THE APPROACH TAKEN IN THIS GUIDE

The approach is based on the relationship between government/program desired outcomes, program outputs, resources input and Performance Indicators (PIs). Consistent with both Program Management and Output Based Management (OBM), this approach focuses on the

- Identification and specification of desired outcomes
- Outputs necessary to achieve those desired outcomes
- Linkage between desired outcomes and outputs to be produced
- Identification, specification, measurement and costing of outputs and
- Recognition of the full resources input to produce those outputs.

A key step in the process of developing PIs is the writing of program objectives that focus on the outcome desired and the target population to which the program is aimed. Objectives need to be measurable. Outputs are those goods and services that the agency produces for clients or external users so that outcomes can be achieved.

Problems in developing PIs stem mainly from objectives that do not meet these basic criteria. The Guide recognises the importance of ensuring that objectives are correctly expressed before attempting to develop PIs. It gives practical hints and examples on how to do this. Each section ends with some key management questions that highlight the main points. These are brought together as a checklist in Appendix D.

THE GUIDE IS IN SIX PARTS

PART 1 - 'INTRODUCTION'

describes the conceptual framework for PIs and the steps to develop PIs. It is supported by Appendix A for those who are not familiar with the performance management framework.

PART 2 - 'DEFINITIONS'

provides a common understanding of the terms used in this Guide.

PART 3 - 'HOW TO USE THIS GUIDE'

provides a step-by-step guide to developing PIs.

PART 4 - 'MODEL PERFORMANCE INDICATORS AND EXAMPLES'

contains the model statements from which users can develop PIs for their agency. It provides examples to illustrate the approach in action.

PART 5 - 'HELPFUL HINTS'

contains some helpful hints for developing and using PIs.

PART 6 - 'APPENDICES'

provides some additional information.

Appendix A - 'Performance Management Framework'.

Appendix B - 'PIs for Policy Development and Advice'.
This includes a special note about the monitoring of the policy development and advice function.

Appendix C - 'Useful Publications'.
This includes some useful documents to help you further understand PIs.

Appendix D - 'Key Management Questions - A Checklist'.

Appendix E - 'Help is Available'.
This provides a list of sources of further assistance.

THE WA PUBLIC SECTOR PERFORMANCE MANAGEMENT FRAMEWORK

A manager's fundamental responsibility is to manage agency performance. This involves planning, resource management, service delivery and performance assessment and reporting. PIs play a key role in managing performance at all levels in the organisation - strategic and operational. The manager's task now incorporates OBM which also requires a clear focus on both desired outcomes and outputs. These relationships are represented in Figure 1.

The approach taken here to develop PIs focuses on:

- A clear specification of a desired or intended outcome that reflects government policy. This is necessary to determine the program objective.
- The link between the desired outcome and the outputs (external goods and services provided). There needs to be a clear logic or rationale about how and why the outputs will lead to the desired outcome being achieved.
- Clear identification of the outputs and the cost of producing or acquiring them.
- Reporting on outputs - cost of producing outputs (efficiency).
- Reporting on outcomes - the extent to which the desired outcomes have been achieved (effectiveness) through the production of outputs.

PIs provide a means for monitoring agency performance. They are needed to effectively manage agency performance. Measuring results is the only reliable way of differentiating success from failure. If success cannot be identified, agencies can neither reward it nor learn from it. High level key PIs are useful to external users. They provide a means of demonstrating accountability to the public for expenditure of public monies. Operational PIs are more useful internally to monitor organisational performance for management improvement purposes. They also provide a basis for assessing organisational performance for Workplace/Enterprise Bargaining Agreements and for CEO Performance Agreements.

Western Australian public sector managers need to measure performance for the following reasons

- Management improvement. Performance indicators are a useful management tool. They play a key role in the management process. Experience shows that what gets measured, gets done. When used as a guide to performance, PIs can provide this incentive to achieve. However, it is essential that they measure the right things, otherwise the wrong things get done. This Guide helps ensure the right performance measures are used.
- Accountability. PIs help agencies account for their expenditure of public monies.
- Legal requirement. The Financial Administration and Audit Act (FAAA) requires public sector agencies to report performance indicators in their Annual Reports and the Auditor General to issue an opinion on the indicators provided.

In summary, performance indicators have three important purposes. They provide a tool for managers to enhance service improvement and are a means of meeting both accountability and legal requirements. More information about these requirements is provided in Appendix A.

