



## **Guide to the Performance Management Framework**

**October 2011**

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## **1. Introduction**

### **1.1 Purpose of the guidelines**

The Guide to the Performance Management Framework (Guide) has been prepared to assist agencies with the process of developing meaningful and useful performance measures in line with the performance measurement framework.

Performance indicators are used by agencies for the delivery of outputs to achieve the Government's vision under *The Canberra Plan* and its three sub-plans – the *Canberra Social Plan*, the *Canberra Infrastructure Plan* and the *Canberra Spatial Plan* – as well as strategic plans relating to specific service-delivery priorities.

To help agencies to develop performance measures that meet the Government's long term vision for the Territory, the Chief Minister and Cabinet Directorate has released a framework policy *Strengthening Performance and Accountability: A Framework for the ACT Government*. The following is a link to this policy - [www.cmd.act.gov.au/data/assets/pdf\\_file/0020/184601/Strengthening\\_Performance\\_and\\_Accountability\\_-\\_A\\_Framework\\_for\\_the\\_ACT\\_Government.pdf](http://www.cmd.act.gov.au/data/assets/pdf_file/0020/184601/Strengthening_Performance_and_Accountability_-_A_Framework_for_the_ACT_Government.pdf) (The ACT Performance and Accountability Framework). This high level framework builds upon the performance and accountability already built into Government operations by consolidating and identifying measures and opportunities to strengthen existing processes and structures. When agencies are developing and reporting on their performance measures, they must refer to the Framework policy and this Guide.

The purpose of this Guide is to assist agencies develop their performance measures during the development of the Budget and for statutory performance reporting requirements as outlined in the Section 30A to 30E of the *Financial Management Act 1996* (FMA). The Guide brings together the minimum requirements for effective performance measurement and reporting. It is not intended to be a detailed manual that covers every situation.

### **1.2 The performance model**

The Government, Directors-General (DG) of directorates and Chief Executive Officers (CEO) of prescribed territory authorities<sup>1</sup> are all responsible for delivering outcomes and for the provision of outputs.

Well-developed, meaningful and useful performance indicators are integral in meeting and reporting against accountability requirements of the Government and the community.

Each DG / CEO is responsible to their Minister for the delivery of outcomes and for the provision of outputs as specified in each agency's budget paper chapter. The Comparison Model (Figure 1.1) and the Output Model (Figure 1.2) clarify the Government's role of channelling resources for the development of the community

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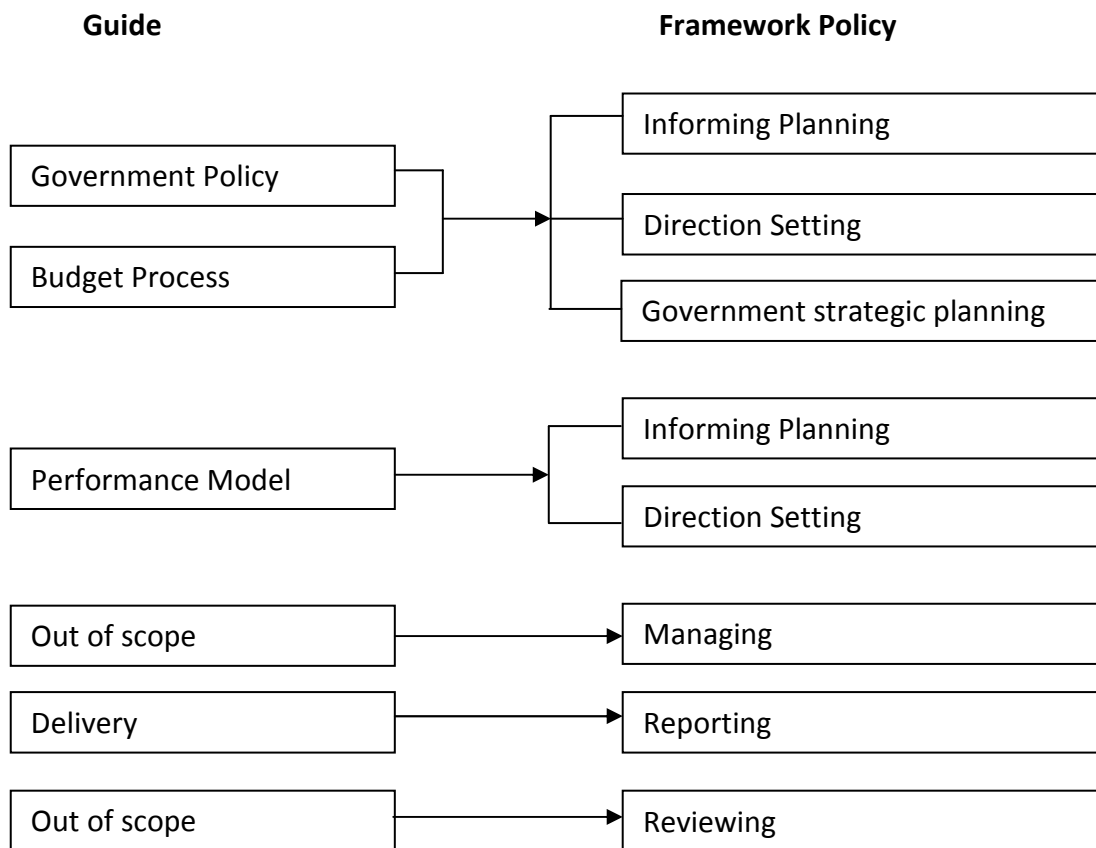
<sup>1</sup> A "prescribed territory authority" means a territory authority prescribed for section 12A (1) (b) of the *Financial Management Act 1996*. Disallowable instrument DI2006–82 provides a list of Territory Authorities prescribed for outputs.

through the budget process. The performance model, discussed further in Section 2, is connected with the Comparison Model and the Output Model as it provides the guidance agencies require to develop, measure, and report on the delivery of outcomes and outputs to the Government and the community.

The Comparison Model at Figure 1.1 provides agencies with the link between the ACT Performance and Accountability Framework and this Guide. Whilst the framework provides a high level view of how the Government will strengthen its performance and accountability, the Guide to the Performance Management Framework is intended to focus on the performance model including its delivery and reporting. This Guide forms one part of achieving the Government’s vision.

**Figure 1.1 – Comparison Model**

The comparison model below helps agencies to refer to the appropriate sections when reviewing this Guide and the Framework policy. It is important to note this Guide is mainly focused on the performance model.

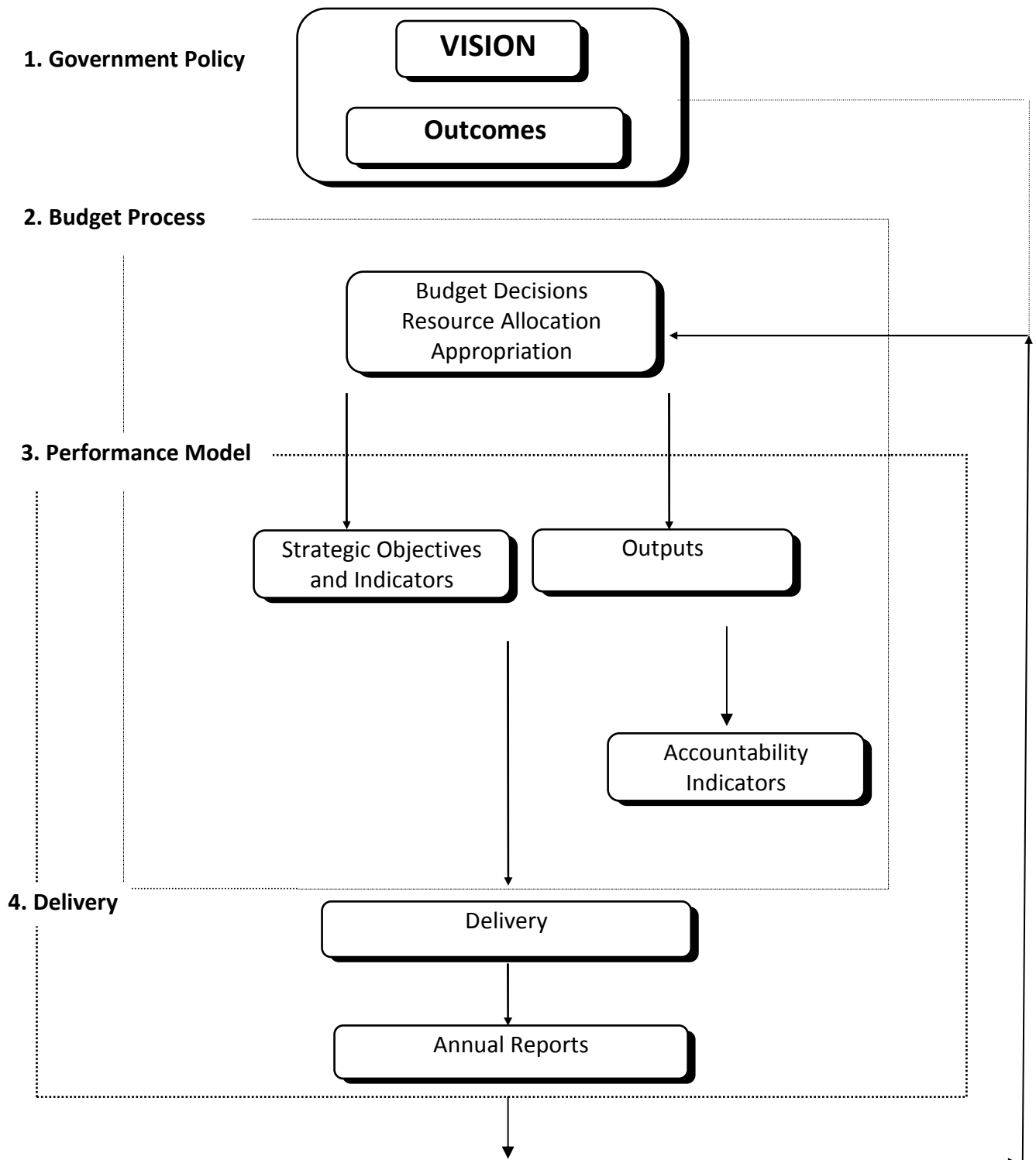


Explained below is each step in the Output Model at Figure 1.2.

