38 billion in 2013–14. The statements are a key accountability document for assessing the value of government services.

As part of the continuous improvement of the PMF, each year, DPC and Queensland Treasury and Trade (QTT) (the central agencies) work with public sector agencies to review service areas, service standards and targets that are published in the SDS. Central agencies jointly seek the government's approval through the Cabinet Budget Review Committee for these changes on behalf of all agencies preceding the budget process each year.



## Performance audit approach

The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the requirements of standards issued by the Australian Auditing and Assurance Standards Board.

### Feedback

Feedback was provided to the 20 core departments throughout the audit on the assessment of the service standards and performance measures. This enabled some feedback to be considered in the development of the 2014–15 service standards. Departments have advised us that some of the feedback is still being considered as:

- the data is being tested and checked for reliability
- the objectives for some service areas have been revised
- some departments have reconfigured their service areas
- additional and new data sources are still being investigated.

### Workshops

We conducted two workshops on monitoring and reporting performance; 5 December 2013 and 14 February 2014. A total of 77 participants attended the workshops from across the public sector, including agencies that were not within the scope of the audit. The workshops covered the following topics:

- accountability and transparency in the public sector
- the value of clear and measureable objectives
- how to measure:
  - efficiency
  - effectiveness
  - equity
- barriers to developing performance measurement systems (group discussion).

Figure B1 shows the results of the participant feedback on the workshops. Participants provided positive feedback on the usefulness of the workshops, the overall average satisfaction with the workshops was 4.4 out of five. Both workshops were oversubscribed.

**Figure B1—Average satisfaction workshop participants - workshop one and two**



Source: Queensland Audit Office

## Appendix C—Glossary

Figure C1—Glossary

Term	Definition	Examples
Activity measures	<p>Measure the quantum of service instances, service recipients, or other activities for the service. They demonstrate the volume of work being undertaken. Quantity measures under the former Managing for Outcomes framework would generally be measures of activity.</p> <p>Activity measures can often be converted into efficiency measures by combining them with input measures to show the unit cost of the activity.</p>	<p>Number of services provided.</p> <p>Number of patients screened.</p>
Cost measures	<p>Cost of outputs/services produced (direct and/or fully absorbed).</p> <p>Ideally, the outputs are uniform and the cost per unit of output provides an obvious benchmark for measuring performance both over time and between like service providers. However, such uniformity is not always possible.</p>	<p>Average cost of school per student.</p> <p>Average cost of processing application.</p>
Effectiveness	<p>Service effectiveness: Reflects the extent to which the objectives of the service/program are being achieved.</p>	<p>Reduced mortality rates for serious and life-threatening illnesses.</p>
Efficiency	<p>Technical: Reflects how capabilities (resources) are used to produce outputs for the purpose of achieving desired outcomes.</p>	<p>Cost per unit of service or output.</p> <p>Cost per annual curriculum hour for vocational education and training.</p> <p>Staff levels per student in government schools.</p> <p>Administrative costs as a proportion of total expenditure in services for people with disability.</p>
Equity	<p>Measures how well a service is meeting the needs of particular groups that have special needs or difficulties in accessing government services.</p>	<p>Outputs and outcomes measures disaggregated by sex, disability status, ethnicity, income and so on.</p>
Input measures	<p>Measure the resources consumed in delivering a service, either as an absolute figure or as a percentage of total resources. Input measures demonstrate what it costs to deliver a service.</p> <p>Input measures can often be converted to efficiency measures by combining them with activity measures to show the unit cost of the activity.</p>	<p>Number of inputs, resources, FTEs used to deliver a service.</p> <p>Total cost of screening services.</p> <p>Total cost of processing licence applications.</p>
Location measures	<p>Relate to where the service is delivered. This is usually as a measure of access and equity for clients in rural remote or targeted locations.</p>	<p>Percentage of clients in rural areas.</p>

Term	Definition	Examples
Outcome	An outcome is the impact of a service on the status of an individual or a group.	Improved health outcomes for patients.
Output	An output is the service delivered.	Vaccination clinics.
	Cost effectiveness: Cost to provide the desired outcome.	Cost as ratio of savings from reduced rates of obesity, cost as a ratio to savings from reduced road trauma, cost of education per graduate.
Process measures	<p>Measure throughput, or the means by which the agency delivers the service, rather than the service itself. They demonstrate how the agency delivers services, rather than how effectively services are delivered. They are generally measures of busyness.</p> <p>Process measures are sometimes used as proxies for effectiveness measures if it is impractical or uneconomical to measure the effectiveness of the service or its outcome.</p>	<p>Average time for screening service.</p> <p>Compliance with medical protocols.</p>
Quantity measures	<p>Relate to the number of units of output and are usually described in terms of 'how many'.</p> <p>Quantity is a volume measurement and, as such, shows the number or amount of services or goods provided.</p>	<p>Number of vaccinations provided.</p> <p>Number of dwellings inspected.</p>
Quality measures	<p>Measures of whether service is fit for purpose e.g. extent to which outputs conform to specifications, literacy and numeracy rates</p> <p>Quality in itself is one dimension of effectiveness, but does not necessarily fully represent how effective a service is (e.g. a service could be high quality, but still not effective, and vice versa – a low quality service could be highly effective).</p> <p>The quality of a service can be measured in various ways – timeliness, accuracy, completeness, accessibility and equity of access, continuity of supply, and/or customer satisfaction.</p>	<p>Average waiting time (accessibility).</p> <p>Percentage population screened (market penetration).</p> <p>Percentage of premises inspected and deemed complete and compliant.</p>
Timeliness measures	<p>Relate to the time taken to produce an output and provide an indication of the processing or service speed and efficiency. Measures of timeliness provide parameters for 'how often' or 'within what time frame' outputs are to be produced. 'Projects are completed on time' is an activity as there is no external client.</p>	<p>Licences are supplied to clients within two working days. (For external clients).</p>
Whole-of-government level measures	<p>Apply across multiple services and departments and outputs to achieve an outcome that one department or service area alone cannot achieve.</p>	<p>Crime rates.</p>

Source: *The Guide to the Queensland Government Performance Management Framework. The Report on Government Services*

## Appendix D—Previous reports on monitoring and reporting performance

Figure D1—National and international reports on monitoring and reporting performance

### Reports on monitoring and reporting performance: key findings

#### Chapter 1—Service quality, Auditor-General, Canada, 2000

- to improve their performance reports, departments would need to take a number of steps, including the following :
  - set concrete expectations;
  - use consistent terms;
  - improve the reporting of accomplishments (and not report just activities and outputs);
  - place performance in the context of past years (not just the latest year);
  - achieve a better balance of reporting between good results and shortcomings; and
  - give attention to the reliability of the data.
- disappointed by the pace at which departments were making the needed improvements to their performance reports.

#### *Departmental Performance Management and Reporting*, Auditor-General, Victoria, 2001

- the performance management and reporting framework is not complete.
- key components - desired outcomes, measures of progress, departmental objectives and associated performance indicators - have yet to be finalised or publicly released.
- implementing results-based management is a long-term and complex process...it is important that momentum be maintained to ensure commitment within the public sector.
- in the absence of clear linkages between the Government's desired outcomes and departmental objectives, and the finalisation of associated measures of progress and performance indicators, the framework, at this stage, does not drive the achievement of the Government's outcomes.

#### *Results of Performance Management Systems Audits of Output Performance Reporting*, Auditor-General, Queensland, 2005

- the overall maturity of agencies' output measurement frameworks, systems and reporting practices varied significantly. The maturity of agency systems ranged from approaching moderate implementation (level 2) to approaching full implementation (level 4) on a five-level rating scale.
- departments were appropriately advanced in the implementation of their output measurement framework. However, their supporting systems and reporting processes required further attention.
- there appears to be a need to enhance agency output performance reporting systems and practices.
- departments who view external reporting as merely a compliance exercise risk duplicating their effort and costs by maintaining separate systems and processes for internal and external reporting on performance.
- 47 per cent of the output measures reviewed were focused solely on the quantity aspect of service delivery.
- for performance measures to be meaningful and relevant they need to be representative of the more material activities encapsulated under each output and reflect a balance of the range of performance measure types - quantity, quality, timeliness, location and cost.

## Reports on monitoring and reporting performance: key findings

*Agency Use of Performance Information to Manage Services*, Auditor-General, New South Wales, 2006

- many of the public sector reforms that governments have introduced have focussed on maximising results through the better use of performance information.
- sound information is essential in determining the extent of community need, how those needs can be most effectively met and how the taxpayer's dollar can be most efficiently used. The monitoring and regular review of existing services also require sound information.
- three agencies did not have sufficient information to provide a balanced view of services; and two of these agencies could not tell us whether their services actually made a difference to customers.
- agencies that we identified as not having sufficient information to judge services were either unaware of its importance, collected data on activities but not results or reported system limitations.

*Are departmental performance measures relevant, appropriate and a fair representation of performance achievements?*, Auditor-General, Queensland, 2007

- a lack of clarity across the sector about what are relevant and appropriate performance measures.
- departments have not developed clear objectives for each of their outputs, and there continues to be minimal alignment between the measures reported in the departments' strategic and operational plans, the MPS and their annual reports.
- the impression gained during the audit was that not only was the performance information reported to Parliament of limited relevance for external stakeholders, but also that this performance information was not used extensively by the government and departmental officers responsible for resource allocation and monitoring activity.
- the (previous) recommendation to improve output costing methodologies has been met with little or no progress. The original recommendation was accepted at that time by all but one department. Four of the seven departments needing improvement now disagree with the need to have improved cost performance information for their output service delivery and have taken no further action.

*Public sector performance information*, Auditor-General, Tasmania, 2008

- poorly defined objectives were a contributing factor to lack of alignment with KPIs.
- many of the measures did not convey a genuine sense of performance because they were activity measures without strong enough links to the objectives.
- no department reported efficiency measures despite the obvious importance of this information to the public. To a lesser extent, there was also a shortage of information about equity.
- performance targets and explanatory comments for large variations were seldom used.

## Reports on monitoring and reporting performance: key findings

*Discussion Paper, The Auditor-General's observations on the quality of performance reporting, Auditor-General of New Zealand, 2008*

- overall, the poor quality of non-financial performance reporting by public entities is disappointing. It needs to improve significantly to allow Parliament and the public to hold public entities accountable for their use of taxes and rates and for the effectiveness of their service delivery.
- for nearly 20 years, there have been statutory requirements for a range of public entities to report on their non-financial performance. Most of the requirements for performance reporting were introduced during the late 1980s and refined in the early 2000s.
- the quality of performance reporting represents a significant weakness in the public sector's accountability to its stakeholders. Despite the sector having nearly 20 years' experience in preparing and using performance reports, performance reports are:
  - not prepared as robustly as they should be to serve external readers' needs
  - not used as well as they might be by external readers as part of the accountability process
  - not used as well as they might be by internal readers – managers and governors of public entities – to improve public service effectiveness

*Enhancing Accountability through Annual Reporting, Auditor-General, Queensland, 2008*

- the information provided to the Parliament through departmental annual reports does not fully comply with legislation, is incomplete and ambiguous in the portrayal of agency accountability and performance.
- guidance provided by the Department of the Premier and Cabinet and the Treasury Department is not sufficient to support accountability and promote a culture of performance management.
- according to better practice standards, the performance information in the audited annual reports does not meet the disclosure and transparency needs of readers.
- planning documents such as ministerial portfolio statements and agencies' strategic plans do not set clear expectations of results and lack relevant and appropriate performance measures.
- other forms of performance reporting presented to Parliament are not part of the current legislative accountability framework and do not meet the better practice criteria for disclosure and transparency.
- overall, annual reports fail to answer questions such as "Has the agency achieved what it was intended to do?", "Is this better than last year?", "Is this good enough?", "Were these activities needed in the first place?", "Could they have done this for less money?"

*Follow-up on government owned corporation and budget sector performance measurement and reporting, Auditor-General, Queensland, 2009*

- policy guidance and requirements produced by the Department of the Premier and Cabinet (DPC) meet most of the previous audit recommendations, namely:
  - the requirement for the setting of objectives for outputs and services and alignment to strategic plans and whole-of-government priorities is addressed in the policy
  - completeness in reporting Service Delivery Statements (SDS) performance indicators in Annual Reports is documented in policy
  - use of evaluation as a formal means of performance review
  - need for continuous improvement in reporting on agency performance information over time
  - clearly defined roles, responsibilities and accountabilities
  - guidance and support to ensure Annual Reports comply with prescribed requirements.
- across individual departments, audit has observed a significant increase in compliance with prescribed requirements in the past year. The summary of financial data information has significantly improved. Information on how efficiently and effectively the agency has carried out its operations has however not improved.
- audit also found a significant increase in the percentage of outputs with a clear and measurable objective.
- it will take at least two years to implement the new performance regime across the departmental sector.

## Reports on monitoring and reporting performance: key findings

### *Performance Reporting by Departments, Auditor-General, Victoria, 2010*

- the focus of performance reporting in Victoria has largely remained on output performance measures.
- there is a lack of effective outcomes performance reporting across the departments, and the standard of reporting varies considerably. Only a few departments were able to demonstrate the extent to which objectives had been met.
- six departments had no or a limited number of departmental indicators that were relevant to the achievement of their objectives. These departments represented nearly half of the state's allocated funding for the general government sector.
- while this funding can be accounted for in a stewardship sense, the effective use of this funding, equating to around \$31 billion over the two years, has not been demonstrated.

### *Systems to coordinate delivery of the Toward Q2: Tomorrow's Queensland target, Auditor-General, Queensland, 2011*

- departments cannot specifically answer key accountability questions, such as:
  - is what we are doing helping?
  - how much of what we are spending is contributing to the achievement of the target?
  - are our clients satisfied with the services we are delivering?
- performance measures are not relevant and appropriate.
- the performance data available relate to actions being undertaken but cannot show the impact of those activities.
- reports focusing on how busy departments are do not show whether they are effective or efficient in achieving their objectives.
- departments do not have a plan which shows how and when relevant data collections will be established to allow the impacts of the activities to be reported.

### *The Australian Government Performance Measurement and Reporting Framework, Auditor-General, Australia, 2013*

- entities report against 650 government programs with approximately 3 500 KPIs but it is difficult to get an accurate picture of program performance.
- entities continue to experience challenges in developing and implementing meaningful effectiveness KPIs.
- a more comprehensive model would include 'efficiency' indicators to complement the 'effectiveness' indicator focus.
- the administrative framework supporting the development and auditing of KPIs remains problematic.
- the framework would benefit from consideration of intermediate objectives where an overall outcome can only be achieved over the longer-term. It may be necessary to relate targets associated with effectiveness indicators to milestones that demonstrate progress towards the program objective.