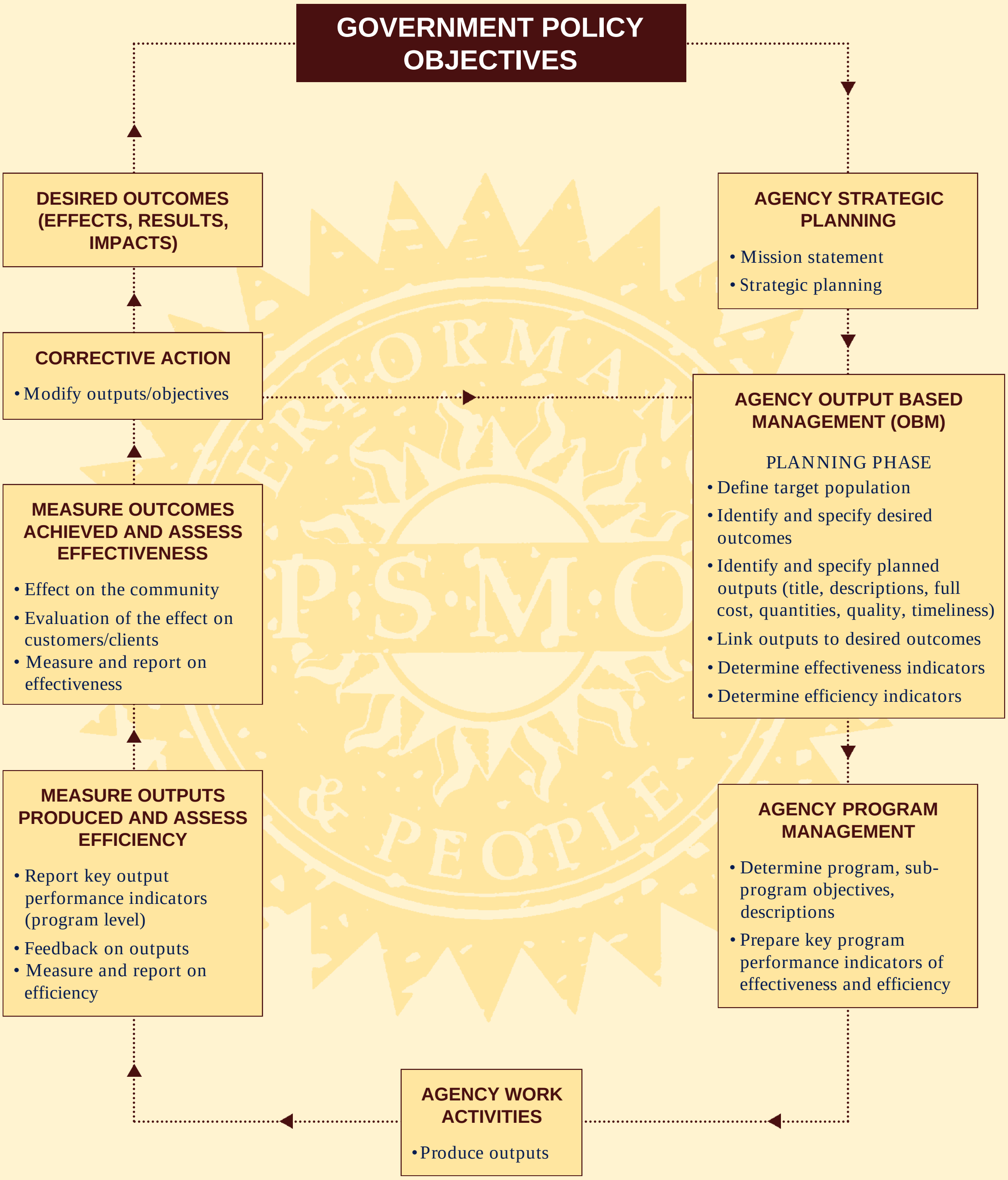

Figure 1: Managing Agency Performance: Showing the Relationship Between OBM and Performance Indicators. Based on Output Based Management (OBM), An Overview, Treasury, July 1996, p4.

Key management question

Do I understand the context for, and uses of, PIs?

DEFINITIONS

A COMMON UNDERSTANDING OF TERMS USED

It is important that users of the Guide have a common understanding of the terms used. To achieve this the following definitions are provided.

A **TARGET POPULATION** consists of the people or organisations whose needs are to be satisfied or whose behaviour or circumstance the agency aims to change. The broadest target population is the entire Western Australian community, however, most programs target specific groups within the population. For example, a Quit Smoking program may be aimed at a target population of all young people in WA.

CLIENTS are the people or organisations who become directly involved in the program through receiving or consuming its outputs. They may also be considered external users or customers. To follow the example listed above, clients are those who actually attend the Quit Smoking program.

An **OUTCOME** is that which results or is a consequence of actions or events. A desired outcome is the behaviour or circumstances the Government wants to occur or the need it wants to satisfy. Desired outcomes are the intended consequences of the program or sub program. Achieved outcomes are what actually occurs.

Public Sector outcomes can be categorised into two broad groups.

- Behaviour change - increasing positive behaviours, such as driving within the speed limit, drinking at ‘safe’ levels or adhering to policy development criteria
- Satisfaction of defined community needs - such as meeting the community’s need for a clean water supply and providing the funds for the business of government

An **OBJECTIVE** is a clear statement of what the program or sub program is intended to achieve for the target population. It reflects the desired outcome as well as the relevant legislation and government policy. Program objectives should focus on the desired outcome for the target population. They should be clearly outcome focussed, achievable and measurable. Determining the desired outcomes and getting the objectives right are the most important prerequisite to developing good PIs.