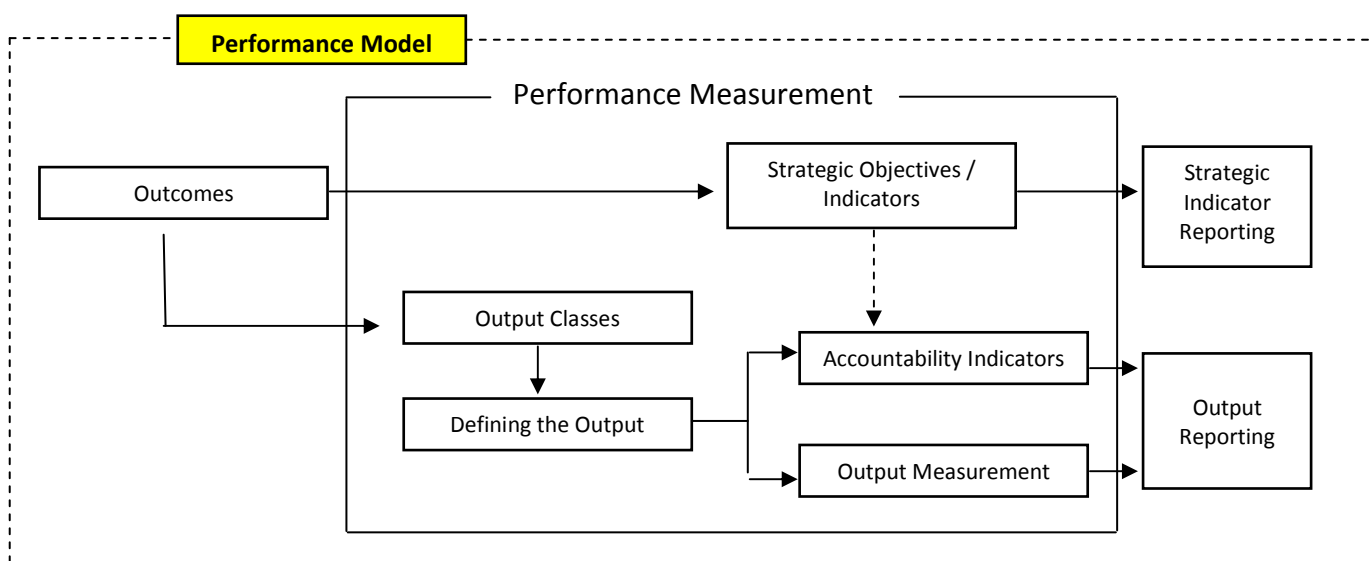
- 1) **Government policy:** incorporates the development of a vision for the Government of the day and Government outcomes based on the community’s needs.
- 2) **Budget process:** incorporates Government budget decisions on the distribution of resources to agencies in line with Government policy.

- 3) **Performance Model:** incorporates information on agency outputs, the measures of performance under accountability indicators and strategic indicators.
- 4) **Delivery:** incorporates information on the progress towards achievement of agency outcomes through the delivery of services.
- 5) **Reporting:** incorporates information on the reporting requirements as required under the FMA and the Chief Minister’s Annual Report Directions.

**Figure 1.2 – Output Model for the Territory**



## 2. Performance Model



### 2.1 Who must use the performance model?

The performance model applies to directorates and prescribed territory authorities. The performance model provides a framework for agencies to report to Ministers, and provide information to the Government on delivering the strategic outcomes under *The Canberra Plan* and its three sub-plans – the *Canberra Social Plan*, the *Canberra Infrastructure Plan* and the *Canberra Spatial Plan* – as well as strategic plans relating to specific service-delivery priorities.

### 2.2 Role of Government

The key role of Government under this model is to:

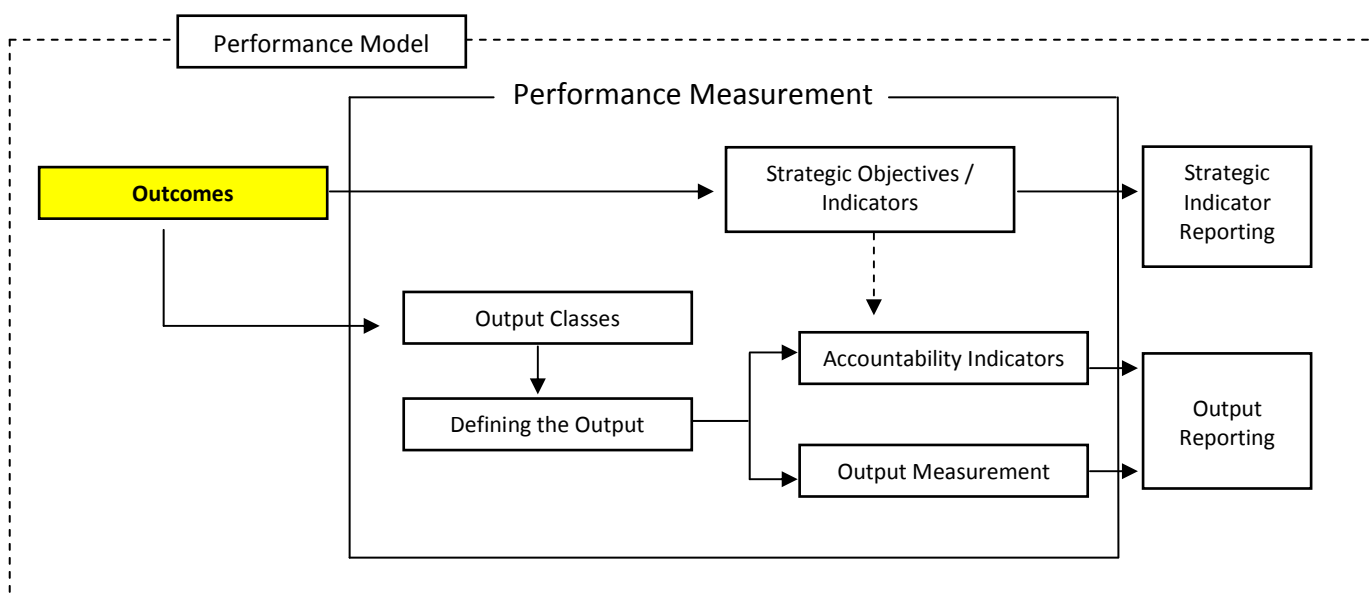
- set societal outcomes for the Government. Refer to the “Measuring our Progress” website [www.measuringourprogress.act.gov.au](http://www.measuringourprogress.act.gov.au) which is aligned with the seven strategic themes of *The Canberra Plan: Towards Our Second Century* - the ACT Government's plan to help create an even better place to live;
- set long term, intermediate and short term outcomes that the Government can directly influence through its decisions and measure the cost to provide goods and services to the community;
- approve outputs which deliver required outcomes efficiently and effectively; and
- monitor the results achieved to make more informed future fiscal decisions.

### 2.3 Role of agencies

The key role of agencies under the model is to:

- set strategic indicators to monitor agency progress towards the Government’s vision for the Territory;
- set outputs;
- establish the full cost of outputs;
- deliver the specified outputs within budget and in a sustainable manner;
- effectively measure and report their performance in providing the required outputs; and
- actively use performance information to improve future service delivery.

### 3. Outcomes



#### 3.1 What are outcomes?

Outcomes are the impacts, benefits and consequences for the community as a result of the decisions of Government. Desired outcomes are the basis for Government action for which policy decisions are made concerning the outputs which agencies produce to achieve the desired outcomes.

The selection of outcomes is the prerogative of the Executive. The outputs needed to achieve the outcomes are the focus of policy and strategic planning, and the monitoring and management of outputs, is the business of each agency. Outputs must be measurable, manageable and ideally sustainable.

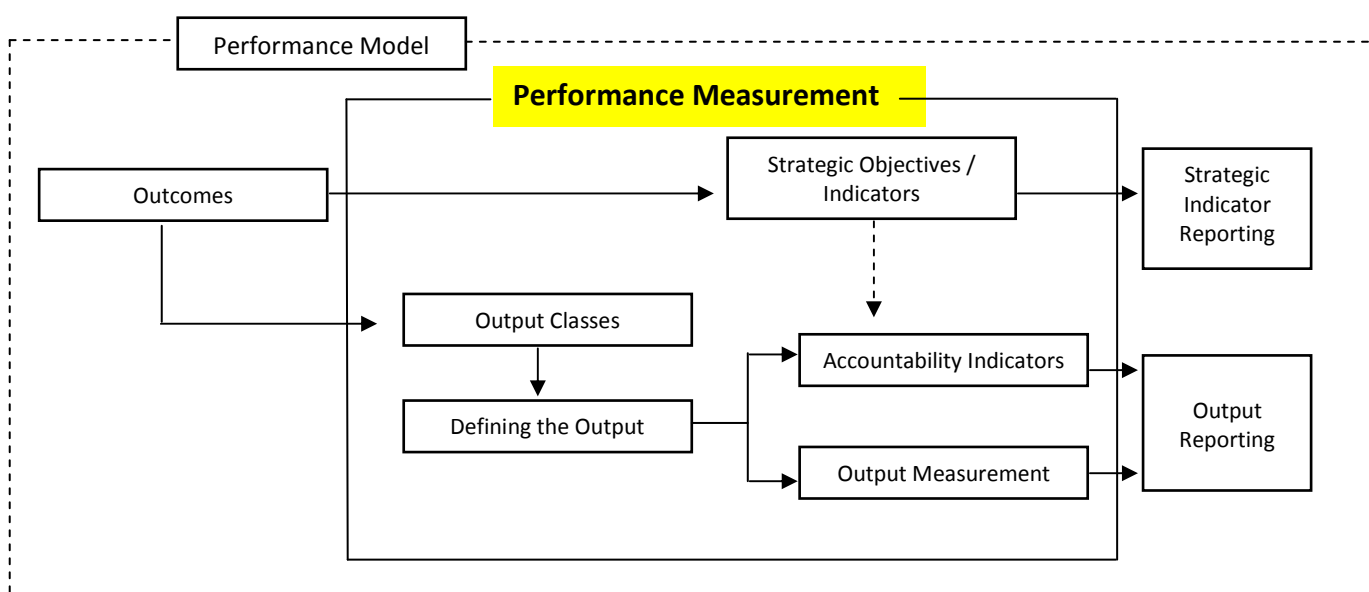
Agencies putting forward business cases<sup>2</sup> as part of the annual budget process must specify the outputs that the initiative will fall under plus the expected outcomes the initiative is planned to achieve. The relationship that exists between outcomes and outputs must be able to be demonstrated. This can be done through the completion of the following statement: “The Government should fund this output (output class) because it will assist in the achievement of Government policy objectives (outcomes) in the following way...”

An example using the above statement is – “Each student’s academic, social, emotional and physical needs (outcomes) will be met by ensuring all ACT public schools provide positive and success oriented learning environments (outputs)”.