Source: As referenced above



## Appendix E—Summary of SDS analysis

We analysed the 2013–14 Service Delivery Statements of the 20 core departments.

Our initial assessments of the service standards were provided to departments in October 2013. It is pleasing to note that some departments have been able to implement the necessary steps to revise the service standards for the 2014–15 State Budget based on our advice and guidance. Some departments have advised that they are still considering the feedback and have been unable to revise the service standards for the 2014–15 budget.

We also make suggestions for potential service standards based on our research. The suggestions are intended to provide guidance on what could be measured but are not what must be measured.

For explanations of variances between revenues and total costs, refer to departmental financial statements.

### Service Delivery Statements: 2013–14

Service Delivery Statements (SDS) are published annually as part of the state budget. They predominantly contain budgeted financial and non-financial information about each agency for the current and coming financial year.

The non-financial component outlines the services each agency will deliver and the standards to which these will be delivered. The SDS are a primary source of information for hearings of the parliamentary Estimates committees. These hearings allow Parliament to examine the funding provided in the state budget to each ministerial portfolio.

The SDS are used by Members of Parliament, the media, the public and other interested parties to obtain information on the objectives, service areas, key strategies and performance of Queensland Government agencies.

### Definitions

The following definitions were used to assess the service standards in the 2013–14 SDS.

Figure E1—Definitions

Standard type	Definition
Input	Measures of the resources used to deliver a service (absolute or relative amounts) e.g. quantity measures such as FTE, cost, number of vehicles; and quality measures such as the extent of compliance with mandated input standards like professional qualifications, compliance with Australian standards for raw materials used.
Process	Measures of throughput, or of the means by which the service is delivered, rather than of the service itself e.g. initial response times, order times, per cent of workload outsourced or automated, extent of process compliance with mandatory standards.
Activity	Measures of quantum of services provided/number of units of outputs produced e.g. number of recipients, number of policy papers produced, number of responses to incidents, number of occasions of care.
Cost	Cost of outputs/services produced (direct and/or fully absorbed) e.g. total or on a non-output per unit basis e.g. cost per input hour, per FTE, or per head of population.

Standard type	Definition
Time	Measures of timeliness of delivery of service against service need e.g. wait times, treatment times, case turnover/clearance rates or duration.
Quality	Measures of whether service is fit for purpose e.g. extent to which outputs conform to specifications, literacy and numeracy rates.
Technical efficiency	Cost per unit of service or output e.g. cost per teaching hour delivered; cost per incident; cost per occasion of care provided.
Cost effectiveness	Cost to provide the desired outcome e.g. cost as ratio of savings from reduced rates of obesity, cost as a ratio to savings from reduced road trauma, cost of education per graduate.
Service effectiveness	Measures of how well the service achieves its stated purpose e.g. deaths from treatment or prescription errors, cardiac-arrest survival rates, additional economic activity generated, crime rates, tertiary entrance rates.

Source: Queensland Audit Office based on the Guide to the Queensland Government Performance Management Framework

Figure E2—Department of the Premier and Cabinet

DPC	2013–14 Budget (000's)			Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary			
	State contribution	Other revenue	Total cost				Input	Process	Output/service dimension						
Service area							A	C	T	Q	Te	Ce	Se		
1. Policy Advice, Coordination and Cabinet Support Service	\$32 031	\$0	\$32 031	Per cent client satisfaction with advice by DPC to agencies on performance management and reporting requirements.	Per cent	85				•				A more direct measure of service quality would be the proportion of cabinet submissions that meet or exceed agreed quality criteria. Client satisfaction is one dimension of service quality but does not fully represent effectiveness. The department's stated intent is for the public service to be the best in Australia. If this is to be demonstrated it requires service standards for efficiency and effectiveness that can be benchmarked against other jurisdictions, such as average cost of policy advice by type or scale.	
				Per cent client satisfaction with DPC engagement with the policy development process.	Per cent	85				•					
				Per cent client satisfaction with support provided by Cabinet Services.	Per cent	85					•				
				Per cent client satisfaction with advice and support relating to intergovernmental issues.	Per cent	85					•				
2. Government and Executive Support Service	\$41 910	\$9 298	\$51 208	Per cent operating budget utilised in delivery of service.	Per cent	99					•			The direct measure of efficiency is the average cost per cabinet meeting. Based on 52 meetings per year, the implied average cost per meeting is \$616 000. Disaggregation of the cost to separate the costs of community cabinet meetings would improve transparency.  The SDS standard obscures performance about actual service performance as it provides no useful information about how well the budget was used to deliver the service.	
				Per cent client satisfaction with support and advice provided by State Affairs.	Per cent	85				•					
				Per cent client satisfaction with support and advice provided by State Services.	Per cent	85					•				
				Per cent client satisfaction with support and advice provided by Corporate Services.	Per cent	85					•				
			Per cent operating budget utilised in delivery of service.	Per cent	99									The direct measure of efficiency would be the management and coordination costs per event. The SDS standard obscures performance about actual service performance as it provides no useful information about how well the budget was used to deliver the service.	

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DPC	2013–14 Budget (000's)			Input/output focus						Outcome focus			Audit commentary			
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			A		Ce	Se	
Service area									A	C	T	Q	Te	Ce	Se	
3. Legislative Drafting and e-Publishing Service	\$10 857	\$35	\$10 892	Cost of corporate services as a per cent of departmental cost.	Per cent	new		•								Corporate services are 'back office' services and do not provide any useful information on the effectiveness or efficiency of the service delivered to the community.
				Percentage client satisfaction with legislative drafting services provided by the Office of the Queensland Parliamentary Counsel.	Per cent						•					Client satisfaction is one dimension of service quality but does not fully represent effectiveness.
				Percentage client satisfaction with the quality of access to legislation available online.	Per cent						•					The SDS standard obscures performance about actual service performance as it provides no useful information about how well the budget was used to deliver the service.
				Percentage of operating budget utilised in delivery of service.	Per cent			•								
<b>Total</b>	<b>\$84 798</b>	<b>\$9 333</b>	<b>\$94 131</b>				0	4	0	0	0	9	0	0	0	<b>Summary</b> There are no direct service effectiveness standards. There are no direct measures of outcome efficiency or cost effectiveness measures.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E3—Department of Aboriginal and Torres Strait Islander and Multicultural Affairs

DATSIMA	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus					Outcome focus			Audit commentary
	State contribution	Other revenue	Total cost	Input				Process	Output/service dimension			Te	Ce	Se		
									A	C	T				Q	
1. Aboriginal and Torres Strait Islander Affairs	\$48 756	\$55 883	\$104 159		Level of stakeholder satisfaction with the advice provided to improve access to services by Aboriginal and Torres Strait Islander Queenslanders.	Per Cent	70					•				Client satisfaction may be a measure of quality of service but it does not demonstrate effectiveness. A better measure of policy advice is whether the advice was accepted and implemented. A direct measure of service effectiveness is the increase in access to front-line services. Additional measures of service effectiveness are increased economic independence, culturally vibrant communities, safety and resilience as per the agency objective. For example, Closing the Gap targets such as the increase in employment of Aboriginal and Torres Strait Islander people in non-CDEP jobs could be used.
2. Multicultural Affairs	\$5 466	\$0	\$5 466		Level of stakeholder satisfaction with DATSIMA's promotion of cultural diversity and advice provided to improve access to services by people from culturally and linguistically diverse backgrounds.	Per Cent	70					•				As above, client satisfaction with the service area provides little information about its efficiency and effectiveness. A direct measure of service effectiveness, related to the agency's strategic objectives, is accessibility and cultural responsiveness of government and funded services, which could be measured as a percentage of clients reporting the absence of barriers or as a percentage of services that are designed to meet the needs of culturally diverse clientele.
<b>Total</b>	<b>\$54 222</b>	<b>\$55 883</b>	<b>\$109 625</b>	0				0	0	0	0	2	0	0	0	<b>Summary</b> Service effectiveness is not directly reported in either service area. There are no cost efficiency or cost effectiveness measures.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E4—Department of Agriculture, Fisheries and Forestry

DAFF Service area	2013–14 Budget (000's)			Service standards	Units	Target	Input/output focus					Outcome focus	Audit commentary	
	State contribution	Other revenue	Total cost				Input	Process	Output/service dimension					Te
1. Agriculture and Forestry	\$52 404	\$30 138	\$82 542	Percentage of graziers and cane growers who have increased best management practice knowledge and skills through participation in government funded programs.	Per cent	20								This a direct measure of quality of the training programs. It does not provide any useful information on any resulting improvements in productivity. It only covers two components of the agriculture and forestry service area. Given the long term nature of the objective, behaviour change may be the first indicator of the success of the service.
				Total of forest product sales quantities per total Forest Product Full Time Equivalent (FTE): Native forest timber (m3/FTE); quarry material (m3/FTE).	Cubic metres/FTE	2 530; 66 230								
2. Fisheries Queensland				Percentage of applications for business assistance as a result of natural disaster or drought processed within 21 days of lodgement (water & freight rebates).	Per cent	90								This is a proxy time measure but it is limited to internal processing and does not indicate the full impact on the client.
				Percentage of key Queensland fish stocks assessed as being sustainably fished.	Per cent	75								
				Percentage of applications for development related approvals processed within agreed timeframes.	Per cent	100								This proxy time measure relates to a component of internal processes and does not show the full impact on the client. A better measure at the whole of government level would be the average time between lodgement and notification of development decision.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DAFF Service area	2013–14 Budget (000's)				Units	Target	Input/output focus				Outcome focus			Audit commentary			
	State contribution	Other revenue	Total cost	Service standards			Input	Process	Output/service dimension			A	Ce		Se		
3. Biosecurity Queensland	\$66 076	\$27 503	\$93 579	Percentage of significant response programs on track to deliver nationally agreed outcomes (on time and on budget).	Per cent	100	•								This measure relates to internal project management and does not provide information about the achievement of outcomes. A direct service effectiveness measure in line with the national agreement on biosecurity is the decrease in impact of pests and disease on the economy, environment and the community. Further work may be required at a national level to develop a practical way to measure this.		
4. Agri Science Queensland	\$93 478	\$49 344	\$142 822	Percentage of high priority laboratory results completed, verified and made available within agreed time and quality specifications.	Per cent	95									• This measure is a good proxy for service effectiveness for this service area responsibility. The direct measure of technical efficiency is the cost per test.		
				Average cost per transaction to deliver Biosecurity registration, certification and licensing services.	\$	20.9										• This is a good technical efficiency measure of regulatory services.	
				Client businesses implementing new or improved practices, processes, systems, products and technologies as a result of funded innovation and capacity development activities.	Per cent	60											• A measure of service quality showing take-up of advice and information. The direct measure of service effectiveness is the increased productivity resulting from the changed practice (behaviour change).
				Proportion of assisted firms reporting improved performance following funded innovation and capacity development activities.	Per cent	60											• Appropriate measure of service effectiveness.
				Major co-funding partners' satisfaction that departmental research outcomes contribute to industry productivity growth.	Per cent	60								• This satisfaction measure confirms that in the view of informed, close stakeholders, increased productivity is attributable to outputs of the service area. For the purpose of accountability, the survey scope and methodology should be available on open data.			
				Percentage return on R&D investment through royalty returns.	Per cent	4								• Appropriate proxy measure of cost effectiveness of the service area.			

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DAFF	2013–14 Budget (000's)				Units	Target	Input	Input/output focus				Outcome focus			Audit commentary
	State contribution	Other revenue	Total cost	Service standards				Process	Output/service dimension						
Service area								A	C	T	Q	Te	Ce	Se	
				Rate of return on R&D investment above the national average.	points	0.4									Appropriate proxy measure of cost effectiveness of the service area.
<b>Total</b>	<b>\$240 935</b>	<b>\$115 542</b>	<b>\$356 477</b>				0	1	0	0	2	2	2	2	<b>Summary</b> Service effectiveness is directly reported in: <ul style="list-style-type: none"> <li>three of four service areas (75 per cent)</li> <li>four of 13 measures (31 per cent)</li> </ul> Service effectiveness is not reported for at least 23 per cent of the total budget. Service efficiency is directly reported for: <ul style="list-style-type: none"> <li>three of four service areas (75 per cent)</li> <li>four of 13 measures (31 per cent).</li> </ul> Service efficiency is not reported for at least 11 per cent of the total budget.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office



Figure E5—Department of Communities, Child Safety and Disability Services

DCCSDS	2013–14 Budget (000's)				Total cost	Service standards	Units	Target	Input/output focus					Outcome focus	Audit commentary			
	Service area	State contribution	Other revenue	Total cost					Input	Process	Output/service dimension					Te	Ce	Se
											A	C	T					
1. Child Safety Services	\$818 515	\$1 309	\$819 824	Rate of substantiated harm per 1 000 children (0–17 years of age).	Rate per 1 000	7								<ul style="list-style-type: none"> <li>This is a direct measure of effectiveness of the combined government efforts to protect children and young people who are at risk of harm within their families or whose families do not have the capacity to provide care and protection and to assist families to protect children and young people. The direct measure for the effectiveness of Child Safety Services in protecting children at risk would include submeasures showing the rate of substantiated harm that occurred to children and young people after an initial assessment, harm while in care and safe return home.</li> </ul>				
				Rate of children subject to protective orders per 1 000 children (0–17 years of age): All, Aboriginal and Torres Strait Islander children, other children.	Rate per 1 000	8.8, 49, 5.9								<ul style="list-style-type: none"> <li>The standard shows the effectiveness of the government in protecting children and assisting families to protect and care for their children outside of the statutory system. Importantly it indicates the discrepancy between effectiveness for Indigenous and non-Indigenous children (the proportion needing state care). For Child Safety Services and Court Services this standard indicates the volume of work, which is also affected by policy settings and judgements of risk. The underlying data could be used to report output submeasures such as time, cost and quality of the process in placing a child on order. A direct measure of the quality of regulatory services is the percentage of cases where children and young people and their families receive timely and appropriate support and guidance during and after the determination process. The rate of children and young people on statutory orders is also affected by the service effectiveness of secondary programs at reducing the risk. There is no reporting on the cost, efficiency, quality or effectiveness of preventative programs in either this service area or in the social inclusion service area.</li> </ul>				

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DCCSDS	2013-14 Budget (000's)			Input/output focus					Outcome focus	Audit commentary					
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process			Output/service dimension				
Service area									A	C	T	Q	Te	Ce	Se
				Proportion of children on a care and protection order exiting care after 12 months or more who had 1 or 2 placements.	Per cent	34						•			
2. Disability Services	\$1 100 978	\$329 799	\$1 430 777	Government expenditure, per person, receiving disability services: Accommodation support; Community support; Community access; Respite services.	\$ range per user	74 000- 79 000 7 500- 10 500 15 000- 18 000 13 000- 16 000			•						

This is the preferred direct measure of stability by ROGS - a measure of quality of child protection services. However it does not provide a clear picture of stability for the majority of children who are in out-of-home care for less than 12 months. An additional direct measure of stability of care is the number of placements per child in one year. Stability is an important submeasure of quality service however other submeasures showing critical aspects of quality care include access to health and education support.