[redacted] are the goods or services produced by the program or sub program and provided to the external client/user. Goods and services can never be outcomes. They are the means by which outcomes are achieved. They are described in terms of what they are; not what they are intended to achieve. (More information on outputs and outcome-output linkages is available in Treasury publications on Output Based Management (OBM) (See Appendix C.)

Common public sector outputs generally fall into one of the following categories. It should be noted that these categories are provided only as a broad guide and they relate to the classification of program outputs, not agencies themselves. The distinction between categories is not always clear cut.

Where desired outcomes relate primarily to behaviour change

- Advisory Services
  These programs provide advice to a client group to change behaviour in the desired direction. This includes policy advice.
- Information/Educational Services
  These services are provided to influence behaviour change in the desired direction. They are often designed to improve skills, knowledge and attitudes.
- Regulatory Services
  Regulatory services seek compliance with laws and regulations.
- Case Management Services
  Case management services provide specific services to assist clients. They often relate to the provision of human services, where the primary outcome is an improved lifestyle for the target population. However, some case management services relate to satisfying a community need. For simplicity, this Guide places case management services in the ‘behaviour change’ outcome category.

- Other Goods and Services
  These are goods and services not included in the above output categories, for example sporting and social events organised to help reduce juvenile crime.

Where desired outcomes relate primarily to satisfying community needs

- Specific Goods and Services
  Many public sector programs provide services to meet a community/client/customer need. Some provide goods. Some organisations operating within the public sector provide goods and services for a fee, for example, water, sewerage, power, transport, health services and certain education services. Health services could be regarded as relating to the behaviour change outcome, but in this Guide they are regarded as being primarily concerned with satisfying community needs. The education services regarded as being concerned with satisfying community needs include those provided by TAFE Colleges and the Department of Training.

Where desired outcomes relate to revenue raising

- Collection Services
  The collection of taxes, fees and charges that fund the other programs of government. These services can be regarded as ultimately relating to satisfying community needs. However, in the direct sense, they are more concerned with revenue raising.

INPUTS are the human, physical and financial resources used and the time required to produce outputs.

PERFORMANCE INDICATORS help illustrate how well an organisation is doing in meeting its objectives or achieving the desired outcomes. They are a means of assessing and evaluating the characteristics of products, services, processes and operations of the organisation. They use qualitative and quantitative information to help determine an organisation's success in achieving its objectives. They are used to track progress and provide a basis to evaluate and improve performance. They need to be relevant to the program's desired outcomes and objectives, quantifiable, verifiable and free from bias. (Refer to box on page 7 for the Office of the Auditor General's characteristics of satisfactory key performance indicators.)

KEY PERFORMANCE INDICATORS are those indicators which give a comprehensive, high level overview of a program's performance. They are particularly aimed at the external user of the information.

An **EFFECTIVENESS INDICATOR** is an unbiased, quantitative and verifiable measurement that provides information for external reporting on the extent to which the outputs of a program or sub program have contributed to the achievement of its objective/desired outcome.

COST EFFECTIVENESS is the cost per unit of 'outcome'. It relates total inputs to units of 'outcome' achieved.

EFFICIENCY INDICATORS relate 'outputs' to the level of resource 'inputs' required to produce them. The major inputs invariably include a resource cost, but for some programs elapsed time is an important resource.

COST EFFICIENCY is the cost per unit of 'output'. It relates total inputs to units of 'output' produced.

(See the box on page 6 for more details on cost efficiency and cost effectiveness.)

This Guide uses the relationships between TARGET POPULATIONS, OUTCOMES and OUTPUTS to develop 'model' performance indicators. The model PIs are then applied to practical situations in examples.

Use the model and the examples as a guide to help you develop PIs for your program.

COST EFFICIENCY AND COST EFFECTIVENESS

An efficiency indicator relates ‘outputs’ to ‘inputs’. Expressing inputs in dollar terms is particularly useful as a means of quantifying total inputs of different types such as physical and human resources. ‘Cost per unit of output’ is a useful cost efficiency indicator relating total inputs to a unit of output produced.

To meet objectives, ie achieve desired outcomes for the target population, an often unstated but always essential element of the objective is that it should be achieved at least cost. Therefore, it is desirable to relate the cost of inputs to ‘outcomes’. ‘Cost per unit of outcome’ is a useful ‘cost effectiveness’ indicator relating total inputs to a unit of ‘outcome’ achieved.

Conversion of inputs into outputs is a production process. Whether or not those outputs are consumed to an adequate extent, or the outputs result in the desired outcomes being achieved, depends on the appropriateness, quality, price and marketing of the outputs. It is therefore possible for an agency to be highly cost efficient but not very cost effective.

This example relates to an agency providing Case Management Services designed to change the behaviour of the individuals who make up the target population.

The primary measure of ‘output’ of such an agency is the number of cases managed. The primary ‘outcome’ is the number of clients who, as a result of the program, exhibit the desired change in behaviour. This can be expressed as the number of ‘successfully managed clients’. Hence:

DATA

ITEM	MEASURE
Total Inputs	Total cost (funds applied to the program)
Output	No of cases managed
Outcome	No of successfully managed clients

PERFORMANCE INDICATORS

CATEGORY	MEASURE
Cost efficiency	Cost per case managed
Cost effectiveness	Cost per successfully managed client

This example shows how it is imperative to achieve complete clarity regarding the definition of the desired outcomes to be achieved and corresponding outputs to be produced prior to establishing strategic and operational plans, programs and performance indicators.