The outcomes of an agency will be influenced by the corporate plan, business plans, resource management plans, strategic asset management plan, strategic service delivery plan and priorities forwarded by the agency to its Minister.

<sup>2</sup> Refer to 2010-11 Budget Process: Budget Initiatives and Attachments.

## 4. Performance Measurement



The aim of the performance measurement framework is to provide the Government with well-developed and meaningful performance indicators that allow agency outcomes and agency outputs to be measured.

### 4.1 Why measure performance?

Performance can be described as how well a service meets its objectives, recognising the influence of external factors. Measuring the performance of government services is important for a number of reasons.

- The services are vital to the community's wellbeing and improving them will result in major social and economic benefits.
- The Government is continually re-evaluating whether the community is receiving the appropriate service mix and whether the services are getting to those most in need.
- The Government needs to know whether its policies are effective and whether they are being implemented efficiently.

Performance measurement can:

- make performance more transparent;
- allow for an assessment of whether program objectives are being met;
- help clarify government objectives and responsibilities;
- inform the wider community about the Government's performance;
- encourage ongoing performance improvement; and
- encourage efficient service delivery.

### 4.2 Attributes of good performance measures

In developing individual performance measures, the following attributes should be considered and used as a checklist.

- Measures should be quantifiable and measurable to a reasonable degree of accuracy (particularly for auditable measures).
- Measures should refer to a result, rather than just describing a process.

- Measures should be reported in a timely manner and with reasonable frequency, ensuring information is not out of date.
- Measures should have a community focus, rather than focusing on internal or technical processes.
- Measures should be independently verifiable (evidence will be required).
- Benefits derived from collecting and reporting information should outweigh costs.
- Measures should be relevant and fit for the intended purpose, for the information of Ministers, the Assembly and the community.
- There should be a focus on overall performance and key deliverables. Measures (where possible) should not be focussed on one single aspect of performance.
- Setting of measures should be impartial, ensuring that a balanced perspective is evident.
- Measures should be clearly defined and easy to understand.
- Where possible, performance measures ought to be sustainable.
- Measures should, as far as possible, maintain continuity and comparability of reported results across years.
- There should be a means of comparing results or progress over time through either evaluation with a benchmark or with previous results. This information will often be presented by way of a table or graph.
- They should not simply report that an activity will occur, nor should they be aspirational statements including phrases such as ‘building’, ‘working with’ or ‘improving’ (unless the accompanied by a longer term target). Statements about agencies proposed activities for the budget year should be considered for inclusion in the priorities section of the agency’s Budget chapter instead.
- They should relate to outcomes that the Government in trying to achieve or influence through providing these outputs.

### **4.3 Multiplicity of users**

The performance measurement framework provides useful and valuable information for a variety of users. The main users of the information are provided below.

- |                  |                            |                      |
|------------------|----------------------------|----------------------|
| • The Community  | • Agencies                 | • Management         |
| • The Government | • The Legislative Assembly | • Treasury /<br>CMCD |
| • Ministers      | • Directors-General        |                      |

Each of the above users has different needs and requirements for the use of performance measurement information. These needs and requirements are detailed below.

#### **4.3.1 Community**

Performance measures provide the community with information on the performance of the Government and the delivery of the outputs and progress towards desired outcomes. Agencies must take into consideration the needs of the community when developing performance measures. Agency selected measures must provide concise information so the community can easily determine the outcomes of the goods and services they are receiving.

### **4.3.2 Government**

The Government is accountable to the community for the delivery of outcomes and outputs efficiently and effectively. Within Government, the following parties have an interest in the production of outputs:

- the relevant Minister; and
- the agency in producing the outputs efficiently and effectively.

### **4.3.3 Ministers**

Ministers are accountable for the provision of goods and services to the community, i.e. outputs and delivering the Government's desired outcomes. Ministers' key interests include:

- the outcomes to be delivered by the agencies;
- the outputs to be provided by agencies; and
- the performance measures for each output.

Therefore, it is in the interest of the portfolio Minister to be provided with timely information on the efficiency and effectiveness of the outputs being produced and tracking the delivery of outcomes.

### **4.3.4 Agencies**

Agencies must take into consideration the needs and requirements of the Government and the community when developing performance measures. Well developed and meaningful performance measures are integral to the Government and the community to determine the performance of agencies. Therefore performance measures can be seen as a management tool to ensure that goods and services are delivered in accordance with the measures set by agencies.

### **4.3.5 Legislative Assembly**

The Legislative Assembly, as representative of the ACT community, has a strong interest in the information provided on the performance of outputs and progress towards outcomes.

This information allows the Assembly to:

- scrutinise the performance of Government in achieving outcomes;
- scrutinise the performance of agencies in the provision of outputs;
- scrutinise the performance or impact of outputs; and
- analyse the more significant outputs on a regular basis.

### **4.3.6 Management**

Management may use the performance measures as a way to manage the performance of their teams in the delivery of goods and services. They must have an overall understanding of the needs and requirements of the other users of the measures, as well as an understanding of the outcomes required by Government.

### **4.3.7 Treasury / Chief Minister's and Cabinet Directorates**

Treasury's and CMCD's role is to ensure agencies understand and effectively implement the performance management framework which mainly occurs during the budget process and annual financial reporting.

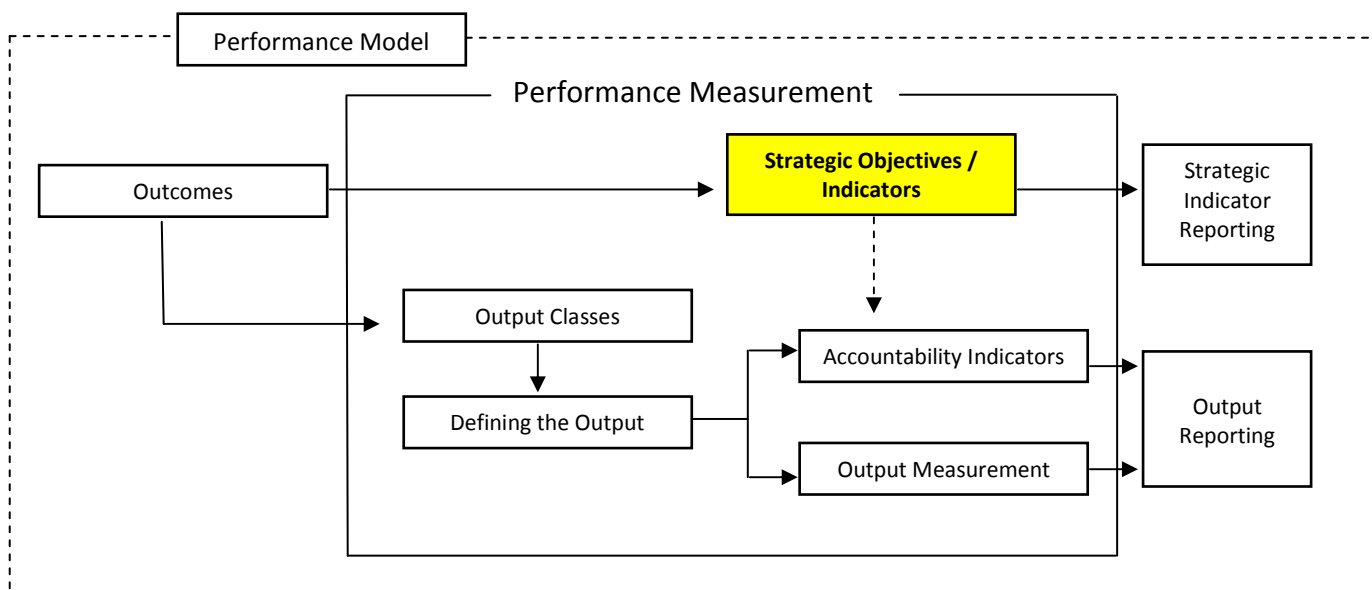
#### **4.3.8 Directors-General**

Directors-General will ensure Government outcomes and outputs are achieved through the performance targets set. Set targets for their agencies and ensure management is able to implement them and achieve them. Continue to provide information to the community on delivering the outputs and outcomes.

#### **4.4 Summary**

Each performance measure should be developed with the needs and requirements of the various users in mind. It is important that the measures be developed in a way that promotes commitment to the realisation of targets and ultimately to the achievement of the outcomes sought by Government.

## 5. Strategic Indicators



### 5.1 What are strategic indicators?

When an agency undertakes its strategic planning, the focus is on the individual contribution the agency will make towards Government priorities and long-term goals. For an agency to meet these priorities it is important to understand what the strategic objectives and strategic indicators are, and the associated strategies required for achieving these objectives. Therefore the key outputs of strategic planning are:

**Strategic Objectives** - the effect or difference the agency aims to make in the community in the short to medium term.

**Strategic Indicators** – the measurement of an agency’s achievement in meeting the strategic objectives through assessing the progress of outcomes on the community. The intention is to track an agency’s performance in meeting the Government’s priorities and long-term goals.

**High Level Strategies** – the strategies used to achieve the strategic objectives.

An agency’s strategic objectives and strategic indicators are set as part of the Budget process and appear in the Budget papers. The details provided in the Budget papers is a summary of what an agency would include in its corporate plan, business plans, resource management plans, strategic service delivery plans and asset management plans. Government policy requires agencies to report on their performance against these indicators in the agency’s annual report<sup>3</sup>. **Attachment 3** provides an example of a strategic indicator prepared for the Budget papers.

<sup>3</sup> Chief Minister’s Annual Report Directions

Although agencies hold some accountability for performance, external factors may influence results, thus these indicators are not subject to audit, however, are reviewed by the Audit Office.

## **5.2 Selecting strategic indicators**

During the budget process, agencies, in consultation with the relevant Minister and Treasury, choose strategic objectives and strategic indicators by referring to the Government's strategic priorities, strategic objectives and strategic indicators.

When selecting strategic indicators, agencies are to refer to Section 4 "attributes of good performance measures" along with taking the following into consideration.

Strategic objectives:

- Short, concise statement.
- Focused on results (not activities).
- Contribute to Government priorities and goals.
- Can be influenced by the agency over the medium term.
- Measurable or verifiable through strategic indicators.

Strategic indicators:

- Relevant and objective.
- Reliable and verifiable.
- Informative.
- Attributable to agency actions.