The direct measure of service effectiveness is the proportion of children and young people referred to the service who have improved their wellbeing (as per the departmental key objective), including feeling safe, connected, and meeting health and education goals, at critical milestones, including transition from care as an adult.

There is no reporting of cost, efficiency and service effectiveness of adoption services. The direct measure of technical efficiency is the average cost per application at milestones. The direct measure of quality of information and support services in compliance with the Adoption Act is the percentage of cases that met prescribed quality standards (including the Hague convention). The direct measure of service effectiveness is the percentage of cases where the adoption process promotes the wellbeing and best interests of adopted persons throughout their lives, which could be measured at particular age milestones.

This direct measure of cost per person does not provide sufficient information for transparency. The notes do not explain whether the expenditure range includes internal and external overheads as well as allowances for people with a disability. The average cost of each service type or efficiency of the services cannot be calculated.

Cost and service effectiveness of adoption services are not reported.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DCCSDS	2013-14 Budget (000's)				Units	Target	Input/output focus				Outcome focus	Audit commentary	
	State contribution	Other revenue	Total cost	Service standards			Input	Process	Output/service dimension				
Service area							A	C	T	Q	Te	Ce	Se
3. Social Inclusion Services	\$240 894	\$88 668	\$329 562	Closed support periods in which clients needed assistance to obtain/maintain independent housing, by type of tenure.	Per cent	83--87							<p>The direct quality service measure for disability is the percentage of clients who received a relevant, timely and appropriate service. A submeasure showing the percentage of clients who could access the services of their choice would indicate whether the program is meeting the department's policy direction of Your Choice. Submeasures showing the breakdown of recipients by core activity limitation would demonstrate whether the services are being delivered to the intended target group based on level of need.</p> <p>The direct measure of service effectiveness is the impact of government support on the wellbeing of clients (department's purpose) and their participation in all areas including health, education, employment, justice services and housing (Disability Plan objective).</p> <ul style="list-style-type: none"> <li>This proxy service effectiveness measure suggests the success of the service area in moving clients towards independence in housing. However it does not indicate the sustainability for clients.</li> </ul> <p>The direct measure of service efficiency for housing services is the cost per person for each support type. The direct measure of service quality is the percentage of clients who receive a relevant, timely and appropriate service.</p> <p>The service area has not reported on output efficiency or service effectiveness for 8 of its 9 functions worth \$329 million. The direct measure for service efficiency of social inclusion services is the cost per person for each support service. Efficiency measures would show the cost of administration of services such as senior card per transaction. Quality measures would show the proportion of users who found the service appropriate to their needs.</p> <p>Direct measures of service effectiveness for women, youth, seniors and disaster management services are the impact of the service on their wellbeing, safety and participation.</p>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DCCSDS Service area	2013–14 Budget (000's)			Input/output focus					Outcome focus			Audit commentary			
	State contribution	Other revenue	Total cost	Target	Input	Process	Output/service dimension			A	Ce		Se		
							A	C	T	Q	Te	Ce	Se		
<b>Total</b>	\$2 160 387	\$419 776	\$2 580 163		0	0	0	1	0	1	0	0	0	3	<p><b>Summary</b></p> <p>Service effectiveness is directly reported in:</p> <ul style="list-style-type: none"> <li>two of the three service areas (67 per cent). One of these is a whole-of-government measure and does not indicate the effectiveness of the service area.</li> <li>three of five measures (60 per cent)</li> </ul> <p>There are no measures of technical efficiency or cost-effectiveness.</p>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E6—Department of Education, Training and Employment

DETE	2013–14 Budget (000's)				Units	Target	Input/output focus				Outcome focus				Audit commentary				
	State contribution	Other revenue	Total cost	Service standards			Input	Process	Output/service dimension			A	C	T		Q	Te	Ce	Se
1. Early Childhood Education and Care	\$135 780	\$179 611	\$315 391	Proportion of Queensland children enrolled in an early childhood education program.	Per cent	95												The direct measure of service effectiveness is how well students in early childhood programs develop the foundations for learning. The proportion of enrolments is an indirect measure. Other jurisdictions (Vic) include a measure of children's; physical health and wellbeing, social competence, emotional maturity, language and cognitive skills (school-based), communication skills and general knowledge.	
				Proportion of enrolments in an early childhood education program: Indigenous/ disadvantage communities.	Per cent	95–100													
2. School Education				Proportion of complaints relating to serious safety breaches in education and care services and child care services that are responded to within two working days.	Per cent	100												Validated customer complaints can be a useful proxy for service effectiveness as they can indicate where quality can improve.	
	\$5 603 266	\$1 439 102	\$7 042 368	Service standards Literacy and Numeracy Year 3 Test - Proportion of students at or above the National Minimum Standard: Reading, writing, numeracy by all and Indigenous.	Per cent	84–94													• Appropriate direct measures of service outcomes relevant to objectives.
				Year 5 Test - Proportion of students at or above the National Minimum Standard: Reading, writing, numeracy by all and Indigenous students.	Per cent	67–93													• Appropriate direct measures of service outcomes relevant to objectives.
				Year 7 Test - Proportion of students at or above the National Minimum Standard: Reading, writing, numeracy by all and Indigenous students.	Per cent	78–95												• Appropriate direct measures of service outcomes relevant to objectives.	

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DETE		2013-14 Budget (000's)					Input/output focus						Outcome focus				Audit commentary
Service area	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			Te	Ce	Se			
									A	C	T					Q	
				Year 9 Test - Proportion of students at or above the National Minimum Standard: Reading, writing, numeracy by all and Indigenous students.	Per cent	69-94										•	
				Proportion of Year 12 students awarded a QCE.	Per cent	83											• Appropriate direct measures of service outcomes relevant to objectives.
				Proportion of Year 12 students who are completing or have completed a SAT or were awarded one or more of: QCE, IBD or VET qualification.	Per cent	95											•
				Proportion of OP/IBD students who received an OP 1 to 15 or an IBD.	Per cent	72											•
				Number of students awarded a Queensland Certificate of Individual Achievement.	Number	550											•
				Proportion of students who, six months after completing Year 12, are participating in education, training or employment.	Per cent	88											• Appropriate direct measure of service outcomes relevant to objectives.
				Average cost of service per student: Primary, Secondary, Students with disabilities.	\$	11 162-28 087											• Appropriate direct measures of technical efficiency.
				Proportion of parents satisfied with their child's school.	Per cent	90											• This is an indirect measure of effectiveness.
3. Training, Tertiary Education and Employment	\$649 302	\$665 383	\$1 314 685	Proportion of all attempted competencies successfully completed.	Per cent	89											• Appropriate direct measure of service outcomes relevant to objectives.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DETE	2013-14 Budget (000's)			Units	Target	Input/output focus						Outcome focus			Audit commentary
	State contribution	Other revenue	Total cost			Service standards	Input	Process	Output/service dimension			A	Ce	Se	
Service area								A	C	T	Q	Te	Ce	Se	
				Proportion of Queenslanders with higher qualifications.	57										•
				Proportion of graduates in employment or further study.	87										•
				Number of completions: apprenticeships, traineeships, SATs.	5 000–24 000										•
				Proportion of graduates satisfied with the overall quality of their training.	0.89										•
				Proportion of employers satisfied with graduates of: nationally accredited training, apprenticeships and traineeships.	83–85										•
				Average cost per competency successfully completed.	712							•			
<b>Total</b>	<b>\$6 388 348</b>	<b>\$2 284 096</b>	<b>\$8 672 444</b>			0	1	0	0	0	3	2	0	15	<b>Summary</b> Service effectiveness is directly measured in: <ul style="list-style-type: none"> <li>two of the three service areas</li> <li>5 of the 21 service standards (71 per cent)</li> <li>accounting for 96 per cent of total cost.</li> </ul> Service efficiency is directly measured in: <ul style="list-style-type: none"> <li>two of the three service areas</li> <li>2 of the 21 service standards (9.5 per cent)</li> <li>accounting for 96 per cent of total cost.</li> </ul>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E7—Department of Energy and Water Supply

DEWS	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus					Outcome focus					Audit commentary
	Service area	State contribution	Other revenue	Total cost				Input	Process	Output/service dimension			Outcome focus					
										A	C	T	Q	Te	Ce	Se		
1. Energy	\$42 950	\$211	\$43 161	Relative reduction in peak electricity network demand from demand management/energy efficient initiatives and projects facilitated.	Mega-watts	115					•							The direct measure of service effectiveness is the affordability, security and reliability of energy supply. This data would allow cost-effectiveness measures to be developed. The measure to reduce peak demand is a measure of service quality but is not transparent as it provides no useful data on affordability and the impact on cost of living pressures.
				Lead implementation and deliver relevant initiatives of the 30 Year Electricity Strategy on time and within budget.	Per cent	90	•											A direct measure of service effectiveness is whether the initiatives are successful. To date the 30 year electricity strategy has not been approved. This standard relates directly to how the department delivers the services, rather than to the services themselves, and so is not a proxy for either efficiency or effectiveness of outcomes. In its present form it also obscures actual performance, as it provides no useful data on the length of any delays, or on the amount of any cost overruns.
2. Water Supply and Sewerage Services	\$60 303	\$2 484	\$62 787	Percentage of stakeholders who rate the department's engagement on key Energy programs/initiatives as satisfactory or better.	Per cent	90	•				•							Stakeholder satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.
				Lead implementation and deliver relevant initiatives of the 30 Year Water Strategy on time and within budget.	Per cent	90												As above.
				Percentage of stakeholders who rate the department's engagement on key Water Supply and Sewerage Services programs/initiatives as satisfactory or better.	Per cent	90					•							As above.
				Percentage of the State's drinking water services that have appropriate drinking water quality monitoring and response.	Per cent						•							The SDS standard is a proxy for effectiveness. It indicates the effectiveness of policy and standards. It does not provide any information on the percentage of water services that meet water quality standards or the number of incidents and the number of people affected by adverse water quality events.
<b>Total</b>	<b>\$103 253</b>	<b>\$2 695</b>	<b>\$105 948</b>				0	2	0	0	4	0	0	0	0	0	0	<b>Summary</b> There are no direct measures of service effectiveness for either service area. There are no direct outcome efficiency or cost effectiveness measures for either service area.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office



Figure E8—Department of Environment and Heritage Protection

DEHP	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus					Outcome focus	Audit commentary		
	State contribution	Other revenue	Total cost	Input				Process	Output/service dimension			Te			Ce	Se
									A	C	T					
1. Environment Management	\$45 059	\$34 284	\$79 343	Per cent	Percentage of assessment applications that are dealt with without further, formal information, requests being required.	60							These measures report on the quality of program outputs. They do not address the service area objective of avoiding minimising or mitigating impacts to the environment. More direct measures of service effectiveness are the number of incidents where the environment was harmed and the proportion of facilities that are deemed compliant on initial inspection. Direct measures of service efficiency are the average cost per application and average cost per inspection.			
2. Conservation Programs	\$69 974	\$8 657	\$78 631	Per cent	Percentage of facilities that are deemed compliant under the <i>Environmental Protection Act 1994</i> during a follow-up inspection.	60							This is a proxy measure of effectiveness as it reports on a program rather than the service objective of ensuring the diversity and integrity of Queensland's natural ecosystems are preserved. It also obscures performance data about actual land gazetted. Better proxy measures of service effectiveness are the proportion of land in Queensland that is conserved and the proportion of high quality conserved land that has been gazetted.			
					Annual percentage increase in high quality conservation land gazetted as nature refuges.	2.8										
					Annual percentage increase in the total amount of land secured that will be rehabilitated as new koala habitat.	10							This measure is a proxy for output quality. The actual output quality measure is the amount of land rehabilitated. Better service effectiveness measures are the number and proportion of native species that have enhanced, maintained and deteriorated and number of ecosystems that have been preserved. The technical efficiency measure is the cost per native species that are maintained or enhanced.			
					Percentage of 'Everyone's Environment' projects assessed as delivering on their objective.	90							This measure is a proxy for output quality as it measures the effectiveness of projects against their objectives, not the program or service area effectiveness. It is also dependent on how well the project objective is defined. This measure is not required in the SDS if suitable efficiency and effectiveness measures are in place.			
					Percentage of macropod harvest quotas not exceeded during any harvest period.	100							This is a compliance measure specific to one program area within the service area and it is not clear why this program is more important to report on than other program areas which are not represented in the SDS. It does not relate to the efficiency or effectiveness of the service area objective. It is therefore not required in the SDS.			