Key management question

Do I understand all the terms and concepts of program management, OBM and performance indicators?

THE CHARACTERISTICS OF SATISFACTORY KEY PERFORMANCE INDICATORS

All public sector agencies contained in Schedule 1 of the Financial Administration and Audit Act are required to report key performance indicators in accordance with Treasurer's Instruction 904. The introduction of Output Based Management has continued to emphasise the importance of such indicators as management tools and clarifies the linkage between management information and the requirement to report key measures of effectiveness and efficiency.

The purpose of key performance indicators is to provide information which will assist external users to assess performance/effectiveness in achieving the desired outcomes established for the agency and the efficiency with which the agency has used its resources to provide its outputs. Key indicators of effectiveness and efficiency are required for each program.

Effectiveness indicators - illustrating the extent to which the agency has achieved its objectives, ie desired outcomes. These show the achievements which are a direct result of the agency's efforts. It is recognised that the achievement of outcomes is generally a long term objective of agencies, and that there may be a hierarchy of outcomes within a given program.

Efficiency indicators - relating the resource inputs (financial, human, physical or time) to the agency's outputs. This input/output relationship places the focus on the key products or services (outputs) the agency delivers to its customers, rather than the internal processes by which those products or services are produced. Key efficiency indicators are a natural corollary of the funding base used for Output Based Management.

In each case, the efficiency and effectiveness indicators should:

be relevant - having a logical relationship to the users' needs including a clear relationship to objectives which define the desired outcomes. Relevance is assessed in relation to the objectives stated in an agency's program or corporate plan. To enable a user to assess overall performance, a comprehensive set of performance indicators is needed. These should be relevant to users' needs for information, show performance of all key areas and provide an adequate range of perspectives for the user.

be appropriate - of a form which will assist the user in assessing the performance of the agency in the discharge of objectives established. The users of key performance indicators are, by implication, external to the agency, and include Parliament and public. To be appropriate, the indicators need to give these users sufficient information to assess:

- The extent to which the agency has achieved a predetermined target, goal or outcome
- The trend in performance over time
- The performance relative to the performance of similar agencies and/or
- The performance relative to predetermined benchmarks.

have adequate notes - performance indicators are required to have adequate notes which relate the indicator to the objective, explain why the indicator is considered to be a key measure of performance and how the outputs produced link with the outcome achieved. The notes should assist the user to draw meaningful conclusions about the performance of the agency, but should not contain irrelevant or superfluous information or contain any judgemental statements about performance.

In addition, to be valid and reliable the indicators are required to have the following characteristics:

Quantifiable - implying a measurable relationship to attainable benchmarks as a means of determining the extent to which outputs and desired outcomes have been achieved. In this area, the focus is on determining whether the performance indicator does in fact represent, in quantified terms, what it purports to indicate.

Free from bias - the information used to indicate performance should be impartially gathered and impartially reported. Selective reporting or distorted presentation of performance information is to be avoided and frankness in reporting performance which is less than hoped for is to be applauded. Importantly, the information should enable the user to judge the performance achieved and the agency should refrain from presenting judgemental statements as indicators.

Verifiable - appropriately qualified individuals working independently should be able to come to essentially similar conclusions or results about performance indicators. This means that the information upon which the indicators are based must be collected, recorded and analysed in such a way that the conclusions drawn from it can be checked.

Source: Office of the Auditor General 1997

HOW TO USE THIS GUIDE

Use the Guide to develop PIs for your program:

- high level key performance indicators for external reporting and
- operational performance indicators for internal management/service improvement purposes

STEP 1: PROGRAM TYPE

The first step in this process is to identify from the list below the program or sub program type for which you want to develop indicators. Reference to the Model Performance Indicators and Examples in Part 4 of this Guide will help.

The program type is determined by the desired OUTCOME and the OUTPUT produced to achieve it. For example, if the desired outcome for a program is to increase the incidence of non smoking in the community, and this is to be achieved through educating the public about the benefits of non smoking, the program type is BEHAVIOUR CHANGE - EDUCATION. Behaviour change is the desired outcome; Education is the output produced by the agency to achieve the desired outcome.

Eight program types are listed below, along with a reference number for locating relevant model statements and examples in Part 4. Consider this list and the examples to determine what type of program you operate. You may find that some programs have strategies or outputs that cross the program types. Consider both types in determining what would be most appropriate as PIs for your program. If your program's function is policy advice, Model 1 applies, but please also refer to Appendix B.

PROGRAM TYPE		MODEL / EXAMPLE No.
DESIRED OUTCOME	OUTPUT	
Behaviour Change	Advisory Services	1
Behaviour Change	Information/Educational Services	2
Behaviour Change	Regulatory Services	3
Behaviour Change	Case Management Services	4
Behaviour Change	Other Goods and Services	5
Satisfying Community Needs (Non Competitive)	Specific Goods and Services	6
Satisfying Community Needs (Competitive)	Specific Goods and Services	7
Revenue Raising	Collection Services	8

Key management questions

What type of outcome does the program intend to achieve?