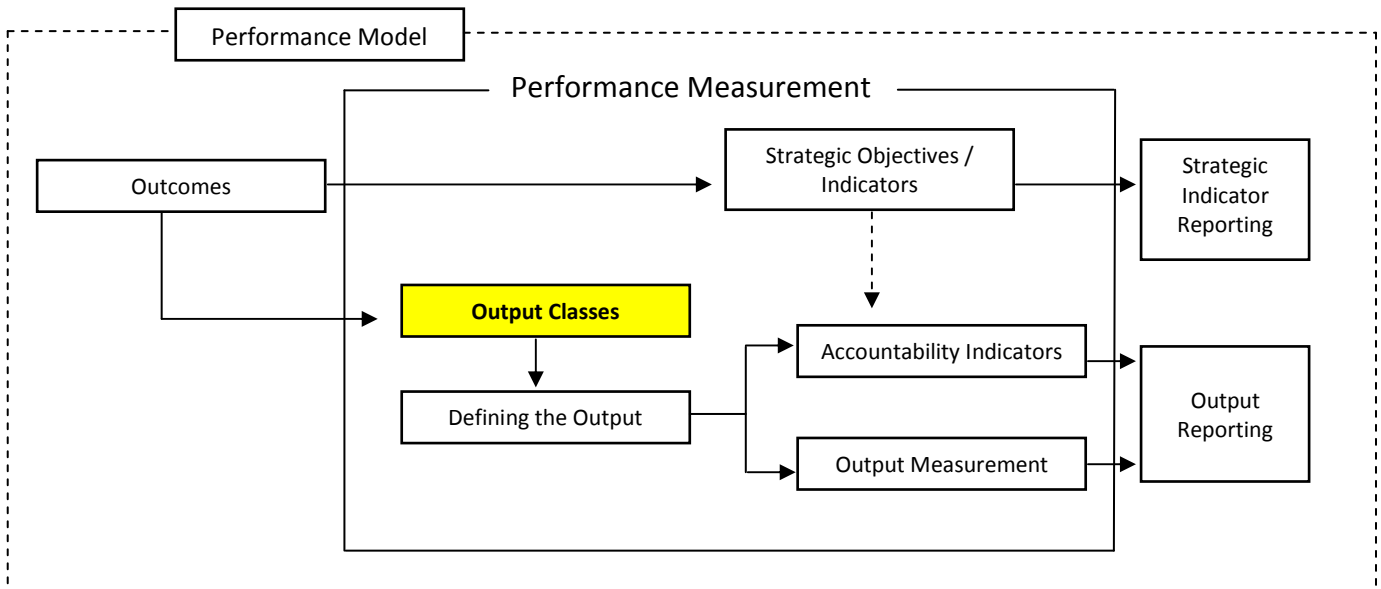
## **5.3 Strategic Indicators — Evaluation Criteria:**

- Representative – strategic indicators should relate to broader government priorities articulated in the *Canberra Plan*.
- Responsive – indicators should relate to agency work programs and identified priorities.
- Quantifiable – indicators should be measurable rather than simply descriptive statements. This allows for both quantitative and qualitative assessments of performance.
- Comparable – indicators should be comparable with a baseline standard to allow for progress to be tracked between years.
- Longer term focus – indicators should have a medium to long term focus rather than reporting on immediate results.
- Sustainable – the proposed indicators should involve minimal resources and where possible seek to capitalise on existing reporting arrangements and data sets.
- Clarity – indicators should be clear, understandable and easy to interpret, and be accompanied by explanatory information to provide context for viewers of the information.

**No amendments to strategic indicators**

Government policy does not allow strategic indicators to be amended during the financial year. Once strategic indicators are finalised in the Budget papers, they are to remain the same until the next Budget.

## 6. Output Classes



### 6.1 What are output classes?

Outputs are grouped into similar categories known as output classes. It is an FMA requirement<sup>4</sup> that agencies provide in their Budget papers a statement of output classes, outputs and the performance criteria to be met in providing the outputs during the year.

### 6.2 Appropriations and output classes

Section 6 of the FMA states: “no payment of public money must be made otherwise than in accordance with an appropriation”.

Appropriations are provided to agencies by the Legislatively Assembly to output classes. Schedule 2 of the Appropriation Act specifies the classes of outputs for each agency for which appropriation is provided. The Budget papers specify the amount of appropriation for each output class.

As a result, it is important agencies regularly review their output classes to ensure they are relevant.

An FMA instrument is required for all appropriation transfers between output classes<sup>5</sup>. If the transfer is larger than 3% of the appropriation for affected output classes, or \$150,000, whichever is larger, then the Treasurer must present a copy of the direction and a statement of the reasons for the reallocation to the Legislative Assembly within 3 sitting days after a direction is given<sup>6</sup>.

<sup>4</sup> Section 12(1)(b) and 12A(1)(b) of the FMA.

<sup>5</sup> Section 15(1) of the FMA.

<sup>6</sup> Section 15(2) of the FMA.

### **6.3 Review of output classes**

When agencies are reviewing output classes each year, it is important that any proposed amendments, deletions or additions of an output class are discussed with Treasury.

### **6.4 Defining output classes**

Classes of outputs should be defined against the following principles:

- each class of outputs should comprise only outputs that are of a similar nature and have similar characteristics or functions;
- the level of aggregation of similar outputs should reflect a level at which it is efficient for Government to link outputs to desired outcomes. This enables Government to hold an agency accountable for the efficiency of each class of outputs;
- the level of aggregation should be material, either because of the relative magnitude of the amounts of money involved or because of the essential nature of the output to the work of the agency or the achievement of outcomes; and
- each component of the output class must be capable of being costed, priced, and reported through an auditable financial management information system.

### **6.5 Budget papers and output classes**

As part of the Budget process each year, agencies are required to prepare a statement that sets out the classes of outputs and the outputs that the agency proposes to provide during the year<sup>7</sup>.

#### **6.5.1 Define the output class**

Output classes should be explicit with clear, unambiguous and informative statements of the nature of outputs.

#### **6.5.2 Define the outputs**

Refer to Section 7.3 “Defining the output in the Budget papers”.

#### **6.5.3 Total cost and government payment for outputs – output class**

Agencies are to provide the Estimated Outcome for the current financial year and the Budget year for the Total Cost and Government Payment for Outputs. Refer to section ‘Output Measurement’ for further details on determining the costs.

It is important that the “Total Cost” and “Government Payment for Outputs” for an Output Class equals the addition of the “Total Cost” and “Government Payment for Outputs” of each individual Output within that Output Class.

#### **6.5.4 Total cost and government payment for outputs – output**

Agencies are to provide the Estimated Outcome for the current financial year and the Budget year for the Total Cost and Government Payment for Outputs for the class. Refer to Section 9 ‘Output Measurement’ for further details on determining the costs.

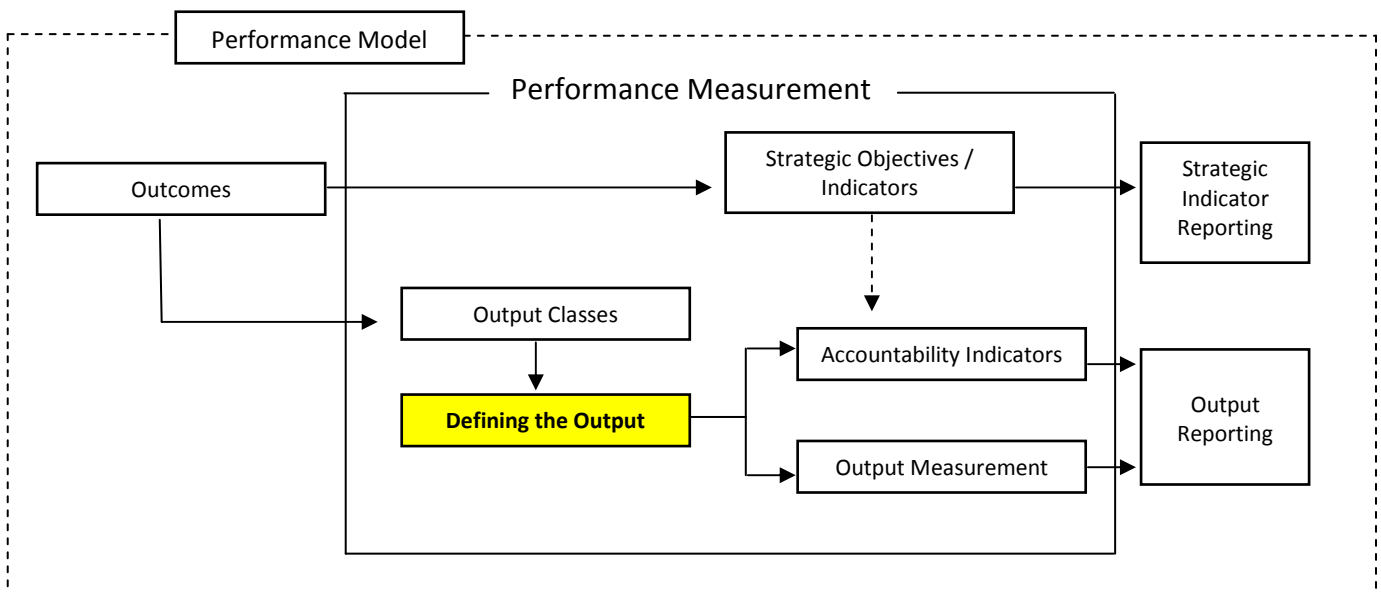
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<sup>7</sup> Sections 12(1)(b) and 12A(1)(b) of the FMA.

### **6.5.5 Output description**

Output descriptions are required to provide users with more information in relation to the outputs and services provided by the agency. An example of an output class is provided at **Attachment 4**.

## 7. Defining the Output



### 7.1 What are outputs?

Outputs are the goods produced or services provided by, or on behalf of, an agency to the community. Outputs allow agencies to measure the cost to provide goods or services to the ACT community.

When agencies are defining outputs, the goods and services must be identified as tangible and valued products by Ministers and the community. Care should be taken to minimise the inclusion of intermediate products or stages of production. These often relate to internal processes or activities which tend to obscure perceptions of the main products serving to meet the Government's outcomes.

### 7.2 Key stakeholders in defining outputs

The key stakeholders in defining the outputs of an agency are the Minister, the DG / CEO and the 'output team' in the agency.