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DEHP	2013–14 Budget (000's)				Units	Target	Input/output focus				Outcome focus				Audit commentary
	State contribution	Other revenue	Total cost	Service standards			Input	Process	Output/service dimension			Outcome focus			
Service area							A	C	T	Q	Te	Ce	Se		
3. Built Heritage	\$3 146	\$0	\$3 146	Percentage of departmental register recommendations, for inclusion on the Heritage Register, accepted by the Queensland Heritage Council.	Per cent	90				•				This measure reports on the output of one program under the service area but not on the effectiveness of the service area against the objective of protecting Queensland's built heritage.	
<b>Total</b>	<b>\$118 179</b>	<b>\$42 941</b>	<b>\$161 120</b>				0	1	2	0	0	0	0	<p><b>Summary</b></p> <p>Service effectiveness is directly measured in:</p> <ul style="list-style-type: none"> <li>one of the three service areas (33 per cent) in relation only to some of the services undertaken in that area</li> <li>one of the seven standards reported (14 per cent).</li> </ul> <p>There is no direct service effectiveness measure for at least 51 per cent of total cost.</p> <p>There are no direct technical efficiency or cost effectiveness measures.</p> <p>Two output measures are not required as they do not add to existing efficiency and effectiveness reporting.</p>	

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E9—Department of Health

QH (DoH)	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary		
	State contribution	Other revenue	Total cost	Input				Process	Output/service dimension						
Service area								A	C	T	Q	Te	Ce	Se	
1. Prevention, Promotion and Protection	\$306 638	\$270 343	\$576 981	Percentage of the Queensland population who consume recommended amounts of: fruit, vegetables.	Per cent	56.1, 9.7									<ul style="list-style-type: none"> <li>The SDS measures for preventative health report population statistics such as, Queenslanders' healthy eating habits, engagement in physical activity, alcohol consumption, rates of smoking, sun protection behaviours and screening rates, are susceptible to be affected by other government agencies, including the Department of Education, Training and Employment, Queensland Police Service, Department of National Parks, Recreation, Sport and Racing. This reduces the value of these measures for accountability purposes for this service area. They provide no information on the impact of participating in funded preventative health programs. They also obscure the performance of funded programs. Recognise them as whole-of-government outcomes. They are mostly ROGS indicators.</li> <li>The direct measure of service effectiveness would be the proportion of participants in Drug and Alcohol prevention programs who reduce alcohol consumption over time.</li> <li>The direct measures of efficiency are the cost per capita of providing preventive interventions, health promotion and protection activities and the average cost per participant by program type (diet, activity, alcohol, smoking, melanoma and HIV).</li> </ul>
				Percentage of the Queensland population who engaged in levels of physical activity for health benefit: Persons, male, female.	Per cent	63, 68.2, 57.7									<ul style="list-style-type: none"> <li>The SDS standard is an activity measure which does not provide information about service effectiveness. The proportion of sites that provide testing services and the percentage of people who are diagnosed as positive and who successfully access care or treatment (accessibility) would be better proxies for quality of service delivery. The direct measure of efficiency is the cost per HIV test performed. The direct measure of service effectiveness is the percentage of patients and health workers reporting improved clinical outcomes and wellbeing.</li> </ul>
				Percentage of the Queensland population who are overweight or obese: Persons, male, female.	Per cent	59.1, 66.2, 52.2									<ul style="list-style-type: none"> <li>Appropriate direct measure of service effectiveness relevant to objective of fully vaccinated community. The direct measure of technical efficiency is the average cost per vaccination. A further service effectiveness measure is the rate of incidence of preventable diseases.</li> </ul>
				Percentage of the Queensland population who consume alcohol at risky and high risk levels: Persons, male, female.	Per cent	11.4, 13.1, 9.8									
				Percentage of the Queensland population who smoke: Persons, male, female.	Per cent	12.5, 13.7, 11.3									
				Percentage of the Queensland population who were sunburn: Persons, male, female.	Per cent	52.7, 57.2, 48.3									
				Annual notification rate.	Number	5									
				Number of rapid HIV tests performed.	Number	6 000									
				Vaccination rates at designated milestones for: All children 12–15, 24–27, 60–63 months.	Per cent	92									

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

QH (DoH)	2013–14 Budget (000's)			Units	Target	Input/output focus					Outcome focus	Audit commentary	
	State contribution	Other revenue	Total cost			Service standards	Input	Process	Output/service dimension				
Service area						A	C	T	Q	Te	Ce	Se	
				Per cent	57.6,55.3,38								<ul style="list-style-type: none"> <li>Appropriate direct measure of service effectiveness relevant to objectives (ROGS outcome measure). The direct measure of cost effectiveness is the savings in cancer treatment through early detection as a ratio of the cost of screening.</li> <li>The direct measure of efficiency is the average cost per breast screening.</li> </ul>
				Per cent	60								<ul style="list-style-type: none"> <li>Appropriate direct measure of quality indicating whether the screening service is well targeted and accurate.</li> </ul>
				Rate	.9								<ul style="list-style-type: none"> <li>The rate of infections is a quality measure related to safety of the service. The direct measure of service effectiveness is the number of deaths or permanent injury from occurrences of bloodstream infection caused by Staphylococcus aureus, attributable to receiving care. An appropriate service effectiveness measure for the whole service area is the loss of life from premature death due to identifiable causes of preventable disease or injury (as used by WA).</li> </ul>
2. Primary Health Care	\$574 348	\$99 718	\$674 065	Rate	1.7								<ul style="list-style-type: none"> <li>Appropriate proxy measure of service effectiveness for a whole-of-government outcome of closing the gap between Indigenous and non-Indigenous population health status. It also acts as a quality measure of the health system in relation to accessibility of primary and secondary health care.</li> </ul>
				Per cent	39.4,10.1								<ul style="list-style-type: none"> <li>Appropriate direct measure of service outcome relevant to objective to eliminate smoking during pregnancy because of serious birth effects. The coverage of the measure is not defined (public hospital, private, community-based maternity programs).</li> </ul>
				Number	75 827								<ul style="list-style-type: none"> <li>The SDS standard measures activity as it reports the number of recipients receiving the service and does not indicate the efficiency or effectiveness of the service. The service effectiveness measure is the percentage of babies receiving appropriate care and meeting early milestones.</li> </ul>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

QH (DoH)	2013–14 Budget ('000's)			Service standards	Units	Target	Input/output focus					Outcome focus	Audit commentary	
	State contribution	Other revenue	Total cost				Input	Process	Output/service dimension					Se
Service area							A	C	T	Q	Te	Ce		
3. Ambulatory Care				Number of adult oral health weighted occasions of service (ages 16+).	Number	2 400 000	•						These activity measures do not report on efficiency or effectiveness of the services and do not define the coverage (public or private). The rate of usage of public dental services per population would provide more information about the extent of the service. A technical efficiency measure is the average cost of providing care per patient adjusted with cost weights for the relative complexity of the patient's clinical condition. Service effectiveness is measured by the percentage of patients and health care workers reporting the treatment met the need. The direct measure of cost effectiveness is the cost of the service as a ratio of the savings from reduced oral health procedures as a result of preventive services. The SDS standards are process measures. They provide no useful information on the effectiveness or efficiency of the service. The direct measure of efficiency is the average cost per patient, by provider type.	
				Number of children and adolescent oral health weighted occasions of service (0–15 years).	Number	1 300 000	•							
				Percentage of oral health weighted occasions of service which are preventive.	Per cent	15	•							
				Percentage of oral health weighted occasions of service provided by private dental partners.	Per cent	8	•							
				Percentage of patients transferred off stretcher within 30 minutes.	Per cent	90				•				
				Percentage of emergency department attendances who depart within 4 hours of their arrival in the department.	Per cent	80				•				
				Median wait time for treatment in emergency departments.	Minutes	20				•				
				Percentage of emergency department patients seen within recommended timeframes: Categories 1–5	Per cent	100,80,75,70,70				•				
				Percentage of specialist outpatients waiting within clinically recommended times: Categories 1–3.	Per cent	48,33,90				•				
				Percentage of babies born of low birth weight; Indigenous and non-Indigenous.	Per cent	8.7,5.8								

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

QH (DoH)	2013–14 Budget (000's)						Input/output focus						Outcome focus						Audit commentary
	Service area	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			Te	Ce	Se				
										A	C	T				Q			
4. Acute Care	\$3 978 876	\$2 456 798	\$6 435 674	Total weighted activity units: ED, outpatients, interventions and procedures.	Number	193 482, 187 631, 156 729										This is an activity measure. A technical efficiency measure is the progress against the National Efficient Price of ambulatory care. A service effectiveness measure is the percentage of patients and health care providers reporting the treatment effectively addressed the symptoms. (Note the survey of Emergency Department clients) <a href="http://www.health.qld.gov.au/psu/health-experience/docs/edpes-2013-report.pdf">http://www.health.qld.gov.au/psu/health-experience/docs/edpes-2013-report.pdf</a> . This is a time measure indicating the accessibility of services. Timeliness of service is an important measure. However other aspects of quality such as safety and responsiveness are also important in delivering good outcomes. This should be an internal measure.			
				Median wait time for elective surgery (All).	Days	25													
				Percentage of elective surgery patients treated within clinically recommended times: Categories 1–3.	Per cent	100,91,96													
				Percentage of admitted patients discharged against medical advice: Indigenous and non-Indigenous.	Per cent	1.7,0.8													
				Average cost per weighted activity unit for Activity Based Funding facilities.	\$	4 568													
				Total weighted activity units: acute inpatient.	Number	853 015													
5. Rehabilitation and Extended Care	\$549 600	\$508 616	\$1 058 216	Total weighted activity units: sub-acute.	Number	102 859										This is an activity measure. A service effectiveness measure is the percentage of patients and health care providers reporting the treatment effectively addressed the symptoms. It is also of public interest to report the incidence of adverse events for patients undergoing acute care (as per ROGS).			
6. Integrated Mental Health Services	\$701 822	\$417 948	\$1 119 770	Proportion of re-admissions to acute psychiatric care within 28 days of discharge.	Per cent	<12										This is a proxy quality measure of service delivery of both the acute care unit and the community based service providers.			

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

QH (DoH)	2013–14 Budget (000's)			Input/output focus						Outcome focus			Audit commentary			
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			A		Ce	Se	
				Rate of community follow up within 1–7 days following discharge from an acute mental health inpatient unit.	Per cent	>60									This is a quality measure of one aspect of service delivery, as a proxy for service effectiveness. The target is low, without further explanation.	
				Percentage of the population receiving clinical mental health care.	Per cent	1.8–2.0									<ul style="list-style-type: none"> <li>This is a whole-of-government measure of community mental health reflecting the effectiveness of an array of social and economic policies and services to reduce the incidence of mental health problems and mental illness.</li> </ul>	
				Ambulatory mental health service contact duration.	Number	961 388–164 571									This activity measure is unclear as there is no explanation of the count (e.g. hours, days). It does not provide efficiency or effectiveness information. A cost effectiveness measure is the ratio of the reduced cost of hospital admission due to community-based health services to the program cost. A service effectiveness measure of ambulatory services includes improved wellbeing shown by self-care and participation and social and economic inclusion.	
				Total weighted activity units—mental health.	Number	120 537									This is an activity measure. An efficiency measure for this service would be progress against the National Efficient Price.	
<b>Total</b>	<b>\$7 714 363</b>	<b>\$4 612 057</b>	<b>\$12 326 419</b>				<b>2</b>	<b>3</b>	<b>7</b>	<b>0</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>13</b>	<p><b>Summary</b></p> <p>Service effectiveness is directly reported:</p> <ul style="list-style-type: none"> <li>in four of the six service areas</li> <li>for 13 of 37 measures.</li> </ul> <p>Service efficiency is directly reported:</p> <ul style="list-style-type: none"> <li>in one of six service areas</li> <li>for one of 37 measures.</li> </ul> <p>There are no measures of cost effectiveness.</p>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E10—Department of Housing and Public Works

DHPW	2013–14 Budget (000's)				Service standards	Units	Target	Input	Input/output focus					Outcome focus	Audit commentary				
	State contribution	Other revenue	Total cost	Service standards					Units	Target	Input	Process	Output/service dimension						
													A			C	T	Q	Te
1. Housing Services	\$152 926	\$685 976	\$932 494	Level of client satisfaction: Bond loans; home assist secure; home purchase assistance; social rental housing.	Per cent	92										Satisfaction is a weak service quality measure when it is reported without any clarity of the criteria on which it is based. It does not indicate whether the process met quality standards or the outcome was fit for purpose. A technical efficiency is the cost per client for each service type. A direct measure of service effectiveness is whether the service provided assisted the clients to maintain suitable, affordable, stable housing. There is no reporting on the service area objective to improve economic and social participation and social inclusion for individuals and families.			
				Percentage of new households assisted in government-managed social rental housing who were in very high or high need.	Per cent	95										This quality measure indicates whether the service is reaching the government's priority target group.			
				Average wait time to allocation for assistance (months) with government-managed social rental housing for clients in very high or high need.	Months	10										Appropriate direct service time measure for social rental housing.			
				Average tenancy and property management administration cost per households assisted.	\$	1 126										Appropriate technical efficiency measure for management of social rental housing.			
				Percentage of department owned social rental housing dwellings in acceptable condition.	Per cent	97										Appropriate direct service quality measure for social rental housing.			
				Percentage of under occupied government owned and managed social rental housing.	Per cent	0.155										Proxy measure of cost effectiveness through maximising the potential of the housing stock.			
				Percentage of social housing under non-government management.	Per cent	35 by end 2014										This internal measure indicates the service area's progress in outsourcing social rental housing. This measure is not required as it does not add to existing efficiency and effectiveness reporting. An efficiency measure would indicate the savings accrued from the shift to non-government housing. A direct measure of effectiveness of housing services is the percentage increase in housing stock accommodating high needs clients (as per Housing 2020 goal).			