What type of output does it provide?

STEP 2: OUTCOME AND TARGET POPULATION

The aim in this stage is to clearly state who comprises the Target Population and what Outcome is desired for that group.

Having identified the Program Type in Step 1, turn to the related Model Statements and Examples in Part 4. For example, for the Community Youth Program (See Example 5) the 'Community Group' at which the program is aimed is identified as juvenile offenders and potential juvenile offenders. For the outcome, the 'increase/decrease in positive/negative behaviour' is stated as 'a decrease in property damage caused by juvenile offenders'.

The development of useful performance indicators is critically dependent on clearly specifying what the program is to achieve for the target population - the desired or intended outcome. It is essential that outcomes are not confused with the outputs (goods and services) produced for the target population or with agency activities and/or workloads.

Key management questions

What is the target population?

Is the intended or desired outcome clear?

STEP 3: OBJECTIVE AND EFFECTIVENESS INDICATORS

The aims of this stage are to:

- Write the program or sub program objective by combining the target population and the desired outcome into a single statement and
- Determine the effectiveness indicators for that objective.

The wording of objectives is critical to developing PIs. They must be stated in a way that clearly communicates what is to be measured. A higher-level program goal might sometimes be supported by lower-level program objectives.

The key issues in deciding the appropriateness of objectives are:

- Does the objective reflect the problem/issue the program was set up to address?
- Is it aimed at meeting the needs of the specified target population?
- Is the objective measurable?
- Is it achievable?

The effectiveness indicators should relate directly to the extent to which the target population exhibits the desired behaviour (or needs have been met) and the extent to which the outputs contributed to this condition.

The program may not be fully accountable for the behaviour of the target population. For example a Quit Smoking program is not the only factor influencing smoking behaviour. Other factors include tobacco company advertising, peer pressure and individual needs. The extent to which the Quit Smoking program contributed to the state of the target population is difficult to measure. These indicators, which are derived from program logic models, are suggested:

- The number of clients of the program as a proportion of the target population, to demonstrate how effective the program is in reaching the target population (ie coverage)
- The number of clients exhibiting the desired behaviour as a proportion of total clients, to demonstrate the extent of desired behaviour change produced in the population (ie program impact)
- The proportion of clients who have participated in the program who exhibit the desired behaviour change compared to the proportion of people in the target population who have also exhibited the desired behaviour change (ie outcome directly attributable to the program in relation to other factors)
- The number of clients exhibiting the desired behaviour who found the program useful, to demonstrate customer/client/user satisfaction

These indicators are not absolute measures of agency performance. However, expert analysis of the data should allow an informed judgement about the agency’s degree of success in achieving its objectives or desired outcomes.

The identification of cost effectiveness indicators for the program or sub program outcome is also important. These indicators relate the value of the resource inputs to outcomes. The unit cost is indicated in dollars and should encompass the full (accrual based) resources used. Cost effectiveness is often expressed as a unit cost per successfully managed client or per service that achieves the desired outcome. For a Quit Smoking program, cost effectiveness indicators could include the ‘average cost per client who successfully quits smoking’.

Key management questions

Does the objective reflect the problem/issue the program was set up to address?

Is it aimed at meeting the needs of the target population?

Is it achievable and measurable?

STEP 4: OUTPUTS AND EFFICIENCY INDICATORS

The aim of this stage is to specify program outputs and identify efficiency indicators for these outputs.

Efficiency indicators relate inputs and outputs. The unit cost may be indicated in overall resource dollars. Time may also be an important resource in some programs. Efficiency is often expressed as a unit cost per client or per service delivered. For a Quit Smoking program, efficiency indicators could be the cost of the education for each client of the campaign.

Key management questions

Are the inputs clearly identified?

Are the outputs clearly identified?

Is their relationship correctly identified in the efficiency indicators?

WEIGHTING OF OUTPUTS

Most agencies produce a range of outputs. Therefore it may be necessary, in calculating overall efficiency, to develop a method of aggregating various outputs. In order to add together outputs which are dissimilar in type, volume and consumed resources, it is necessary to weight them. In the case of a hospital, for example, the number of hip operations cannot reasonably be added to the number of inoculations; each requiring vastly different skills and resources. Ideally, the weighting applied should be a measure of the value of the output to society. This is not easy to measure but consumer surveys may provide an indication. An alternative is for the managers or policy makers to place a value on each of the outputs, based on the best available information. In practice, the most commonly used method is to use weighted average costs, although calculating the weighted average cost of an output is not a trivial undertaking. It is important that the weights used are appropriate, free from bias and verifiable.

The Office of the Auditor General publication on performance indicators in public hospitals (see Appendix C) illustrates how outputs can be weighted.

ARE OUTPUTS APPROPRIATE? DO THEY CONTRIBUTE TO THE ACHIEVEMENT OF DESIRED OUTCOMES?