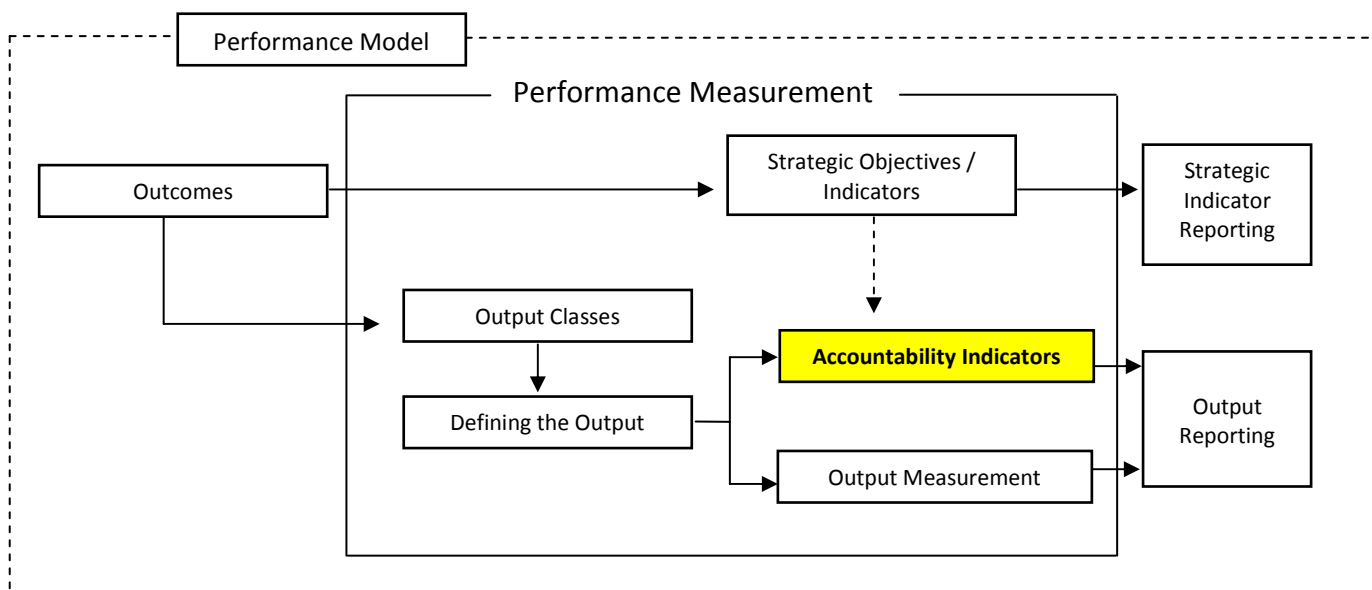
### 7.3 Defining the output in the Budget papers

Defining the output should be a cooperative activity between all sections of the agency as input from all stakeholders provides a more accurate description for output reporting. Agencies are responsible for providing advice to Ministers on what outcomes are targeted by each output.

Agencies must then seek formal sign-off from their respective Minister on outputs and output class descriptions that form the basis for appropriation for the relevant budget year. For the most efficient results, outputs should be constantly reviewed, especially in the early stages of the budget process.

Agency outputs must be consistent with achieving longer-term agency objectives and Government priorities. Consistency of outputs across the forward years is required, where possible, not only for reporting requirements, but also for comparative purposes.

## 8. Accountability Indicators



### 8.1 What are accountability indicators?

Accountability indicators measure the agency's effectiveness and efficiency in delivering its outputs and may be measures of outcomes, outputs or inputs. Where appropriate, they may also include input measures that report on the quantum and/or costs of individual services.

As part of the Budget process each year, when agencies prepare their statement that sets out the classes of outputs and the outputs and that the agency proposes to provide during the year, agencies are also required to provide the accountability indicators to be met by the agency in providing the outputs.<sup>8</sup>

### 8.2 Selecting accountability indicators

Accountability indicators are subject to audit<sup>9</sup>, and must be appropriately measurable to quantify achievement. When selecting accountability indicators, agencies are to refer to Section 4.2 "Attributes of good performance measures", along with taking the following into consideration.

- Accountability indicators often link to strategic indicators. Accountability indicators relate to outputs agencies produce through activities, whereas strategic indicators relate to outcomes that the Government is trying to achieve or influence through providing these outputs.
- Usually accountability and strategic indicators should be different and agencies should seek to avoid overlaps between the two. However, there may be limited circumstances where some indicators may be presented as both strategic and accountability indicators. This allows for discussion of longer-term targets and provides a strategic context for the agency's performance, as well as providing an annual target which will be subject to audit.

<sup>8</sup> Sections 12(1)(b) and 12A(1)(b) of the FMA.

<sup>9</sup> *Financial Management (Statement of Performance Scrutiny) Guidelines 2011*.

- Agencies need to consider both quality and quantity aspects when setting the accountability indicators and must present a balanced picture of the agency's performance.
- Rather than having a proliferation of indicators, agencies should select a smaller number of key indicators which would be the most useful to stakeholders.

### **Accountability Indicators - Evaluation Criteria:**

In developing individual performance measures, the following attributes should be considered:

- Representative – measures should assist in achieving the broader government priorities articulated in the Canberra Plan.
- Quantifiable – measures should be quantifiable and measurable to a reasonable degree of accuracy (particularly for auditable measures).
- Comparable – measures should, as far as possible, maintain continuity and comparability of reported results across years.
- Timeliness – measures should be reported in a timely manner and with reasonable frequency, ensuring information is not out of date.
- External Focus – measures should have an external focus, rather than focussing on internal or technical processes.
- Verifiable – measures should be independently verifiable (evidence will be required).
- Sustainable – performance measures out to be sustainable, where the benefits derived from collecting and reporting information should outweigh costs.
- Relevant – measures should be relevant and fit for the intended purpose, for the information of Ministers, the Assembly and the community.
- Focus – there should be a focus on overall performance and key deliverables. Measures should not be focussed on one single aspect of performance.
- Impartiality – setting of measures should be impartial, ensuring that a balanced perspective is evident.
- Clarity – measures should be clearly defined and easy to understand and interpret, and accompanied by explanatory information to provide context.

### 8.3 Amendment of accountability indicators<sup>10</sup>

Section 19D of the FMA allows the responsible Minister of an agency to amend the agency's accountability indicators provided in the Budget papers.

If an agency amends their accountability indicators under section 19D, the agency must ensure:

- a revised target is reflected for the period for which the indicator was held i.e. both the transferor and transferee to provide revised targets (i.e. if a function delivering continued targets throughout the year is moved to another agencies half way through the year, only the outstanding targets are to moved to the transferee agency); and
- that N/A is not a revised target. An actual target needs to be reflected even if the target is zero.

Section 19D(3) lists some of the reasons why the responsible Minister would amend the accountability indicators, such as when a change occurs in Administrative Arrangements.

When an accountability indicator is amended, the annual report will:

- explain why the accountability indicator was amended;
- the date when the accountability indicator was amended;
- the notifiable instrument number confirming the amendment; and
- report percentage variance explanations between the actual result and the amended target.

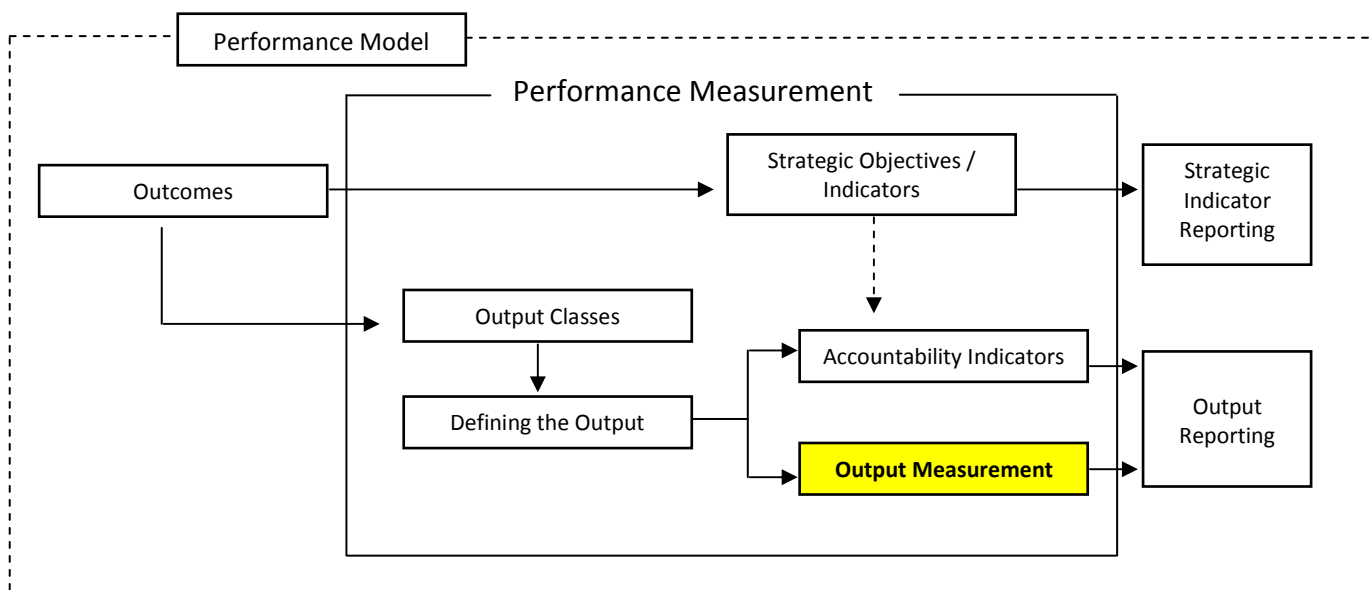
**Attachment 6 Statement of Performance – Output 1.2 Children Rehabilitation Management** provides an example of an amended accountability indicator and the necessary details that need to be reported.

Note: for all amendments under the FMA, Treasury should be appropriately consulted on the development of instruments.

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<sup>10</sup> Also known as performance criteria (Section 19D of the FMA).

## 9. Output Measurement



### 9.1 The purpose of output measurement

The purpose of output measurement is to provide agencies, the Government and the community with meaningful information on determining whether agencies have provided goods and services in an efficient and effective manner and are achieving Government priorities. Output measurement provides:

- the output costing for each output class; and
- accountability indicators with appropriate measurability to quantify achievement.

### 9.2 Output costing

Agencies are to attribute the full costs of services to outputs, including accrued expenses and other non-cash costs such as depreciation. The costing methodology should conform to accepted accounting practice and be based on logical and defensible grounds.

### 9.3 Stages of costing

- 1) The first step is to decide exactly what output(s) is being costed and determine the activities contributing to that output(s). Outputs being costed might not necessarily be well defined, for instance:
  - the cost of all resources consumed in the production of an output must be recognised. Without this, a performance assessment of budget decisions will rely on incomplete data and analysis;
  - the full cost of an output comprises direct and indirect costs; and
  - the costs should be measured using an accrual accounting framework, a fundamental principle of which is the recognition of costs for the period in which they are incurred.