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office



DHPW	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus			Outcome focus			Audit commentary
	State contribution	Other revenue	Total cost	Input				Process	Output/service dimension			A	Ce	
2. Building Services	\$54 820	\$591 701	\$646 475	Return on investment: commercial properties, government employee housing.	Per cent	≥6.5, ≥2.2								Direct measure of cost effectiveness showing success in maximising value of government asset.
				Vacancy rate: office portfolio, government employee housing.	Per cent	≤4, ≤3								Proxy measure of cost effectiveness showing optimal use of government assets. It does not report whether the accommodation is fit for purpose. A direct measure of service area performance is the percentage of government staff in affordable accommodation suited to business and community needs.
3. Procurement Services				Energy consumption per employee occupying office space (in the owned office portfolio).	Kwh per annum	≤3 300								Direct measure of cost efficiency.
				Work point density: average; new fit-out.	Square metres per person	≤=13.6; 12								Proxy measure of cost efficiency-maximising use of government asset. A technical efficiency is the cost per person per square metre.
				Percentage of defaults by pre-qualified building industry contractors on government building projects.	Per cent	≤2.0								This is a measure of internal procurement and contract management processes. It is not required to report in the SDS.
				Client satisfaction.	Per cent	0.7								Stakeholder satisfaction with services may be a proxy for service effectiveness if the measure includes all dimensions such as timeliness, responsiveness, accuracy, suitability and accessibility. It is not clear what this measure surveys and how it relates to the service area objective.
			Savings and benefits delivered under existing and new arrangements to government.	\$ million	50									The amount of saving by itself does not indicate the efficiency or effectiveness of the service area in procurement. Immediate savings could increase long term costs in goods and increase labour costs. A technical efficiency measure is the reduction in cost of goods and services per person. A direct measure of service effectiveness is the percentage of procured goods and services that are fit for purpose over the expected time of use.
			Increased utilisation of whole-of-government arrangements.	Per cent	70									This is an internal activity measure aimed at reducing costs through economies of scale. However it does not indicate efficiencies or effectiveness of the strategy. A technical efficiency measure is the percentage reduction in cost of goods and services procured through the whole of government strategy. A cost effectiveness measure is the ratio of the realised savings and the service area expenditure.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DHPW Service area	2013–14 Budget (000's)				Input/output focus						Outcome focus			Audit commentary	
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			Te	Ce		Se
									A	C	T				
<b>Total</b>	\$221 873	\$1 277 677	\$1 593 096				1	1	3	1	4	1	3	0	<p><b>Summary</b></p> <p>Service effectiveness is not directly reported in any of the service areas. Service efficiency is directly reported in:</p> <ul style="list-style-type: none"> <li>two of three service areas (66 per cent)</li> <li>four of 15 measures (27 per cent).</li> </ul>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E11—Department of Justice and Attorney-General

DJAG	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary			
	State contribution	Other revenue	Total cost					Input	Process	Output/service dimension						
Service area								A	C	T	Q	Te	Ce	Se		
1. Criminal and civil justice	\$236 730	\$37 036	\$273 766	Clearance rates (supreme, district, magistrates, appeals, children's, coroner's, land courts and tribunals) (finalisations/lodgements).	Per cent	95–102				•					ROGS classifies clearance rate as an efficiency measure, but QAO assesses it as a time measure which is a proxy for efficiency. The better technical efficiency measure is cost per finalisation.	
				Backlog indicators (supreme, district, magistrates, appeals, children's, coroner's, land courts and tribunals) (greater than 24 months). Agreement rate per cent:	Per cent	0–12				•					Backlog indicator' measures timeliness and delay which is another proxy for efficiency. The better technical efficiency measure is cost per finalisation.	
				• Civil Law - mandatory mediations for QCAT	Per cent	50						•				This measures the effectiveness of a program area rather than the service area and is therefore a quality indicator of outputs and a proxy for service effectiveness.
				• Civil Law - voluntary community mediations	Per cent	80										
			• Criminal Law.	Per cent	95											
2. Fair and safe work				Overall client satisfaction with services provided.	Per cent	70			•						Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed. This measure is a weak proxy as the perceptions of court users about the quality of the services delivered by courts may be strongly influenced by the outcomes of judicial decisions.	
				Private sector industrial relations	Per cent	85					•				Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of services. It is not clear from the supporting notes that all of these aspects are surveyed.	
				Overall client satisfaction with inspectorate's effectiveness and professionalism.	Per cent	85										
				Cost of PSIR services per Queensland.	\$	3.25				•					This is a proxy measure of cost effectiveness.	
			Admin of the Industrial Court and Commission system	Per cent	65						•				This measures the effectiveness of a program area rather than the service area and is therefore a quality indicator of outputs and one proxy for service effectiveness.	
			Percentage of matters resolved at conference.	Per cent	65											
			Average time for decisions to be published and made available to the community.	Days	2						•				This measure is a proxy for technical efficiency. The technical efficiency measure is cost per decision.	

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DJAG	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus				Outcome focus				Audit commentary
	State contribution	Other revenue	Total cost	Input				Process	Output/service dimension			Outcome focus				
									A	C	T	Q	Te	Ce	Se	
					Level of client satisfaction with registry services.	Per cent	85				•				Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of services. It is not clear from the supporting notes that all of these aspects are surveyed.	
					Workplace health and safety services						•				This is a proxy measure for service effectiveness. Better service effectiveness measures are the number of injuries and fatalities and number of breaches.	
					Percentage of successful prosecutions.	Per cent	65									
					Overall client satisfaction with: <ul style="list-style-type: none"> <li>inspectorate's effectiveness and professionalism</li> <li>business engagement programs.</li> </ul>	Per cent	85				•				Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of services. It is not clear from the supporting notes that all of these aspects are surveyed.	
					Cost of WHSQ services per worker covered by the workers' compensation scheme.	\$	27.88			•					This is a proxy for technical efficiency. A better technical efficiency measure is cost per inspection.	
					Electrical safety services										• This is an appropriate service effectiveness measure.	
					The number of reported serious electrical incidents involving power lines, installations and electrical equipment per million population.	Number	10									
					Overall client satisfaction with: <ul style="list-style-type: none"> <li>inspectorate's effectiveness and professionalism</li> <li>access to and relevance of electrical safety seminar programs.</li> </ul>	Per cent	85				•				Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of services. It is not clear from the supporting notes that all of these aspects are surveyed.	
					Cost of electrical safety services per person in Queensland.	\$	3.40			•					This is an output cost measure and is a proxy for cost effectiveness. Measures of cost efficiency are cost per inspection / output / program.	
3. Legal	\$18 844	\$36 070	\$54 914		Legal services to government	Rating 1–5	3.57				•				Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of services. It is not clear from the supporting notes that all of these aspects are surveyed.	

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DJAG Service area	2013-14 Budget (000's)				Service standards	Units	Target	Input	Input/output focus				Outcome focus	Audit commentary		
	State contribution	Other revenue	Total cost						Process	Output/service dimension						
									A	C	T	Q	Te	Ce	Se	
4. Human rights protection	\$24 189	\$14 485	\$38 674	Productivity for chargeable hours. Life event registration services Average time to register life events: <ul style="list-style-type: none"> <li>births</li> <li>marriages</li> <li>deaths</li> <li>changes of name.</li> </ul> Average time to issue life event certificates. Victims of crime assistance services Average length of time for financial assistance: <ul style="list-style-type: none"> <li>interim assessments</li> <li>funeral assessments</li> <li>general assessments</li> <li>general assessments for secondary and related victims.</li> </ul> Percentage of clients satisfied with the overall service: <ul style="list-style-type: none"> <li>financial assistance</li> <li>LinkUp.</li> </ul> Guardianship services Average time to complete referred investigations.	Per cent Days Days	100 6 5 3 10 4.5	•									This appears to be a measure of input. There is no explanation of how the measure of productivity for chargeable hours is calculated, or sufficient detail to adequately assess the efficiency of the service. The technical efficiency measure is cost per service provided.  Timeliness of registration and certificate issue are proxies of effectiveness. Other proxies are quality measures such as accuracy, preservation and care of records, maintenance of archives and the security of data. The technical efficiency measures are cost per registration / certificate.  Timeliness is one proxy of effectiveness. Other proxies are quality measures such as accuracy of the assessments, information being understood by clients and proportion of clients benefiting from the service. The technical efficiency measure is average cost per assessment.  Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of services. It is not clear from the supporting notes that all of these aspects are surveyed.  Average time to complete is a timeliness measure which is a proxy for efficiency. The technical efficiency measure is cost per investigation.  This is a proxy for output quality and effectiveness. The technical efficiency measure is cost per inspection.  This is a proxy measure of effectiveness. Other proxies include number of complaints and percentage of complaints resulting in redress.
5. Liquor, gaming and fair trading	\$75 630	\$3 716	\$79 346	Proportion of licensing applications and registration services processed within timeframes established in service delivery standards. Consumer redress facilitated by the Office of Fair Trading.	Per cent \$ million	90 3										

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DJAG Service area	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus					Outcome focus				Audit commentary
	State contribution	Other revenue	Total cost	Input				Process	Output/service dimension			Te	Ce	Se			
									A	C	T				Q		
6. Youth justice					Cost of liquor, gaming and fair trading services per Queenslanders.	\$	18				•					This is an output cost measure and a proxy measure of cost effectiveness.	
		\$668	\$144 105		Percentage of orders supervised in the community that are successfully completed:	Per cent						•				These measures assess the effectiveness of program areas rather than the service area and are therefore quality indicators of outputs and proxies for service effectiveness. Service effectiveness measures according to ROGs are:	
					• Aboriginal and Torres Strait Islander young people		72									• secure housing	
					• other young people		81									• education and employment readiness	
					• all young people.		78									• repeat offending.	
					Percentage of completed referrals to the conditional bail program that are successful:	Per cent							•			Technical efficiency measures include cost per young person subject to community-based supervision and cost per young person to detention-based supervision.	
				• Aboriginal and Torres Strait Islander young people		57											
				• other young people		59										This is a proxy for effectiveness of a program.	
				• all young people.		62										This is a proxy for service effectiveness.	
				Percentage of youth justice conferencing participants (including the victim) that are satisfied with the outcome.	Per cent	98						•					
				Rate per 1 000 young people (aged 10–16 years) in detention:	Rate												
				• Aboriginal and Torres Strait Islander young people		3.5											
				• other young people		0.14											
				• all young people.		0.35											
				Proportion of case plans reviewed within 6 weeks of a young person commencing a youth justice order:	Per cent							•				This is a timeliness measure which is a proxy for program effectiveness. It does not cover quality aspects such as the appropriateness of interventions and whether interventions met the needs of the child.	
				• sentenced community-based order		80											
				• sentenced detention order		80											
<b>Total</b>	<b>\$537 412</b>	<b>\$161 536</b>	<b>\$698 948</b>					1	1	0	4	9	14	0	0	1	<b>Summary</b> Service effectiveness is directly measured:
																	• in one of the six service areas (17 per cent) in relation only to some of the services undertaken in that area
																	• by one of the 30 standards reported (3 per cent).
																	There is no direct service effectiveness measure for at least 85 per cent of total costs.
																	There are no direct technical efficiency or cost effectiveness measures.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E12—Department of Local Government, Community Recovery and Resilience

DLGCRR	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus					Outcome focus	Audit commentary	
	State contribution	Other revenue	Total cost	Input				Process	Output/service dimension			Te			Ce
1. Local Government	\$153 178	\$430	\$193 120	Per cent	Percentage of Local Governments satisfied with advice and services provided by the department.	Per cent	85								Stakeholder satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.
				Per cent	Percentage of scheduled activities and programs undertaken by the department completed within agreed set timeframes and budget allocation.	Per cent	85	•							The direct measure of service effectiveness is the proportion of local governments that are financially sustainable and accountable to their communities. These two standards relate directly to how the department delivers these services, rather than to the services themselves and so are not proxies for either efficiency or effectiveness of outcomes. In their present form they also obscure actual performance, as they provide no useful data on the length of any delays, or on the amount of any cost overruns or revenue shortfalls.
															Other jurisdictions (e.g. WA) measure the improvement in local government's capability to enable the fulfilment of their responsibility to their communities: <ul style="list-style-type: none"> <li>• proportion of local governments meeting the full set of four capability elements at a basic level</li> <li>• proportion of capability elements met at the basic level across all local.</li> </ul>
				Per cent	Percentage of Local Government Grants and Subsidies (infrastructure) Program funding agreements managed according to agreed timeframes.	Per cent	90				•				Timeliness is one dimension of service output effectiveness, but the measure used and target obscure actual processing times and do not allow external benchmarking with or longitudinal comparisons. Other jurisdictions (e.g. WA) measure average cost of advice and support to develop local government, which is a direct measure of technical efficiency.
2. Community Recovery and Resilience	\$23 170	\$16	\$24 990	Per cent	Percentage of Local Government Grants and Subsidies (Flood) Program funding agreements managed according to agreed timeframes.	Per cent	90			•					The direct measure of service effectiveness is whether the projects were delivered and resilience activities implemented to mitigate the effect of natural disasters. The measure and target obscure performance as they provide no information on delays or the scale of the funding agreements that are behind schedule.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DLGRR	2013–14 Budget (000's)				Input/output focus					Outcome focus			Audit commentary				
	Service area	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension				Te	Ce	Se	
										A	C	T					Q
								0	2		0	0	1	0	0	0	
<b>Total</b>		\$176 348	\$446	\$218 110													<b>Summary</b> There are no direct outcome efficiency or effectiveness measures.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office



Figure E13—Department of National Parks, Recreation, Sport and Racing

DNPSR	2013–14 Budget (000's)			Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary		
	State contribution	Other revenue	Total cost				Input	Process	Output/service dimension					
Service area							A	C	T	Q	Te	Ce	Se	
1. National Parks	\$148 247	\$42 307	\$192 074	Delivery of visitor and tourism facility and park management infrastructure projects on Queensland Parks and Wildlife Service (QPWS) managed estate, as measured by the capital works activity index.	Index	80–100								The measure shows the internal efficiency of the service area in administering projects but does not report on the actual outputs or outcomes of the projects. The measure of cost effectiveness is the increased value of the amenity per service area expenditure. A technical efficiency measure is the cost per visitor. The direct service effectiveness measure is the % of the managed estate that is protected and accessible for use (as per service area objectives).  The measure reports meeting the target activity rate but not the efficiency or effectiveness of the fire management system. The technical efficiency measure is the cost per hectare of treatment. The direct service effectiveness measure is the percentage of vulnerable estate protected against fire (that is, percentage fire free). A further measure may reflect the percentage value loss of the estate from bushfires. Other activities within this service area are not reported e.g. pest control, marine park management (fish habitat), Great Barrier Reef (jointly with Commonwealth) and world protected areas.
				Percentage of the Protection and Wildfire Mitigation Zones prescribed burning target achieved on QPWS managed estate to protect life and property.	Per cent	90								As above.  There is no reporting of service performance in relation to the objectives to increase access to recreational and tourism use of national parks and to support business development and community partnerships.
				Percentage of the QPWS managed estate prescribed burning target achieved to protect life, property and biodiversity.	Per cent	80								
				Percentage of athletes selected for national teams from the Queensland Academy of Sport.	Per cent	25								• This is a direct service effectiveness measure indicating appropriate selection and training of potential athletes.
				Ratio of elite athlete direct coaching and specialist services costs to administration support costs.	Ratio	19:1								• This is a proxy efficiency measure. A better measure is the full cost (under the department's control) of services per athlete.
				Participant satisfaction with the department's sport and active recreation programs.	Per cent	92								• Satisfaction is a weak measure of quality unless the criteria on which satisfaction is based are reported e.g. accessibility, affordability, suitability, expertise. A direct measure of service effectiveness, in line with the service area's objective is the percentage of children and young people actively engaged in sport and recreation.
				Percentage of young people becoming new members of sport and recreation clubs (as a result of the Get Started program).	Per cent	>7								• This is a proxy service effectiveness measure for the Get Started program.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DNPSR	2013–14 Budget (000's)				Units	Target	Input/output focus				Outcome focus				Audit commentary
	State contribution	Other revenue	Total cost	Service standards			Input	Process	Output/service dimension			Outcome focus			
Service area							A	C	T	Q	Te	Ce	Se		
3. Racing	\$43 565	\$4 433	\$47 908	Percentage of <i>Racing Act 2002</i> annual assessment non-compliance issues resolved within required timeframes.	Per cent	80			•					This is a direct measure of timeliness of regulatory processes. Timeliness by itself can drive behaviour that reduces quality, and it does not indicate whether the process is fair and correct. It is important to ensure that regulatory processes meet quality standards and are considered to be fair. This measure does not indicate whether the service area is contributing to compliance of the Racing Act or the effectiveness of the racing industry.	
				Percentage of drug sample analyses from licensed racing animals completed and reported within 10 working days.	Per cent	95			•					This measures the timeliness of one process and is not an efficiency measure of the service as a whole. Reporting the cycle time for drug sample tests does not provide any information that the service is ensuring the integrity of the industry. While timely, accurate services are important outputs, they are the means to the ends, not the ends in themselves. A cost efficiency measure is the cost per inquiry or investigation.	
<b>Total</b>	<b>\$310 887</b>	<b>\$53 664</b>	<b>\$365 981</b>				0	1	0	1	2	3	0	2	<b>Summary</b> Service effectiveness is reported: <ul style="list-style-type: none"> <li>in one of three service areas (30 per cent)</li> <li>for two of nine standards</li> <li>accounting for 34 per cent of the budget.</li> </ul> There are no cost effectiveness or cost efficiency measures.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E14—Department of Natural Resources and Mines