Outputs are the means by which desired outcomes are achieved and objectives are met. Therefore it is important to ensure that the outputs are having the desired effect and are the most appropriate outputs available. If other outputs could achieve the desired outcome more effectively or more efficiently or with less negative side effects, they should be considered. Changes in the environment may result in a need for change in program design. Even for a successful program, ie one that is achieving the desired outcome or meeting the objective, changes in the environment over time may mean that other outputs could be more appropriate, more effective or more efficient.

To check that the outputs are the most appropriate available it may be necessary to undertake some research or an evaluation of the service, to compare the results of different types of outputs, to consider what is happening elsewhere or new technologies. Simply, to check if there is a better way of achieving your desired outcome and meeting your objective. This makes good sense and many organisations do this through a regular program of research or reviews. Under OBM, Treasury will require evidence of the output contributing to the achievement of desired outcomes as part of the annual budget process.

MODEL PERFORMANCE INDICATORS AND EXAMPLES

For simplicity, the performance indicators contained in the model commencing on the next page generally apply only to one component or strategy (in italics) of the program to which they refer. In other words, the indicators shown against each program type are examples only and are not intended as a comprehensive set.

The highlighted performance indicators are those considered to be key indicators.

Explanatory notes are highlighted and in italics.

USE OF 'NUMBER OF STAFF' OR 'FTEs' IN PERFORMANCE INDICATORS

In deriving PIs, the use of staff numbers or FTEs as a measure of input presents a number of important problems.

When a measure of input is used, it should reflect the total quantity of the item consumed in the resource conversion process. In addition, the definition of the measure should be unambiguous and consistent.

Use of staff/FTE numbers as a unit of measure does not allow for changes over time, or differences between agencies/programs, with respect to:

- skills and abilities
- cost/pay rates (and therefore total resource cost)
- the amount of overtime worked
- the length of the standard working week
- the quantity of labour supplied by external providers (ie outsourced)

Outsourcing is becoming an increasingly significant feature of the way agencies/programs operate. Therefore the weaknesses inherent in the use of staff/FTE numbers as an input measure will be compounded by outsourcing to an ever increasing extent as time goes by.

It is recognised, however, that with the exception of measures involving the dollar cost of a resource or resources used, it is extremely difficult to derive measures of input that satisfy the above criteria. This being the case, agencies might wish to continue to use staff/FTE numbers as an in-house measure of input. Agency managers should carefully take the above weaknesses into account if any such measures are used in the derivation of internal PIs. However, such measures should not be presented for external use and accordingly should not be regarded as key performance indicators.

In the model which follows, PIs containing staff/FTEs are provided as examples of the types of indicators agencies may wish to use for internal purposes, as described above.

In relation to the outputs of certain agencies/programs, an appropriate measure of efficiency not involving dollar values, is the 'average elapsed time taken to complete a particular process'. This could be, for example, the time taken to approve a land sub-division application.

MODEL NO. 1

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
1. Behaviour Change (Advisory Services)	Community Group	An increase/decrease in positive/negative behaviour	To increase/decrease positive/negative client behaviour A sub-program or strategy aims to achieve this by providing knowledge-based advisory services

EXAMPLE NO. 1

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
Example: Work Safety Program	Selected industries and occupations that are at high risk of accident and disease	A safe and healthy work environment	To achieve a safe and healthy work environment A sub-program or strategy aims to achieve this by providing a range of advisory programs for industr y

1

MODEL NO. 2

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
2. Behaviour Change (Information/ Educational Services)	Community Group	An increase/decrease in positive/negative behaviour	To increase/decrease positive/negative client behaviour A sub-program or strategy aims to achieve this by providing products and services that develop skills, knowledge and attitudes

EXAMPLE NO. 2

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
Example: Fire Prevention Agency-Education Program	Local government authorities (LGA)	Fire appliances and equipment meet predetermined standards	To increase the number of LGAs with fire appliances and equipment that meet predetermined standards A sub-program or strategy aims to achieve this through community education programs on standards for fire appliances and equipment

2

EFFECTIVENESS INDICATORS	OUTPUT	EFFICIENCYINDICATORS
Proportion of target population who exhibit the desired behaviour Cost per client exhibiting a change to the desired behaviour Proportion of target population using the service Proportion of target population who exhibit the desired behaviour, who have: - used the services; and - not used the services Proportion of clients who found the advice given useful	Knowledge-based advisory services Number of clients served	Cost per advisory service Cost per client served Ratio of clients served to staff
Rate of work related injury and disease Rate of lost time due to work related injury and disease, assessed against a target of a 10% reduction over 5 years Cost per 1% reduction in lost time, or per dollar saved Proportion of high risk industries participating in the advisory programs Proportion of industries/occupations which achieve the desired rate of work related injury and disease and rate of lost time due to work related injury and disease, who have: - participated in the programs; and - not participated in the programs	Advisory programs designed to promote a safe and healthy work environment. These include promotional publications advising safe work practice, provision of Safety Guidelines, a package of resource materials and advisory services Number of organisations/ individuals involved These advisory programs link closely with the organisation's educational programs	Cost per advisory program Cost per industry Cost per organisation or individual participant