- 2) The next step in the costing process is to allocate the identified costs to the output. Some delivery cost centres will align to a single output. Some cost centres will need to be apportioned to multiple outputs.  
One of the key principles to keep in mind when determining methods of cost allocation is not to make them overly complex, and to apply a general cost / benefit test to ensure that undue effort is not put into detailed cost driver analysis and usage analysis. The costing process only needs the rigor sufficient to be reasonable and to meet the needs of management, and to be independently verifiable.
- 3) Finally, after the direct and indirect costs have been allocated and calculated for each output, add them together to calculate the full service cost for each output.

All costs should be accurate and confirmable.

**Attachment 2** provides further information on costing outputs.

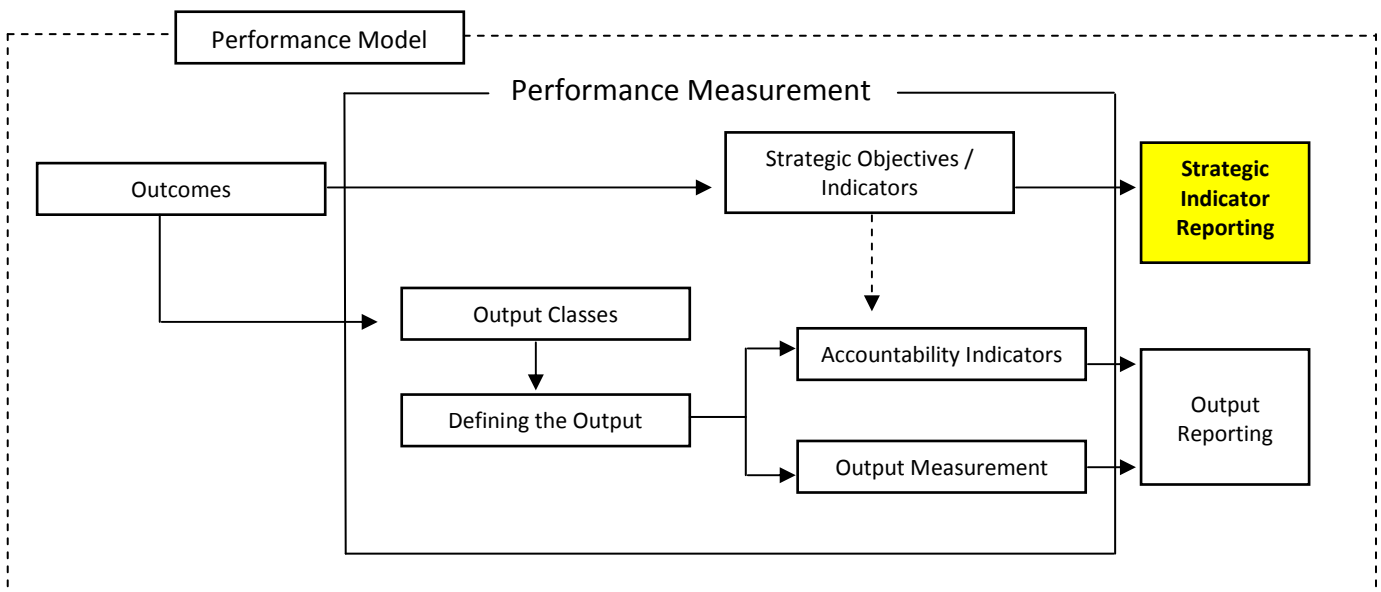
#### **9.4 Setting targets**

Once agencies have defined and costed their outputs, targets need to be set to gauge the agency's level of performance.

The following provides guidance for how agencies set targets.

- For each output, determine what goods and/or services are required to achieve the output.
- The goods and / or services identified leads to the targets to be achieved. The level of achievement is a combination of the outcomes specified in the Government strategic planning documents, the Ministers expectations of the agency, the community requirements and expectations, what is achievable by the agency based on the level of appropriation received etc.
- The targets set must follow Section 4 "Attributes of good performance measures".

## 10. Strategic Indicator Reporting



### 10.1 Reporting requirements

The Chief Minister's Annual Report Directions states that directorates and prescribed territory authorities must report their performance against strategic indicators in the annual report.

### 10.2 Statement of Performance

Directorates and prescribed territory authorities are not to include strategic indicators in their Statement of Performance. *The Financial Management (Statement of Performance Scrutiny) Guidelines 2008* clarifies that the Statement of Performance reports on an agency's accountability indicators only and does not include strategic indicators.

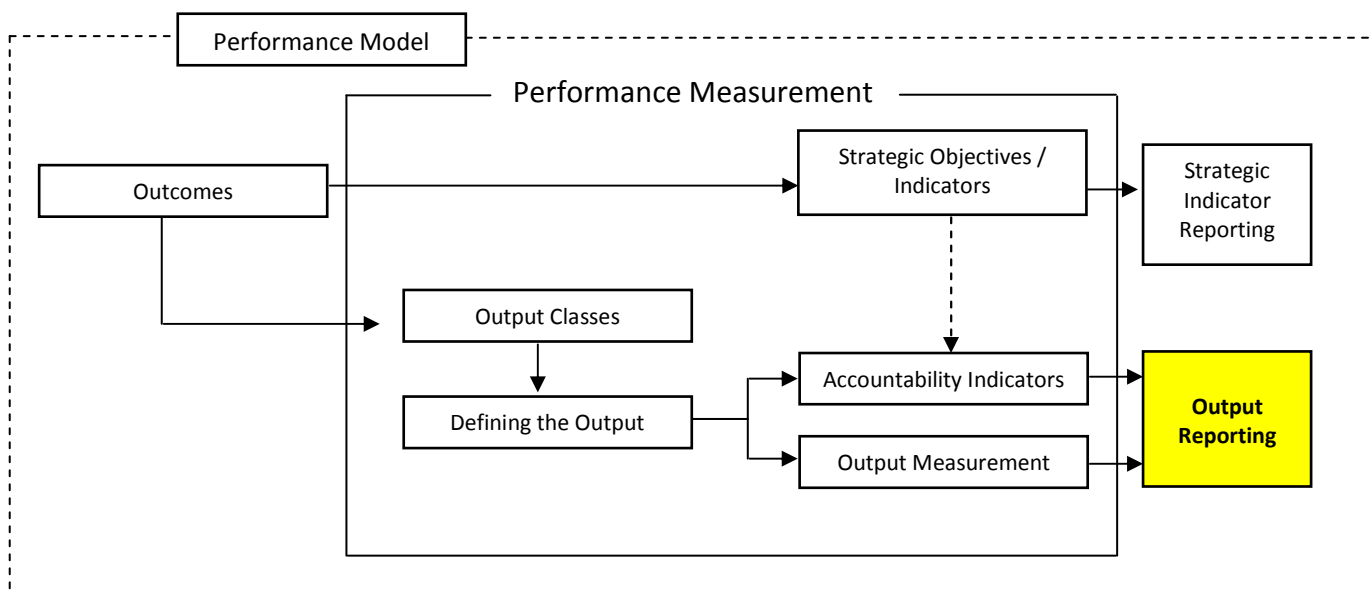
If a prescribed territory authority includes strategic indicators in its Statement of Intent, the Statement of Performance must also address the performance of the strategic indicators.

### 10.3 Annual report

The strategic indicators section in the annual report must quantify the results for the financial year against the strategic objectives and strategic indicators set in the Budget papers. The format of the section ideally should be similar to the format presented in the Budget papers.

Along with providing an explanation of the financial year results, the section is also to provide the reader with a means of comparing results or progress through either comparison with a benchmark or with previous results. By agencies providing a comparison, the community will be able to track an agency's performance over time in achieving the objectives and outcomes.

## 11. Output Reporting (Statement of Performance)



### 11.1 What is the Statement of Performance?

The Statement of Performance is the report used to compare actual performance in providing each class of outputs with the Budget, revised Budget, or a supplementary Budget for the year, and state the extent to which the output performance criteria set out in the Budget, were met. The Statement of Performance is to be completed by all directorates and territory authorities as soon as practicable after the end of the financial year<sup>11</sup>.

### 11.2 Legislative requirements - directorates

#### 11.2.1 Financial Management Act 1996

Sections 30A to 30E of the FMA provides the requirements relating to a directorate's Statement of Performance.

In summary the requirements are:

- To compare actual performance in providing each class of outputs with the original budget or revised budget<sup>12</sup> where amended by Section 19D of the FMA or a supplementary budget for the year, and state the extent to which the output performance criteria set out in the budget, were met<sup>13</sup>.
- A directorate's Statement of Performance must have endorsed on, or attached to it, a Statement of Responsibility signed by the responsible DG. The Statement of Responsibility<sup>14</sup> must state that, in the DG's opinion, the Statement of Performance fairly reflects the performance of the directorate in delivering each

<sup>11</sup> Section 30A and Section 68 of the FMA.

<sup>12</sup> That is, the last budget estimates approved by the Legislative Assembly and/or under section 19D of the FMA.

<sup>13</sup> Section 30A of the FMA.

<sup>14</sup> Section 30B of the FMA.

class of outputs during the financial year. **Attachment 6** provides an example of a Statement of Responsibility.

- A directorate's DG must give the ACT Auditor-General the agency's Statement of Performance for the financial year with a signed Statement of Responsibility, as soon as practicable after the statement is prepared. The ACT Auditor-General must provide a report about the Statement of Performance to the DG as soon as practicable after the ACT Auditor-General has received it. This report will be a 'Report of Factual Findings'<sup>15</sup>.
- An Annual Report of a directorate must include or have attached to it:
  - the Directorate's Statement of Performance for the year; and
  - the ACT Auditor-General's report regarding the Statement of Performance.<sup>16</sup>
- A directorate must also prepare a half yearly performance report which is required to be provided to the Members of the Legislative Assembly within 30 days after 31 December<sup>17</sup>. The half yearly report provides information relating to the progress on the delivery of outputs for the relevant directorate. The report includes:
  - the half yearly performance against the Budget Outputs as listed in Budget Paper No. 4 and/or as amended by Section 19D or a supplementary budget;
  - the annual and year to date targets; and
  - the directorate's progress against these targets.

Notes on variances greater than or equal to +/- 5 per cent between targets and results should be included.

*The Financial Management (Statement of Performance Scrutiny) Guidelines 2011* clarifies that the performance criteria to be included in the Statement of Performance are the accountability indicators listed in the budget for the agency for the year. Strategic indicators are not to be reported in the Statement of Performance.<sup>18</sup>

**Attachment 6** provides an example model of a Statement of Performance for an agency.

### **11.2.2 Audit scrutiny**

Accountability indicators are subject to an Annual Report of Factual Findings by the ACT Auditor-General to ensure an appropriate level of accountability.