DNRM	2013–14 Budget ('000's)				Units	Target	Input/output focus				Outcome focus	Audit commentary		
	State contribution	Other revenue	Total cost	Service standards			Input	Process	Output/service dimension					
Service area							A	C	T	Q	Te	Ce	Se	
1. Land Services	\$141 109	\$54 200	\$195 309	Resolution of outstanding Native Title Claims.	Per cent	10	•							This measure and its low target of 10 per cent provide little information about the efficiency or effectiveness of the service area's role in native title completion. The service area's stated role is to provide clarity for the community and to ensure consideration of Indigenous interests. This measure does not indicate whether stakeholders were confident about the timeliness, accessibility and fairness of the process. A direct measure of technical efficiency is the service area cost per completion. A proxy service effectiveness measure is the percentage of cases resolved without trial, with agreement by parties. Alternative measures are the percentage change in number of outstanding Native Title claims awaiting resolution (WA) and the average length of time for resolution of native title claim.
				Percentage of objections lodged against annual statutory land valuations processed within customer service standards.	Per cent	85	•							The measure is limited to timeliness of an aspect of the service activity and does not indicate the efficiency or effectiveness of the valuation service. A technical efficiency measure is the cost per valuation and appeal. A proxy service effectiveness measure is satisfaction by the community that assessment of land value as a basis for rates and tax is fair, accurate and appropriate.
				Percentage of records processed within customer service standards: Titles registry (in 5 days), Digital cadastral database (in 7 days).	Per cent	90,90				•				The measure is limited to timeliness of one aspect of the service activity. A direct cost efficiency measure is the average cost per land registration or information action (used in WA). A direct service effectiveness measure is the accuracy, accessibility and comprehensiveness of the state's records, with a quality benchmark comparable to other jurisdictions.
2. Water Services	\$74 408	\$51 901	\$126 309	Percentage of the State's natural water resources with monitoring programs in place.	Per cent	70	•							This process measure is unclear in its intent and it does not provide information about efficiency or effectiveness of the provision of quality water services. The service effectiveness of water monitoring needs to be reported e.g. % of water resources or total water volume meeting required standard. A cost efficiency measure is the cost of regulating and testing per mega litre of water delivered. Technical efficiency is the cost per mega litre of potable water produced. Cost effectiveness measure is the cost of water per person.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DNRM	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus				Outcome focus				Audit commentary	
	Service area	State contribution	Other revenue	Total cost				Input	Process	Output/service dimension			Outcome focus				
										A	C	T	Q	Te	Ce		Se
					Percentage of water resource management dealings processed within customer service standards.	Per cent	75									The measure is a proxy for timeliness however, it does not provide clear information on what management dealings includes and the impact on customers. Water availability for the community and industry, water security, increased production and use of water, and sustainability of water resources have not been reported. A direct service effectiveness measure for the availability of water is the percentage of population with access to sufficient water for industrial and domestic use (urban, rural, remote).	
3. Mine Safety and Health Services	\$3 972	\$54 214	\$58 186		Lost time injury frequency rate (injuries per million hours) in the mining and quarrying industries.	Per cent	<3.3									<ul style="list-style-type: none"> <li>• Appropriate service effectiveness measure for mining and quarrying. An additional important measure of safety is the number of deaths and serious injuries. Safety and health of petroleum and gas workers are not reported.</li> </ul>	
					Percentage of scheduled and legislative audits, inspections and investigations completed within prescribed times.	Per cent	90									Timeliness is one aspect of output quality but driving performance on time alone can lead to poor quality. A direct quality measure is the percentage of audits and investigations meeting quality standards. A cost efficiency measure is the cost per audit and investigation. Service effectiveness measures are the percentage of organisations meeting quality standards and the percentage of non-compliant organisations meeting quality standards within specified timeframe post audit or investigation.	
4. Mining and Petroleum Services	\$63 013	\$26 905	\$89 918		Percent of mining exploration applications grants in accordance with timelines set out in published performance standards.	Per cent	90									As above, timeliness is a partial measure of outputs and does not indicate efficiency or effectiveness of the service in meeting the service area objectives. Technical efficiency is measured by the average cost of the grants application processed. A direct cost effectiveness measure is the service cost as a ratio of the increased investment from exploration, by type (Strategic Plan outcome).	
					Percent of new production tenure applications granted within timelines agreed between the department and industry proponents.	Per Cent	90									A technical efficiency measure is the average cost per application processed. Cost effectiveness is the cost of producing each \$ of increased production. Direct service effectiveness measures are increased revenue from resources activity and increased productivity and sustainability of the resources industry (Four pillar goals).	
<b>Total</b>	<b>\$282 502</b>	<b>\$187 220</b>	<b>\$469 722</b>					0	2	1	0	5	0	0	0	1	<p><b>Summary</b></p> <p>Service effectiveness is reported:</p> <ul style="list-style-type: none"> <li>• in one of four service areas (25 per cent)</li> <li>• for one of nine measures (11.1 per cent)</li> <li>• representing 12 per cent of the total budget.</li> </ul> <p>There are no cost efficiency, technical efficiency or cost effectiveness measures.</p>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E15—Department of Science, Information Technology, Innovation and the Arts

DSITIA	2013–14 Budget (millions)				Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary		
	State contribution	Other revenue	Total cost					Input	Process	Output/service dimension					
Service area								A	C	T	Q	Te	Ce	Se	
1. Science Delivery Services	\$48 901	\$11 823	\$60 724	Average time taken to upload air quality monitoring data to the DEHP website.	Hours	1				•					This measure records the process cycle time, and is only a proxy for the timeliness of the output. It also represents only \$1.5 million of the \$60 million service area.  A better measure for timeliness of the output is the proportion of hourly updates that were not provided. The technical efficiency measures are cost per instance of data provision or cost per update.  Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.  The service effectiveness measure is the percentage of data which was used by clients.  Client satisfaction measures one dimension of effectiveness, but does not report if the service itself is effective in achieving its objectives. Direct effectiveness measures of the service objective include productivity growth, Business expenditure on R&D, Patents and trademarks per capita, number of knowledge-intensive jobs and Proportion of businesses using digital technologies.
2. Innovation and Science Development Services	\$67 171	\$823	\$67 197	Percentage of clients satisfied with the natural resource and environmental science, information and services provided.	Per cent	Baseline to be established					•				Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.  The service effectiveness measure is the percentage of data which was used by clients.  Client satisfaction measures one dimension of effectiveness, but does not report if the service itself is effective in achieving its objectives. Direct effectiveness measures of the service objective include productivity growth, Business expenditure on R&D, Patents and trademarks per capita, number of knowledge-intensive jobs and Proportion of businesses using digital technologies.
3. Queensland Government Information and Communication Technology Services (excluding CITEC)	\$62 066	\$34 274	\$96 340	Proportion of stakeholders who are satisfied with Innovation and Science Development services, consultative and engagement processes.	Per cent	85					•				Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.  The technical efficiency measure is average cost per transaction.  Customer satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.
				Client satisfaction Smart Service Queensland (SSQ).	Per cent	≥80					•				Customer satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.
				Customer satisfaction with the services delivered by SSQ.	Per cent	≥80					•				Customer satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.
				Customer satisfaction with Queensland State Archives' delivery of services to the public (QSA).	Per cent	≥93					•				Customer satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DSITIA	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary		
	State contribution	Other revenue	Total cost	Input				Process	Output/service dimension						
Service area								A	C	T	Q	Te	Ce	Se	
4. Arts and Culture Services	\$102 160	\$17 523	\$119 683	Cost per capita per week to provide archival services to Queensland (QSA).	\$	Baseline to be established	•								This measures the cost of the service rather than efficiency. An increase in population would show increased "efficiency", regardless of the number of items stored or retrieved. The technical efficiency measures are cost per archived item and cost per retrieval / access.  Client satisfaction can be a proxy measure of effectiveness if it covers all service dimensions. Better proxy measures include level of attendance, participation in arts sector events and utilisation of arts and cultural facilities and membership of arts organisations.
				Level of client satisfaction with Arts Queensland's funding programs and services.	Per cent	85					•				This is a measure of input, not efficiency or effectiveness.  The technical efficiency measure is cost per person per event. The direct measure of cost effectiveness is the cost of events as a rate of event revenue.
5. Queensland Shared Service	\$0	\$195 207	\$195 207	Commercial revenue as a percentage of total revenue.	Per cent	12	•								Client satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.
				Labour as a percentage of total costs.	Per cent	56	•								This measure reports the input cost of delivering the service rather than cost effectiveness or efficiency. The technical efficiency measure is the cost per transaction. Cost effectiveness measures include the cost of the service compared to the recovered cost of replaced duplicate / non-standard / legacy business systems.
<b>Total</b>	<b>\$280 298</b>	<b>\$259 650</b>	<b>\$539 151</b>				2	1	0	1	0	7	0	0	<b>Summary</b> There are no direct technical efficiency, cost effectiveness or service effectiveness measures.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E16—Department of State Development, Infrastructure and Planning

DSDIP	2013–14 Budget (000's)			Total cost	Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary		
	State contribution	Other revenue						Input	Process	Output/service dimension					
Service area								A	C	T	Q	Te	Ce	Se	
1. Co-ordinator General	\$39 452	\$12 107	\$51 559	Statutory decisions made.	Number	90		•							The direct measure of efficiency is the average cost per decision made. Based on the target of 90 decisions, the implied average cost is \$572 878 per decision. The service standard used in the SDS is an activity measure. It provides no relevant data to gauge service efficiency. Backlog data, data on cases on hand at year end, or annual turnover rate of cases would be better proxies.
				Average reduction in assessment timeframes.	Per cent	50				•					Timeliness of decision making is one dimension of service output effectiveness, but the measure used and the target obscure actual processing times, and do not permit external benchmarking with or longitudinal comparisons.
2. Development	\$131 319	\$3 072	\$134 391	Businesses engaged in the department's targeted industry support programs reporting positive outcomes.	Per cent	70					•				If the service output objective is to reduce assessment timeframes, the relevant service standard is the average elapsed time taken (or median if there is a significant spread in times). The desired reduction in timeframes could then have been expressed by progressively reducing the target for the average elapsed time. The direct measures of service effectiveness are the value of new markets accessed, additional business won, or employment growth (measured by additional salaries/wages paid) in the surveyed businesses. This data would also permit cost-effectiveness measures to be developed.
				Stakeholders indicating they are satisfied with the quality of facilitation services for industry development and Invest Queensland services.	Per cent	75						•			The SDS standard is an indirect measure of service effectiveness, and is not transparent as it provides no useful data on scale or value. Stakeholder satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services.
				Value of private sector capital investment leveraged through industry facilitation.	\$ million	230									• Appropriate direct measure of service outcomes relevant to objectives.
				Gross jobs generated or safeguarded as a result of project facilitation.	Number	2 380									• Appropriate direct measure of service outcomes relevant to objectives.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DSDIP	2013–14 Budget (000's)				Input/output focus						Outcome focus				Audit commentary		
	Service area	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			Te	Ce		Se	
										A	C	T					Q
3. Major projects	\$76 751	\$46 513	\$123 264		Value of infrastructure investment enabled through the Royalties for the Regions program.	\$ million	200										<ul style="list-style-type: none"> <li>Appropriate direct measure of service outcomes relevant to objectives.</li> </ul>
					Industry proponents indicating they are satisfied with services provided for the management, delivery or facilitation of projects.	Per cent	75										<ul style="list-style-type: none"> <li>Stakeholder satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.</li> </ul>
					Projects being managed, delivered or facilitated, which meet committed timeframes and approved budgets.	Per cent	75										<ul style="list-style-type: none"> <li>A direct measure of service effectiveness is whether the facilitated projects proceed.</li> </ul>
					Land transactions being delivered, which meet committed timeframes and approved revenue targets.	Per cent	75										<ul style="list-style-type: none"> <li>These two standards relate directly to how the department delivers these services, rather than to the services themselves, and so are not proxies for either efficiency or effectiveness of outcomes. In their present form they also obscure actual performance, as they provide no useful data on the length of any delays, or on the amount of any cost overruns or revenue shortfalls.</li> </ul>
4. Planning	\$37 888	\$1 326	\$39 214		Stakeholders indicating they are satisfied with Queensland's simplified planning system.	Per cent	80										<ul style="list-style-type: none"> <li>This satisfaction measure is primarily about stakeholder views about changes to process, not the effectiveness or efficiency of the service. It is therefore a weak proxy for output quality, and provides no useful information on outcome effectiveness.</li> </ul>
																	<ul style="list-style-type: none"> <li>Direct measures of service effectiveness are the reductions achieved in time and cost to developers associated with the simplified planning system. Another direct measure of service effectiveness is the proportion of appeals to planning decisions and/or the proportion of these appeals that are subsequently upheld. The stated intent is for the simplified planning system to be the 'most efficient and effective in Australia'. If this is to be demonstrated it requires service standards for efficiency that can be benchmarked against other jurisdictions, such as cost per approved application; and for cost-effectiveness such as cost per estimated value of approved developments.</li> </ul>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office