EFFECTIVENESS INDICATORS	OUTPUT	EFFICIENCY INDICATORS
Proportion of target population who exhibit the desired behaviour Cost per client exhibiting a change to the desired behaviour Proportion of target population that has been reached by the program (ie became customers/clients) Proportion of target population who exhibit the desired behaviour, who have: - used the products/services; and - not used the products/services Proportion of clients who found the program useful	Products and services that develop skills, knowledge and attitudes Number of clients served	Cost per education product or service Cost per client served Ratio of clients served to staff
Proportion of LGAs with fire appliances and equipment which meet predetermined standards Cost per LGA with fire appliances and equipment which have changed to meet predetermined standards Proportion of LGAs whose staff have attended education programs Proportion of LGAs which have fire appliances and equipment which meet predetermined standards, who have: - participated in the programs; and - not participated in the programs Proportion of participants who found the programs useful	Community education programs on standards for fire appliances and equipment Number of LGAs "reached"	Cost per education program Cost per LGA "reached" Ratio of LGAs reached to program staff

MODEL NO. 3

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
3.Behaviour Change (Regulatory Services)	Community Group	An increase/decrease in positive/negative behaviour	To increase/decrease positive/negative client behaviour A sub-program or strategy aims to achieve this by regulatory activities eg. Investigation, prosecution
EXAMPLE NO. 3			
Example: Traffic Authority	Drivers in Western Australia	Safe driving Note: At an operational level, an outcome is compliance with speed limits because of the linkages between safe driving and speed	To ensure WA drivers drive safely A sub-program or strategy aims to achieve this by traffic control activities including electronic detection and traffic patrols aimed at reducing the incidence of speeding drivers

3

MODEL NO. 4

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
4. Behaviour Change (Case Management Services)	Community Group	An increase/decrease in positive/negative behaviour	To increase/decrease positive/negative client behaviour A sub-program or strategy aims to achieve this by providing case management services
EXAMPLE NO. 4			
Example: Disability Services Organisation - Accommodation and Community Home Support Services Program	People with disabilities	Increased number of people living in a home environment that meets their needs and aspirations Note: In line with client preferences and international trends, the agency is moving away from providing institutional care to providing support to people living in the community in a range of housing options	To provide support to people with disabilities to live independently in the community A sub-program or strategy aims to achieve this by providing accommodation support services

4

EFFECTIVENESS INDICATORS	OUTPUT	EFFICIENCYINDICATORS
Proportion of target population who comply with regulations Cost per unit increase in proportion of complying clients Proportion of target population which has been reached by the program (ie become clients) Proportion of target population who exhibit the desired behaviour, who have: - been reached by the program; and - not been reached by the program	Regulatory activities eg. Investigation, prosecution Number of clients involved	Cost per regulatory activity Cost per client involved Ratio of clients involved to staff
MVA (Motor Vehicle Accident) rate per kilometres travelled Cost per 1% reduction in MVA rate Cost per unit increase in proportion of complying drivers or decrease in proportion of speeding The proportion of WA drivers, who drive within speed limits assessed by survey No. offences detected by category (warning, fine, prosecution) Note: The linkages between safe driving and the offences need to be explained. The indicator is insufficient on its own as it may indicate other factors eg, police resources assigned to this task. For the same reason, a measure of revenue collected is inappropriate as the objective is not revenue collection. Explanatory notes are needed. Proportion of drivers who perceive a high probability of detection, assessed using market research techniques	Traffic control activities including electronic detection and traffic patrols Number of drivers “reached” (or “affected”)	Cost per traffic control activity Cost per driver “reached” Cost per offence detected Ratio of drivers reached to staff

EFFECTIVENESS INDICATORS	OUTPUT	EFFICIENCY INDICATORS
Proportion of target population who exhibit the desired behaviour Cost per client “successfully” managed Proportion of target population who use the service (clients) Proportion of target population who exhibit the desired behaviour, who have: - used the services; and - not used the services Proportion of clients who found the program useful	Case management services Number of clients served	Cost per case management service Cost per client served Ratio of clients served to staff
Proportion of people with disabilities who live independently in their own homes or in group homes Cost per client supported in accommodation, by type of accommodation Note: Trends for increasing numbers of people living in their own homes or in group homes can be demonstrated Ratio of staff to clients in accommodation, by type of accommodation Proportion of clients who used the service to transfer from hostels to more independent housing options Proportion of clients who found the support program useful (Service Quality Measures have been introduced to measure client satisfaction)	Accommodation support services Number of persons involved (whether or not provided with suitable accommodation)	Cost per service provided Cost per person involved Benchmark costs will be established to provide a basis for comparison Ratio of persons involved to staff

MODEL NO. 5

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
5.Behaviour Change (Other Goods and Services)	Community Group	An increase/decrease in positive/negative behaviour	To increase/decrease positive/negative client behaviour A sub-program or strategy aims to achieve this by providing goods and services

EXAMPLE NO. 5

Example: Community Youth Program	Juvenile offenders and potential juvenile offenders	Decrease in property damage caused by juvenile offenders Note: As this is a highly targeted preventive program, the indicators will need good explanatory notes to explain the context of the program	To decrease juvenile offences in the area A sub-program or strategy aims to achieve this by providing sporting and social activities