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<sup>15</sup> Section 30C of the FMA.

<sup>16</sup> Section 30D of the FMA.

<sup>17</sup> Section 30E of the FMA

<sup>18</sup> Except when a prescribed territory authority includes strategic indicators in their Statement of Intent.

### **11.2.3 Annual Report Directions**

The Chief Minister's Annual Report Directions requires an agency to include its Statement of Performance for the year in its annual report. The Statement of Performance must be accompanied by the respective ACT Auditor-General's report of factual findings for the year.

Although an agency does not include its strategic indicators in its Statement of Performance, an agency's performance against its strategic indicators listed in its budget for the year is to be included in an agency's annual report.

## **11.3 Legislative requirements – territory authorities**

### **11.3.1 Financial Management Act 1996**

Territory authorities must prepare a Statement of Performance as soon as practicable after the end of the financial year. Sections 68 to 71 of the FMA outline the requirements relating to a territory authority's Statement of Performance.

Territory authorities are required to produce a Statement of Performance that addresses the performance measures included in its Statement of Intent for the year. If an authority includes strategic indicators in its Statement of Intent, then the Statement of Performance must also address these performance measures.

Territory authorities that are prescribed for outputs, in addition to reporting on their Statement of Intent performance measures, must also report against the accountability indicators presented in the Budget papers and / or as revised by section 19D of the FMA or a supplementary budget. *The Financial Management (Statement of Performance Scrutiny) Guidelines 2008* clarifies that strategic indicators listed in the budget for the authority for the year, but not in the authority's Statement of Intent, are not to be reported in the Statement of Performance.

Where an authority has a governing board, the chair of the board must sign the Statement of Responsibility. Alternatively, where an authority does not have a governing board, the CEO must sign the Statement of Responsibility.

### **11.3.2 Audit scrutiny**

For a territory authority that is not prescribed, the ACT Auditor-General will provide a Report of Factual Findings on the performance of the authority against the performance criteria and other measures included in an authority's Statement of Intent.

For a prescribed territory authority, the ACT Auditor-General will provide a Report of Factual Findings on the performance of an authority against the performance criteria in the authority's Statement of Performance and other measures included in an authority's Statement of Intent.

### **11.3.3 Annual Report Directions**

The Chief Minister's Annual Report Directions requires an authority to include its Statement of Performance for the year in its annual report. The Statement of Performance must be accompanied by the respective ACT Auditor-General's report of factual findings for the year.

For a prescribed territory authority: where the authority does not include its strategic indicators in its Statement of Performance, the authority is required to report on its performance against those strategic indicators listed in its budget for the year in its annual report.

## **11.4 Model Statement of Performance – directorates and territory authorities prescribed for outputs**

### **11.4.1 Overview of the model**

The Statement of Performance is only to report against the accountability indicators.

To assist directorates and territory authorities prescribed for outputs with improving the content and format of the Statement of Performance, a model Statement of Performance has been prepared (refer to **Attachment 6**). The information contained in the model Statement of Performance is for illustrative purposes only and is not representative of any agency or territory authority.

The model covers the essential components of the Statement of Performance and should be tailored to suit the agency's situation. As the analysis is an overview, it needs to be concise and needs to convey the main performance messages without becoming too detailed.

### **11.4.2 Output information**

The Statement of Performance should include the following information for each output.

- Description of the output - output descriptions are included to provide users with more information in relation to the outputs and services being provided by agencies.
- Output cost – the following information is required:
  - the original cost of the output as provided in the original budget papers;
  - the amended cost of the output, where the cost has been amended by either a Supplementary Appropriation Act (section 13A 'Amendment of Budgets for Supplementary Appropriation') or a section 19D<sup>19</sup> instrument ('Amendment of Performance Criteria');
  - where a target has been amended, the reason for the amendment should be disclosed by way of note;

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<sup>19</sup> Section 19D enables GPO of an output to be reallocated between outputs within an output class. However, the sum of the GPO for outputs within an output class MUST equal the total GPO for that output class as provided in the latest budget (that is, the original budget, or where the budget has been amended, the supplementary budget).

- the actual cost of the output at the end of the financial year;
  - the percentage variance from the amended cost of the output; and
  - an explanation of material variances from the amended cost.
- Government Payment for Outputs (GPO) – the following information is required:
    - the original GPO as provided in the original budget papers;
    - the amended GPO, where GPO has been amended by either a Supplementary Appropriation Act (section 13A ‘Amendment of Budgets for Supplementary Appropriation’) or a section 19D instrument (‘Amendment of Performance Criteria’);
    - where a target has been amended, the reason for the amendment should be disclosed by way of note;
    - the actual GPO received for the output at the end of the financial year;
    - the percentage variance from the amended GPO; and
    - an explanation of material variances from the amended GPO.

#### **11.4.3 Accountability indicators**

Accountability performance indicators measure an agency’s effectiveness and efficiency in delivering its outputs, and may be measures of outcomes, outputs or inputs. Accountability indicators should be presented in a table that is consistent with the format included in the budget papers.

Accountability indicators should report against the original target or if relevant, the amended target for each output. Where actual performance differs materially from the relevant target, an explanation of the reasons for, and nature of, that variance is to be included in the statement.

The Statement of Performance should include the following for each output when reporting against Accountability Indicators.

- Accountability measures - the measures provide users with an indication of an agency’s performance in delivering its outputs.
- Original target - the original target is the amount specified in the original budget papers for the year.
- Amended target - a target can be amended by either a Supplementary Appropriation Act (section 13A ‘Amendment of Budgets for Supplementary Appropriation’) or a section 19D instrument (‘Amendment of Performance Criteria’). Where a target is amended, the reason for the amendment should be disclosed by way of note.
- Actual result – the actual result is the actual amount at the time of the report, i.e. 31 December (for the half yearly statement of performance) and at 30 June (for the annual statement of performance).
- Percentage variance from amended target - the percentage variance is calculated by subtracting the ‘amended target’ from the ‘actual result’ and dividing this

difference by the 'amended target'. For example, where an amended target is 75% and the actual result is 60% the variance would be calculated as follows:

$$(60\% - 75\%) / 75\% = -20\%$$

- Explanation of material variances - where there is a material variance, agencies must explain the reason for the movement from the amended target to the actual result. A material variance is determined by agencies based on the nature of each measure and the size of the variance. As a general guide, a variance of more than 10% is considered to be a material variance. Where variances are between 5% and 10% an explanation is only required where it is considered significant.
- Explanation of Measures - to assist readers in understanding the measures, it is useful to provide an explanation of measures where:
  - the terms are difficult to comprehend;
  - it is difficult to determine how the measure has been calculated; and / or
  - a sample size is used. The actual sample size is to be noted in the explanation.

## **11.5 Territory authorities not prescribed for outputs**

### **11.5.1 Territory authority Statement of Intent indicators**

Where territory authorities are NOT prescribed for outputs, their Statement of Performance should include the following for each Statement of Intent Indicator.

- Description of objectives for the year - the description of the authority's objectives<sup>20</sup> are included to provide users with more information in relation to the services being provided by agencies.
- Statement of Intent Measures - the measures<sup>21</sup> provide users with an indication of an authority's performance in delivering its services.
- Original Target - the original target is the amount specified in the original budget papers for the year.
- Actual result – the actual result is the actual amount at the time of the report, i.e. at 30 June (for the annual statement of performance).
- Percentage variance from Original Target - the percentage variance is calculated by subtracting the 'original target' from the 'actual result' and dividing this difference by the 'original target'. For example, where an original target is 85% and the actual result is 60% the variance would be calculated as follows:

$$(60\% - 85\%) / 85\% = -29\%$$

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<sup>20</sup> Section 61(5)(b) of the FMA.

<sup>21</sup> Section 61(5)(d) of the FMA.

- Explanation of Material Variances - where there is a material variance authorities must explain the reason for the movement from the original target to the actual result. A material variance is determined by authorities based on the nature of each measure and the size of the variance. As a general guide, a variance of more than 10% is considered to be a material variance. Where variances are between 5% and 10% an explanation is only required where it is considered significant.
- Explanation of Measures - to assist readers in understanding the measures, it is useful to provide an explanation of measures where:
  - the terms are difficult to comprehend;
  - it is difficult to determine how the measure has been calculated; and/or
  - a sample size is used. The actual sample size is to be noted in the explanation.

## ***Attachment 1 – Glossary of Terms***

**Accountability** - the ability to be held responsible for performance under the management framework and appropriate legislation.

**Accountability indicators** – a measure of an agency’s performance in providing each class of the outputs. These indicators are subject to audit and may be measures of outcomes, outputs or inputs.

**Accrual accounting** - involves the recognition of revenue, expenses, assets, liabilities and equity when the economic transaction giving rise to the movement of resources occurs, irrespective of the timing of any related movement of cash.

**Appropriation** – the maximum amount of public money authorised by the ACT Legislative Assembly under a legislative authority for transfer from the Territory Banking Account to an agency.

**Appropriation Act** – an Act to appropriate money for the purposes of the Territory for the current financial year.

**Financial Management Act 1996 (FMA)** - sets the legislative framework within which the Government can operate in governing the Territory.

**Government Payment for Output (GPO)** – the appropriated revenue that agencies receive to produce outputs from Government. The Legislative Assembly approves the appropriation as part of the annual budget.

**Inputs** – resources that an agency uses in the production of its outputs.

**Outcomes** - the effects on the community of an output or class of outputs. e.g. a reduced number of smokers, a decrease in rates of crime etc.

**Output** – goods produced or services provided by, or on behalf of, an agency to the community. Outputs allow for the measurement of the cost of an agency to provide goods or services to the ACT Community.

**Output team** - is the ACT Government employees responsible for the goods produced or services provided by, or on behalf of, an agency to the community.

**Output class** – a collection of a set of outputs within an agency.

**Performance indicator** – is an accountability indicator or strategic indicator.

**Performance measure** - quantifiable units of measurement used to determine and assess the delivery of outputs.

**Strategic objective** – the effect or difference the agency aims to make in the community in the short to medium term.

**Strategic indicator** - a performance indicator that measures Government’s performance against longer-term and strategic objectives and outcomes that impact upon the community.

## ***Attachment 2 – Output Costing***

The following provides agencies with guidance on the methodology to be used to cost outputs.