DSDIP	2013-14 Budget (000's)			Total cost	Service standards	Units	Target	Input/output focus						Outcome focus				Audit commentary
	State contribution	Other revenue	Total cost					Input	Process	Output/service dimension			Outcome focus					
Service area								A	C	T	Q	Te	Ce	Se				
					Improvement in time taken for referral agency responses.	Per cent	10				•				<p>The formulation of these standards obscures important performance data about actual service performance. The 10 per cent reductions would be better expressed by progressively setting lower targets for the average or median days taken to make decisions.</p> <p><b>Summary</b> Service effectiveness is directly measured in:</p> <ul style="list-style-type: none"> <li>• one of the four service areas (25 per cent) in relation only to some of the services undertaken in that area</li> <li>• three of the 13 standards reported (23.1 per cent)</li> <li>• accounting for 35 per cent of total costs.</li> </ul> <p>There are no direct outcome efficiency or cost-effectiveness measures.</p>			
					Improvement in time taken for State assessment manager decisions issued.	Per cent	10			•								
<b>Total</b>	<b>\$285 410</b>	<b>\$63 018</b>	<b>\$348 428</b>	<b>0</b>				<b>1</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>				

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E17—Department of Tourism, Major Events, Small Business and the Commonwealth Games

DTESSB	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus					Outcome focus				Audit commentary			
	State contribution	Other revenue	Total cost	Total cost				Input	Process	Output/service dimension			A	C	T	Q		Te	Ce	Se
1. Tourism and Events Development	\$92 980	\$0	\$92 980	\$92 980	Amount of additional capital attracted into tourism investment.	\$ million	25													<ul style="list-style-type: none"> <li>This is a direct measure of service effectiveness related to one component of the service area's objectives. Given the broad nature of the service objective it is difficult to identify additional service effectiveness or cost effectiveness standards.</li> </ul>
					Percentage of applications for the Attracting Aviation Investment Fund evaluated within nine working days.	Per cent	90													<ul style="list-style-type: none"> <li>This is a measure of timeliness of one component of the output's cycle. It does not indicate if it met the needs of the client or is only an internal quality standard.</li> </ul>
					Percentage of cross-agency tourism project milestones delivered on schedule and on budget.	Per cent	80													<ul style="list-style-type: none"> <li>This is a process measure because it relates to internal project management and not the service itself, so is not a proxy for either efficiency or effectiveness of outcomes.</li> </ul>
					Level of Commonwealth Games Federation satisfaction with preparedness for the Commonwealth Games.	Level	Satisfied													<ul style="list-style-type: none"> <li>Client satisfaction is one dimension of service quality but does not fully represent effectiveness. A better measure of service effectiveness would be that all issues raised by the CGF 'audit/reviews' are addressed within the specified timeframes.</li> </ul>
2. Business to Government Services	\$7 012	\$0	\$7 012	\$7 012	Estimated value of efficiency savings by businesses assisted.	\$ million	60													<ul style="list-style-type: none"> <li>Appropriate direct measure of service effectiveness.</li> </ul>
					Estimated value of costs avoided by businesses.	\$ million	110													<ul style="list-style-type: none"> <li>Appropriate service effectiveness measure (based on client survey) in line with the Small Business Action Plan priorities, showing the impact of regulatory reduction measures.</li> </ul>
					Percentage of overall customer satisfaction with the usefulness of online services.	Per cent	80													<ul style="list-style-type: none"> <li>This measure reports satisfaction of one type of service provision, but does not measure efficiency. It is not necessary to include an output measure as the effectiveness of the service is demonstrated in the two preceding measures.</li> </ul>
<b>Total</b>	<b>\$99 992</b>	<b>\$0</b>	<b>\$99 992</b>	<b>\$99 992</b>				0	2	0	0	1	1	0	0	0	0	3		<p><b>Summary</b></p> <p>Service effectiveness is directly measured:</p> <ul style="list-style-type: none"> <li>in both service areas (100 per cent)</li> <li>by three of the seven standards (43 per cent).</li> </ul> <p>There are no direct cost efficiency or cost effectiveness measures.</p> <p>Two process measures are not required as they do not add to existing efficiency and effectiveness reporting.</p>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E18—Department of Transport and Main Roads

DTMR	2013–14 Budget (000's)				Service standards	Units	Target	Input	Input/output focus				Outcome focus	Audit commentary		
	State contribution	Other revenue	Total cost	Process					Output/service dimension			Te			Ce	Se
									A	C	T					
1. Transport system investment planning and programming	756 722	45 756	802 478		Percentage of projects in the State Planning Program:	Per cent	90							The direct measure of efficiency is the average cost per project of managing the state planning program. The service standards reported in the SDS are activity measures. They provide no relevant data to gauge how the state planning program is being delivered in terms of value for money. The proportion of the budget spent on managing the program, the actual value of budget overruns and the average cost per kilometre would be better efficiency proxies.		
					<ul style="list-style-type: none"> <li>commencing no later than four months after the programmed commencement date</li> </ul>	Per cent	80									
					<ul style="list-style-type: none"> <li>completed no more than 10 per cent after the programmed period</li> </ul>	Per cent	80									
					<ul style="list-style-type: none"> <li>costing less than 10 per cent over the programmed estimate.</li> </ul>	Per cent	80									
2. Transport infrastructure management and delivery	1 906 073	3 692 201	2 169 974		Road system seal age (percentage of the State-controlled road network exceeding the optimal seal age).	Per cent	29							The SDS measure reports the proportion of the network which has exceeded optimal age. A better measure of the service effectiveness would be the percentage of the network which meets the standards required to provide the necessary level of service to support either the current or the increasing demands of the state's growth.		
						Per cent	97–99, 95–97									
					Road system condition (the percentage of urban and rural State controlled roads with condition better than the specified benchmark): Urban, rural.	Per cent	97–99, 95–97									
						Per cent	90									
					Percentage of QTRIP projects >\$5 million:	Per cent	90							The direct measure of efficiency is the average cost per project of managing QTRIP projects >\$5 million (by interval). The service standards reported in the SDS are process measures. They provide no relevant data to gauge how QTRIP is being delivered in terms of value for money. The proportion of the budget spent on managing the program and the actual value of budget overruns would be better efficiency proxies.		
				<ul style="list-style-type: none"> <li>completed no more than 10 per cent after the programmed construction period</li> </ul>	Per cent	90										
					<ul style="list-style-type: none"> <li>costing less than 10 per cent over the published QTRIP figure.</li> </ul>	Per cent	90									

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DTMR	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus				Outcome focus				Audit commentary	
	Service area	State contribution	Other revenue	Total cost				Input	Process	Output/service dimension			Te	Ce	Se		
										A	C	T					Q
3. Transport safety, regulation and customer service					Road network efficiency- Average travel time per 10km; AM Peak, Off peak, PM Peak.	Minutes	10,95,112									<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>	
					Road network reliability- Percentage of the road network with reliable travel times; AM Peak, Off peak, PM Peak.	Per cent	85,96,82										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Road network productivity- Percentage of the road network with good productivity; AM Peak, Off peak, PM Peak.	Per cent	74,79,72										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Number of fatal crashes on State-- controlled roads per 100 million vehicle kilometres travelled where the road condition was likely to be a contributing factor.	Rate	0.05										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
				380 249	Marine fatalities per 100 000 registered vessels.	Rate	5.4										<ul style="list-style-type: none"> <li>• Appropriate direct measure of service outcomes relevant to objectives.</li> </ul>
			172 858		Rail fatalities per 100 000 population.	Rate	0.1										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Hospitalised rail casualties per 100 000 population.	Rate	0.4										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Number of level crossing collision occurrences per 1 000 000 train kilometres travelled.	Rate	0.45										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Fatalities per 100 000 population on State controlled roads.	Rate	3.4										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Road fatalities per 100 000 population.	Rate	5.9										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Hospitalised road casualties per 100 000 population.	Rate	135										<ul style="list-style-type: none"> <li>• Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Percentage of people in target audience who have high level awareness of road safety campaigns.	Per cent	90										<ul style="list-style-type: none"> <li>• This is a lead indicator of target group awareness and the effectiveness of the awareness program.</li> </ul>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DTMR	2013-14 Budget (000's)				Input/output focus					Outcome focus			Audit commentary		
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			A		Ce	Se
				Percentage of vessel movements without serious incidents; Pilotage and Reef VTS areas.	Per cent	99.8									<ul style="list-style-type: none"> <li>Appropriate direct measures of service outcomes relevant to objectives. However, there are no efficiency measures. Other jurisdictions (e.g. WA) measure: <ul style="list-style-type: none"> <li>Average Cost per Day per Maritime Infrastructure Asset Managed</li> <li>Average Survey Cost per Commercial Vessel</li> <li>Average Cost per Private Recreational Vessel Registration.</li> </ul> </li> </ul>
				Average wait time in Customer Service Centres (minutes).	Minutes	10									Waiting times are dimensions of service output effectiveness but they provide no data on the efficiency of the service. There is no data provided on the average cost per transaction by type. An overall reduction in the cost per transaction is a better measure than time, as time may only have a partial impact on the cost of some transactions.
				Percentage of call centre calls answered within three minutes.	Per cent	80									
4. Passenger transport services	1 665 869	438 996	2 104 865	Wheelchair accessible taxi response times compared to conventional taxi fleet response times; Peak and Off Peak by various time intervals for Conventional and Wheelchair.	Per cent	85 to 95									<p>The direct measure of service effectiveness is the accessibility of the integrated transport system. Other jurisdictions (e.g. WA) report on the proportion of street addresses within the Public Transport Area which are within 500 metres of a stop providing an acceptable level of service.</p> <p>The SDS standard is a proxy for service effectiveness as it reports on the effectiveness of one output, being the taxi subsidy. It provides no information on the outcome of overall accessibility of the public transport network for all patrons. The proportion of trips by disabled passengers could also be a good proxy.</p>
				Average subsidy per trip provided through the Taxi Subsidy Scheme.	\$	8.18									The direct measure of service efficiency is the average cost of administering the service per trip. The measure does not report on the cost of producing the service, providing the subsidy and therefore cannot demonstrate the impact of new systems, staff training or other innovations in improving the efficiency of delivering the service.
				Average subsidy per passenger on government contracted services; Regional air, Long distance bus, Regional urban bus, Traveltrain.	\$	23.46, 25.35, 3.08, 474.92									The direct measure of efficiency is the average cost of administering the service per passenger. The measure does not report on the cost of producing the service, providing the subsidy and therefore cannot demonstrate the impact of new systems, staff training or other innovations in delivering the service.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DTMR	2013–14 Budget (000's)			Input/output focus							Outcome focus			Audit commentary						
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			A	C		T	Q	Te	Ce	Se	
				Patronage on government contracted services; South-east QLD: bus, rail, ferry Rest of Qld: Regional air, long distance bus, regional urban bus, Traveltrain. Customer satisfaction ratings of public transport by service type (using a 0–100 (excellent) index: Whole of Qld: Taxi; South-east Qld: Bus, rail, ferrv; Customer complaints on go card per 10 000 trips. Customer service complaints in SEQ (other than go card) per 10 000 trips. Average on-time running performance in peak times – CityTrain. Percentage of scheduled services delivered CityTrain.	Number	176,418 .4,51.1,7 12.8, 0.4,0.1,11 .8,0.4 ≥70														<ul style="list-style-type: none"> <li>Appropriate direct measures of service outcomes relevant to objectives.</li> </ul>
					Per cent	<3														<ul style="list-style-type: none"> <li>Stakeholder satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services.</li> </ul>
					Rate	<3														<ul style="list-style-type: none"> <li>Customer complaints can be a useful proxy for service effectiveness as they can indicate where quality can improve.</li> </ul>
					Per cent	95														<ul style="list-style-type: none"> <li>The direct measure of technical efficiency is the average cost of network management per passenger per kilometre travelled by transport type. Timeliness is a proxy measure of service quality. It is however only one component of effectiveness of rail services. Cleanliness, safety, frequency and over-crowding would also be good proxies for service quality.</li> </ul>
					Per cent	>99.9														<ul style="list-style-type: none"> <li>The measure reports on the cost of the output, the direct costs of subsidising the service.</li> </ul>
<b>Total</b>	<b>\$4 536 055</b>	<b>\$4 349 811</b>	<b>\$5 457 566</b>				0	5	0	3	4	7	0	0	0	0	13		<p><b>Summary</b></p> <ul style="list-style-type: none"> <li>Service effectiveness is directly measured: <ul style="list-style-type: none"> <li>in three of the four service areas</li> <li>by 13 of the 32 standards (40.6 per cent)</li> <li>accounting for 85 per cent of total costs.</li> </ul> </li> <li>There are no direct measures of technical efficiency or cost effectiveness measures.</li> </ul>	

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E19—Department of Queensland Police Service

QPS Service area	2013–14 Budget ('000's)			Input/output focus					Outcome focus	Audit commentary					
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process			Output/service dimension				
								A	C	T	Q	Te	Ce	Se	
1. Police Services				Complaints against police (per 100 sworn officers).	Rate	≤16.7	•								Rate of complaints is a proxy for service quality. A more direct measure of service quality would be the number, or proportion, of complaints upheld. Note: ROGS uses the rate per 100 000 population, so this metric is not comparable between jurisdictions.
				Public perception of police professionalism and image: • Police perform their job professionally • Police treat people fairly and equally • Police are honest • I do have confidence in the Police.	Per cent	≥85 ≥75	•								General public perceptions may not reflect actual levels of police performance, because many factors—including individual experiences, hearsay and media reporting—can influence community satisfaction with police services. Note: Other jurisdictions (e.g. WA) and ROGS include a measure of the public's perception of safety, which is a more direct service quality indicator.
				Satisfaction with members of public who had contact in past year.	Per cent	85					•				While also subjective perception-based measure, it is more useful than the survey of general public perceptions above, as it relates to specific interactions. Customer satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.
				Cost of policing services per person.	\$ 000	443			•						While this is the measure used in ROGS, cost per head of population generally is a weak proxy of technical efficiency as population numbers may correlate to total costs but they do not drive service unit costs. A better proxy for technical efficiency is organisational cost per service hour delivered, or average cost on a per offence/incident basis. These measures are used in WA.
2. Crime and Public Order	\$1 542 699	\$61 882	\$1 604 581	Total offences reported (per 100 000 population): • personal safety • property security • good order.	Rate	660–770 4400–5400 1000–1200									• Appropriate direct measure of service outcomes relevant to objective.