### **Output costing**

- 1) Direct costs are expenses that directly contribute to agencies outputs. They may include “intermediate” outputs within an agency.
- 2) Overhead costs (or Indirect Costs) are expenses that contribute to the environment in which outputs are created but are not directly related to an output. They may include: administration services; stationery, rent and repairs and maintenance.

### **Criteria for apportionment**

Agencies may need to apportion expenditure / costs for the following.

- “Direct” budget allocations may not be output specific, but in fact be expended upon a number of outputs.
- “Overhead” costs will invariably relate to more than one output, and in some cases (e.g. administration services) may relate to all of the outputs of an agency.

The criteria or formula used for cost allocation and apportionment should be selected so as to provide the most accurate result, consistent with minimising the administrative effort involved. The best test of suitability should be whether the apportionment provides a true reflection of the cost of providing this output and can be justified for internal and external audit, and possible Assembly scrutiny.

Some methods that can be adopted include:

- survey of staff activity levels;
- number of employees;
- volume of transactions;
- size of budget;
- number of users; and
- asset information (e.g. property occupied, vehicles, computers).

The first cut of the allocation exercise by an agency may not provide the most accurate result. Only with the benefit of practice will the costing systems become more robust and reliable.

## **Attachment 3 – Strategic Objectives and Indicators in the Budget Papers**

### **Strategic Objective 1**

Decreasing Type 2 Diabetes for Children Under 13 Years

Using prevention strategies, early intervention initiatives and campaigns to educate the public, parents and children of type 2 diabetes and how to avoid being diagnosed.

### **Strategic Indicator**

<b>Type 2 Diabetes</b>	<b>ACT Rate</b>	<b>National Rate</b>
Children under 13 years	5.2%	6.6%

Source: National Diabetes Survey 2009-10

This strategic indicator measure intends to benchmark the directorate's performance against the national rate. The table demonstrates the indicator is quantifiable. The strategic indicator provides a description to allow users to understand exactly what is being measured and how it will be measured.

## Attachment 4 – Output Classes in the Budget Papers<sup>⊗</sup>

The following is an example of Directorate XYZ statement of output classes in the budget papers.

Total cost is full costs of services to outputs, including accrued expenses and other non-cash costs such as depreciation.

### Output Classes

	Total Cost		Government Payment for Outputs	
	2010-11	2011-12	2010-11	2011-12
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1: ABC Services	41,077	55,315	37,131	49,741
Output 1.1: Children Fitness Classes	5,623	8,065	5,525	7,814

### Output Description

Provision of fitness classes to children under the age of 13 years.

The key outputs to be delivered in 2011-12 include:

- ensuring children are attending the free fitness classes each week;
- each child is provided with a fitness plan to do exercise at home; and
- ensure fitness classes are conducted in each suburb with appropriate access.

GPO is the amount of appropriation provided by the Legislative Assembly for the delivery of the outputs in the output class.

	Total Cost		Government Payment for Outputs	
	2010-11	2011-12	2010-11	2011-12
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output 1.2: Children Rehabilitation Management	35,454	47,250	31,606	41,927

### Output Description

The addition of the outputs must equal the output class total. For example  $\$5,623 + \$35,454 = \$41,077$ .

The provision of an integrated, effective and timely response to children less than 13 years who require rehabilitation services in inpatient, outpatient, emergency directorate, sub-acute and community based settings.

The key outputs to be delivered in 2011-12 include:

- reducing waiting times for admission to a qualified staff member through physiotherapy agencies;
- improving rehabilitation planning to minimise the likelihood of readmission;
- ensuring that children with rehabilitation care needs receive the care at the right time and in the right place.

The output description must provide users with the details of the services to be provided under the output within the output class. Ideally it should include the key outputs to be delivered for the budget year.

<sup>⊗</sup> This is a fictitious example.

## Attachment 5 – Accountability Indicators in the Budget Papers<sup>⊗</sup>

Directorate XYZ has nominated the following accountability indicators that will be used to measure and report upon its performance in delivering Children Fitness Classes and Children Rehabilitation Management.

	2010-11 Targets	2010-11 Est. Outcome	2011-12 Targets
<b>Output Class 1: ABC Services</b>			
<b>Output 1.1: Children Fitness Classes</b>			
a. Children attend at least 2 fitness classes each week	70%	68%	70%
b. Each child receives a fitness plan	90%	91%	92%
c. Each suburb has one fitness class each week	85%	86%	85%

Accountability indicators are subject to audit – therefore the targets and estimated outcomes must be measurable.

	2010-11 Targets	2010-11 Est. Outcome	2011-12 Targets
<b>Output 1.2: Children Rehabilitation Management</b>			
<b>Patient activity</b>			
a. Percentage of children seen within 5 hours of attending the physiotherapy directorate	85%	86%	92% <sup>1</sup>
b. Percentage of readmission with same condition	9%	12%	9%
c. Number of rehabilitation plans issued within 24 hours of qualified staff meeting with the child	95%	96%	95%
d. Parent satisfaction as measured by annual survey	85%	85%	85%

### Notes

<sup>1</sup> The increase in the 2011-12 target for children seen within 5 hours is the result of new funding for qualified staff through the Health for Children Agreement.

Accountability indicators must be self explanatory. The indicator must be clear and users understand what is being measured. Where it is considered useful, additional explanations of performance measures may be provided below the measure or as a note.

<sup>⊗</sup> This is a fictitious example.

## ***Attachment 6 – Model Statement of Performance for Directorates and Territory Authorities***

### **Directorates**

The following provides an example of Directorate XYZ Statement of Performance for the year ended 30 June 2012.

The Statement of Performance will include:

- Independent Report of Factual Findings
- Statement of Responsibility
- Statement of Performance

### **Territory Authorities**

The following provides an example of Territory Authority XYZ Statement of Performance for the year ended 30 June 2012.

The Statement of Performance will include:

- Independent Report of Factual Findings
- Statement of Responsibility
- Statement of Performance

## **Independent Report of Factual Findings**

[Insert the Statement form the ACT Auditor-General's office.]

**Directorate XYZ  
Statement of Performance  
For the Year Ended 30 June 2012**

**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with the Directorate's records and fairly reflects the service performance of the Directorate in providing each class of outputs during the financial year ended 30 June 2012 and also fairly reflects the judgements exercised in preparing them.

Arthur Ant  
Director-General  
Directorate XYZ  
August 2012

**Territory Authority XYZ  
Statement of Performance  
For the Year Ended 30 June 2012**

**Statement of Responsibility**

In my opinion, the Statement of Performance is in agreement with the Authority's records and fairly reflects the service performance of the Authority for the year ended 30 June 2012 and also fairly reflects the judgements exercised in preparing them.

Gemma Jones  
Chief Executive Officer  
Territory Authority XYZ  
August 2012

**Directorate XYZ / Territory Authority XYZ<sup>⊗</sup>**  
**Statement of Performance**  
**For the Year Ended 30 June 2012**

<b>Output Class 1: ABC Services</b>
<b>Output 1.1: Children Fitness Classes Under 13 Years</b>
<b>Description:</b> This output covers children's fitness through fitness classes and home exercising.

	Original Target 2011-12	Amended Target 2011-12	Actual Result 2011-12	% Variance from Original / Amended Target	Explanation of Material Variances
<b>TOTAL COST (\$'000)</b>	<b>\$8,065</b>	n/a	<b>\$7,956</b>	-1%	The \$0.1 million variance lower than budget is in part due to the deferral of expenditure associated with delayed introduction of fitness classes due to approvals required.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	<b>\$5,525</b>	n/a	<b>\$5,161</b>	-7%	The \$0.3 million variance lower than budget is in part due to the delay in beginning fitness classes to allow further time to sign children up to begin classes (\$0.1 million) and under expenditure on corporate costs (\$0.1 million).
<b>Accountability Indicators</b>					
a. Children attend at least 2 fitness classes each week	70%	n/a	72%	3%	Due to the delay in fitness classes starting it allowed further time to sign children up to begin classes.
b. Each child receives a fitness plan	92%	n/a	90%	-2%	
c. Each suburb has one fitness class each week	85%	n/a	84%	-1%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

<b>Explanation of Measures</b>
a. Percentage of children aged between 5 and 12 years old and reflects the average per week while the classes were run.
b. Fitness plan is provided by a registered trainer for exercises to be conducted at home by the children.
c. Fitness classes were only run in suburbs that had public access to a community hall or school hall.

The above Accountability Indicators were examined by the ACT Auditor-General's Office in accordance with the *Financial Management Act 1996*.

<sup>⊗</sup> This is a fictitious example.

**Directorate XYZ / Territory Authority XYZ**  
**Statement of Performance**  
**For the Year Ended 30 June 2012**

<b>Output Class 1:</b> ABC Services
<b>Output 1.2:</b> Children Rehabilitation Management
<b>Description:</b> This output covers rehabilitation services in inpatient, outpatient, emergency directorate, sub-acute and community based settings for children.

	Original Target 2011-12	Amended Target 2011-12	Actual Result 2011-12	% Variance from Original / Amended Target	Explanation of Material Variances
<b>TOTAL COST (\$'000)</b>	\$47,250	n/a	\$45,555	-4%	The \$2 million variance lower than budget is in part due to under expenditure on corporate costs and administration costs.
<b>GOVERNMENT PAYMENT FOR OUTPUTS (\$'000)</b>	\$41,927	n/a	\$40,921	-2%	
<b>Accountability Indicators</b>					
a. Percentage of children seen within 5 hours of admission	92%	95% <sup>1</sup>	95%	0%	The variance is largely due to improvements in rehabilitation treatments.
b. Percentage of readmission with same condition	9%	n/a	8%	-11%	
c. Number of rehabilitation plans issued within 24 hours of qualified staff meeting with the child	95%	n/a	95%	0%	
d. Parent satisfaction as measured by annual survey	85%	n/a	86%	1%	

The above Statement of Performance should be read in conjunction with the accompanying notes.

<b>Explanation of Measures</b>
a. Percentage of children aged between 5 and 12 years old.
b. Percentage of children aged between 5 and 12 years old who required further management for their condition.
c. A rehabilitation plan outlines the exercises to be performed by the child and if further specialist advice will be required. It is an action plan to help the child recover.
d. 300 calls were made to parents who attended with their child to obtain rehabilitation services. Of the 300, only 220 participated in the survey. Survey asked for a yes or no response to whether they experienced high quality service in the children rehabilitation management area.

<b>Explanation of Amended Target</b>
1. The target increased by 3% as the final Commonwealth funding received was higher than what was budgeted for. The target was amended on 1 December 2011 (notifiable instrument 112233)

The above Accountability Indicators were examined by the ACT Auditor-General's Office in accordance with the *Financial Management Act 1996*.