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

QPS	2013–14 Budget (000's)			Input/output focus							Outcome focus			Audit commentary		
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			A	Ce		Se	
				Total offences cleared within 30 days: <ul style="list-style-type: none"> <li>personal safety</li> <li>property security</li> <li>good order.</li> </ul>	Per cent	55–60 20–25 85–90									<ul style="list-style-type: none"> <li>This is an effectiveness measure according to ROGS, along with proportion of the investigations finalised within 30 days where proceedings were instituted against the offender.</li> </ul>	
				Public satisfaction with police dealing with public order problems.	Per cent	≥65		•								
				Public satisfaction with police dealing with disasters and major events.	Per cent	≥85		•							<p>It is not clear in the SDS notes whether this includes all public or members of the public who had contact with QPS. Customer satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.</p>	
3. Road Safety	\$380 905	\$15 239	\$396 144	Rate (per 100 000 population) of road crash fatalities.	Rate	6.4									<ul style="list-style-type: none"> <li>Appropriate direct measures of service outcomes relevant to objective.</li> </ul>	
				Rate (per 100 000 population) of persons hospitalised following a crash.	Rate	135									•	
<b>Total</b>	<b>\$1 923 604</b>	<b>\$77 121</b>	<b>\$2 000 725</b>				0	4	0	1	0	0	0	0	4	<p><b>Summary</b> Service effectiveness is directly measured in:</p> <ul style="list-style-type: none"> <li>both services (100 per cent)</li> <li>four of the 10 standards reported (40 per cent)</li> <li>up to 100 per cent of costs.</li> </ul> <p>There are no direct technical efficiency or cost-effectiveness measures.</p>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office



Figure E20—Department of Queensland Treasury and Trade

QTT	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary	
	State contribution	Other revenue	Total cost					Input	Process	Output/service dimension				
								A	C	T	Q	Te	Ce	Se
1. Fiscal	\$32 197	\$1 025	\$33 222	Achievement of Government's four fiscal principles: <ul style="list-style-type: none"> <li>to stabilise then significantly reduce debt</li> <li>to achieve and maintain a general government sector fiscal balance by 2014 15</li> <li>to maintain a competitive tax environment for business</li> <li>to target full funding of long term liabilities in accordance with actuarial advice.</li> </ul>	Text	Partially met								<ul style="list-style-type: none"> <li>Appropriate direct measures of service outcomes WOG relevant to objectives.</li> <li>Other jurisdictions (e.g. WA) use the following direct measures: <ul style="list-style-type: none"> <li>Status of the State's credit rating</li> <li>Accuracy of key general government revenue forecasts</li> <li>Accuracy of key economic forecasts</li> <li>Employment level</li> <li>Real State Final Demand (SFD/GSP) growth.</li> </ul> </li> </ul> <p>The direct measures of efficiency are the direct costs of developing the budget and the various state financial reports.</p>
2. Economic	\$25 795	\$4 620	\$30 415	Service standards Stakeholder and client satisfaction with Government Statistician outputs (rated satisfied or very satisfied).	Per cent	95								<p>Client satisfaction is one dimension of service quality but does not fully represent effectiveness. As the service area has not included an objective in the SDS, standards of service effectiveness cannot be suggested. The SDS standard is too broad to cover the material aspects of the service area. The performance of the following services is not visible in the SDS:</p> <ul style="list-style-type: none"> <li>managing the State's interest in the government-owned corporations sector</li> <li>best-practice regulation and reducing red tape,</li> <li>microeconomic and competition reform, managing and coordinating intergovernmental fiscal relations issues, including national financial agreements, matters pertaining to the distribution of the GST, and national tax reform</li> <li>regulating and improving Queensland's compulsory third party insurance scheme and managing the Motor Accident Insurance and Nominal Defendant funds.</li> </ul>
3. Commercial services / Projects Queensland	\$10 979	\$6 123	\$17 102	Percentage of key project milestones met.	Per cent	100								<p>The role of the service is to manage projects. If the objective of the service area is to foster for money investment partnerships to deliver public infrastructure and services then the cost effectiveness measure is the cost to government per project as a ratio of the private investment.</p>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

QTT	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus				Outcome focus	Audit commentary				
	Service area	State contribution	Other revenue	Total cost				Input	Process	Output/service dimension				Te	Ce	Se	
										A	C						T
4. Revenue management	\$115 818	\$2 232	\$118 050	Client satisfaction with services provided.	Per cent	70								Stakeholder satisfaction with services can be a proxy for service effectiveness if it measures all service dimensions such as timeliness, responsiveness, accuracy, completeness and accessibility of advisory services. It is not clear from the supporting notes that all of these aspects are surveyed.			
				Total revenue dollars administered per dollar expended – accrual.	\$	192								<ul style="list-style-type: none"> <li>Appropriate direct measure of service cost effectiveness relevant to objectives for part of the revenue service. Other measures could include the leakage of revenue e.g., the percentage of forecast revenue not collected.</li> </ul>			
				Average overdue debt as a percentage of total revenue collected.	Per cent	2								The measure is an indirect measure of effectiveness. It provides no information on the age of the debt or the ability of and cost to the department to collect it.			
				SPER clearance rate (finalisations/lodgements).	Per cent	77								The SDS standards obscure actual performance as they provide no useful information about the scale of the unpaid fines. If the objective of the service is to help debtors meet their obligations to pay fines, then the relevant standard is the number of fines resolved. In WA the measure is the percentage of fines satisfied within 12 months. The technical efficiency standard is the cost per enforcement.			
				SPER percentage of debt pool under compliance.	Per cent	58											
5. Trade and investment	\$27 083	\$1 721	\$28 804	Number of targeted and qualified leads for Queensland businesses generated through Trade and Investment Queensland's overseas trade missions and other trade and export development activities.	Number	400								The SDS standard is an activity measure. It provides no useful information on the effectiveness or efficiency of the service area. The direct measure of service effectiveness is the value (\$\$) of the outcome of developing markets, improving export capability or promoting trade and investment opportunities.			
<b>Total</b>	<b>\$211 872</b>	<b>\$15 721</b>	<b>\$227 593</b>				0	1	1	0	1	4	0	1	4		
															<p><b>Summary</b></p> <p>Service effectiveness is measured directly for:</p> <ul style="list-style-type: none"> <li>one of the four service areas (25 per cent) in relation to only some of the services undertaken in that area</li> <li>four of the 12 service standards reported (33 per cent)</li> <li>14 per cent of total costs.</li> </ul> <p>Service efficiency is directly measured for:</p> <ul style="list-style-type: none"> <li>one of the services delivered by one service area</li> <li>one of the 12 service standards (8.3 per cent)</li> <li>no more than 51 per cent of total costs.</li> </ul>		

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

Figure E21—Department of Fire and Emergency Services (Former Department of Community Services)

DCS	2013–14 Budget (000's)				Service standards	Units	Target	Input/output focus					Outcome focus	Audit commentary	
	State contribution	Other revenue	Total cost					Process	Output/service dimension						
Service area								A	C	T	Q	Te	Ce	Se	
1. Ambulance	\$32 031	\$0	\$32 031	Time within which code 1 incidents are attending: 50th; 90th percentile.	Minutes	8.2;16.5				•					Timeliness is one important measure of outputs, however by itself it can drive risky behaviour. The service area's objective is for both timeliness and quality service. The direct measure of service quality is the per cent of incidents that comply with procedures and meet quality standards. A measure of technical efficiency is the administrative cost per total cost. The measure of service effectiveness is the per cent of people who received the medical care they required within the shortest possible time.  As above, timeliness is one important component of this service. The quality of service to assist stressed clients to give useful information is paramount.  This timeliness measure is a weak measure for the service. It does not indicate efficiency or effectiveness and the service objective is not specified. A technical efficiency measure is the cost per service. If the ambulance transport service reduces the length of stay of patients in hospital, a cost effectiveness measure is the ratio of the cost of the service and the reduced cost of hospital services.  Appropriate technical efficiency measure.
				Percentage of Triple Zero (000) calls answered within 10 seconds.	Per cent	90				•					
				Percentage of non-urgent incidents attended to by the appointment time.	Per cent	>70				•					
				Gross cost per incident.	\$	664							•		
				Gross cost per head of population.	\$	125			•						As a population measure, this is a proxy for cost effectiveness.
2. Custodial	\$550 714	\$26 145	\$576 859	Escape rate: High security facilities; Low security facilities.	Rate per 100	0;<.63								•	Appropriate service effectiveness measure.
				Assault rate: serious/assault (prisoner on officer), serious/assault (prisoner on prisoner).	Rate per 100	<0.02, <0.24, <0.69, <3.4								•	Appropriate measure of service quality which is a proxy for service effectiveness (safety of prisoners and staff).
				Deaths from apparent unnatural causes: Indigenous prisoners, non-Indigenous prisoners.	Number	0, 0								•	Appropriate measure of service quality which is a proxy for service effectiveness (safety of prisoners and staff).

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DCS	2013–14 Budget (000's)			Units	Target	Input/output focus					Outcome focus	Audit commentary	
	State contribution	Other revenue	Total cost			Service standards	Input	Process	Output/service dimension				
Service area						A	C	T	Q	Te	Ce	Se	
				Proportion of prisoners who are Indigenous.	<30								<ul style="list-style-type: none"> <li>This is a whole-of-government service effectiveness outcome for the wellbeing of Indigenous people recognising the objective to reduce the incidence of over-representation in custody.</li> </ul>
				Cost of containment per prisoner per day.	199								<ul style="list-style-type: none"> <li>Appropriate technical efficiency measure.</li> </ul>
				Facility utilisation (%): High security; low security; all.	85–95								<ul style="list-style-type: none"> <li>This is a measure of output cost which is not required as the preceding measures sufficiently cover efficiency and service effectiveness.</li> </ul>
				Financial value of work performed in the community by prisoners from low security facilities.	>3.2								<ul style="list-style-type: none"> <li>This is a measure of internal activity and is not required in the SDS as it does not report efficiency or effectiveness.</li> </ul>
3. Probation and Parole	\$84 917	\$0	84 917	Percentage of successfully completed orders: supervision orders; reparation orders; all orders.	>68; 63; 65								<ul style="list-style-type: none"> <li>Appropriate measure of service effectiveness.</li> </ul>
				Financial value of community service work performed (court ordered).	>6.2								<ul style="list-style-type: none"> <li>This is a measure of activity and is not required as it does not report efficiency or effectiveness.</li> </ul>
				Proportion of offenders who are Indigenous.	>20								<ul style="list-style-type: none"> <li>This is a whole-of-government service effectiveness outcome for the wellbeing of Indigenous people recognising the objective to reduce the incidence of over-representation in custody.</li> </ul>
				Cost of supervision per day.	14								<ul style="list-style-type: none"> <li>Appropriate technical efficiency measure.</li> </ul>
4. Emergency Management, Fire and Rescue	\$195 738	\$435 291	\$631 844	Estimated percentage of households that have undertaken new natural disaster preparedness actions within the last 12 months.	New								<ul style="list-style-type: none"> <li>Proxy measure of quality of public awareness and compliance strategy. Measures the effectiveness of public awareness and education on communities and the extent to which they have taken steps to reduce impacts from natural disaster events. Natural disaster are only one of range of disasters for Queensland communities. The standard does not cover medical emergencies, transport accidents, industrial emergencies, or other threats to health and safety.</li> </ul>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

DCS	2013–14 Budget (000's)			Input/output focus						Outcome focus			Audit commentary			
	State contribution	Other revenue	Total cost	Service standards	Units	Target	Input	Process	Output/service dimension			A		Ce	Se	
				Percentage of identified disaster management training capability delivered.	Per cent	New									This is a measure of activity and is not required as it does not report efficiency or effectiveness.	
				Percentage of local governments with a current disaster management plan reviewed for effectiveness.	Per cent	New									This is a measure of activity and is not required as it does not report efficiency or effectiveness.	
				Response times to structure fires including call taking time: 50th percentile; 90th percentile.	Minutes	<7.6;14									This is a measure of timeliness.	
				Percentage of building and other structure fires confined to room/object of origin.	Per cent	80									Appropriate measure of service effectiveness.	
				Estimated percentage of households with a smoke alarm/detector that is operational/has been tested.	Per cent	95									Proxy measure of quality of public awareness and compliance strategy.	
				Percentage of building premises inspected and deemed compliant at first inspection.	Per cent	New									Proxy measure of quality of public awareness and compliance strategy.	
				Cost per fire and rescue incident.	\$	7 423									Appropriate measure of technical efficiency.	
				Property loss from structure fire per person.	\$	<35									Proxy service effectiveness measure based on Queensland population.	
				Fire service organisation's expenditure per person.	\$	113									This is an output cost measure which is a proxy for cost effectiveness.	
<b>Total</b>	<b>\$863 400</b>	<b>\$461 436</b>	<b>\$1 325 651</b>				<b>1</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>6</b>	<b>Summary</b> Service effectiveness is reported in: <ul style="list-style-type: none"> <li>• three of four service areas (75 per cent)</li> <li>• six of 26 standards (23 per cent).</li> </ul> Service efficiency is reported in : <ul style="list-style-type: none"> <li>• three of four service areas (75 per cent)</li> <li>• four of 26 standards (15 per cent).</li> </ul>

A = Activity; C = Cost; T = Time; Q = Quality; Te = Technical efficiency; Ce = Cost effectiveness; Se = Service effectiveness

Source: Queensland Audit Office

# Auditor-General Reports to Parliament

## Reports tabled in 2013–14

Number	Title	Date tabled in Legislative Assembly
1.	Right of private practice in Queensland public hospitals	July 2013
2.	Supply of specialist subject teachers in secondary schools	October 2013
3.	Follow up of selected 2011 audits—Report 9 for 2011: Acquisition and public access to the Museum, Art Gallery and Library collections	October 2013
4.	Follow up of selected 2011 audits—Report 1 for 2011: Management of offenders subject to supervision in the community	October 2013
5.	Traffic management systems	November 2013
6.	Results of audit: Internal control systems	November 2013
7.	Results of audit: Water sector entities 2012–13	November 2013
8.	Results of audit: Hospital and Health Services entities 2012–13	November 2013
9.	Results of audit: Energy sector entities 2012–13	December 2013
10.	Contract management: Renewal and transition	December 2013
11.	Results of audit: State public sector entities for 2012–13	December 2013
12.	Results of audit: Queensland state government financial statements 2012–13	December 2013
13.	Right of private practice: Senior medical officer conduct	February 2014
14.	Results of audit: local government entities 2012–13	March 2014
15.	Environmental regulation of the resources and waste industries	April 2014
16.	Results of audit: Education sector entities 2013–14	April 2014
17.	Ambulance service delivery	May 2014
18.	Monitoring and reporting performance	June 2014