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MODEL NO. 6

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
6.Satisfying Community Needs (Non-Competitive) - (Specific Goods and Services)	Community Group	Needs are satisfied	To satisfy the need of a specific client/community group A sub-program or strategy aims to achieve this by providing specific goods and services

EXAMPLE NO. 6

Example: Housing Authority	Members of the community who cannot afford private housing	Housing at agreed standards	To ensure the housing is available to members of the community who cannot afford private housing A sub-program or strategy aims to achieve this by providing low cost public housing

6

EFFECTIVENESS INDICATORS	OUTPUT	EFFICIENCY INDICATORS
Proportion of target population who exhibit the desired behaviour Cost per client exhibiting a change to the desired behaviour Proportion of target population who have been reached by the program (ie clients) Proportion of target population who exhibit the desired behaviour, who have: - used the goods/services; and - not used the goods/services Proportion of clients who found the program useful	Goods and services Number of clients served	Cost per good/service Cost per client served Ratio of clients served to staff
Percentage decrease in reported juvenile offences Cost per 1% reduction in juvenile crime rate Cost per juvenile attending sporting and social activities Proportion of young people at risk who have attended the program Proportion of target population who have not offended of those who have: - participated in the activities; and - not participated in the activities Rating of the program by those who use it Note: In some programs, it will be helpful to consider the cost effectiveness of the program. In this program a cost benefit analysis may be helpful. For example, at a cost of $x for the program, juvenile crime rates have been reduced by y%	Sporting and social activities Number of juveniles involved in the activities	Cost per sporting and social activity Cost per juvenile involved Ratio of juveniles involved to staff

EFFECTIVENESS INDICATORS	OUTPUT	EFFICIENCY INDICATORS
Proportion of target population whose needs have been met Cost per client whose needs have been met Proportion of target population who used the service (ie become clients) Proportion of clients whose needs have been met Proportion of clients who are satisfied with the service	Goods and services Number of clients served	Cost per good/service Cost per client served Ratio of clients served to staff
Proportion of people in need that are housed in public housing Cost per person housed Proportion of tenants satisfied with the quality of their housing, as assessed by a customer satisfaction survey administered independently each year Proportion of tenants in receipt of rent rebate, indicating the extent to which the program is targeting those in need	Low cost public housing Number of applicants (whether or not housed)	Cost per housing unit Cost per applicant Ratio of persons involved to staff

MODEL NO. 7

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
7.Satisfying Community Needs (Competitive) - (Specific Goods and Services)	Target Market	Satisfaction of needs whilst maintaining specific revenue returns to government	To satisfy the needs of the target mar whilst maintaining specific revenue returns to government A sub-program or strategy aims to achieve this by providing specific goods and services
EXAMPLE NO. 7			
Example: Bus Services	People in the Perth metropolitan area who need bus transport	People use urban bus services	To provide urban bus services that are used by people in the Perth metropolitan area who need bus transportation A sub-program or strategy aims to achieve this by providing good qual affordable urban bus services

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MODEL NO. 8

PROGRAM TYPE	TARGET POPULATION	DESIRED OUTCOME	OBJECTIVE
8.Revenue Raising (Collection Services)	All who are liable to pay	All monies due are collected	All monies due are collected from all who are liable to pay A sub-program or strategy aims to achieve this by appropriate identification, education, monitoring and prosecution of clients
EXAMPLE NO. 8			
Example: Taxation Department - Land Tax Sub-program	All landowners liable to pay land tax	All land taxes due are collected	To ensure that all land taxes owed by land owners who are liable are collec A sub-program or strategy aims to achieve this by issuing of land tax assessments and collection of taxes

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EFFECTIVENESS INDICATORS	OUTPUT	EFFICIENCY INDICATORS
Proportion of target population whose needs have been met Cost per client whose needs have been met Proportion of target population who used the service (ie clients) (This may be market share) Proportion of clients whose needs have been met Proportion of clients who are satisfied with the service	Goods and service Number of clients served	Cost per good/service Cost per client served Rate of return on Government's investment Ratio of clients served to staff
Boardings per capita Cost per passenger km Customer satisfaction Service reliability (%)	Good quality, affordable urban bus services Level of vehicular capacity provided	Cost per bus service Cost per passenger 'place' km Return on assets Cost per bus hour

Note: The above program type relates essentially to "Provider" organisations. However much of the above is also applicable to "Purchaser" agencies. In the case of the Bus Services example, the Purchaser might use other PIs, in addition to those stated, including ones relating to access, equity, service quality and overall cost effectiveness (ie. of all Providers combined). As outsourcing becomes more widespread, the distinction between PIs for Providers and PIs for Purchasers will become progressively more important.

EFFECTIVENESS INDICATORS	OUTPUT	EFFICIENCY INDICATORS
Proportion of monies due that has been collected Cost of collection as a proportion of revenue collected Cost per "successful" collection Proportion of monies paid by the due date Proportion of monies due written off as bad debts	Appropriate identification, education, monitoring and prosecution of clients Number of clients served	Cost per collection or assessment Cost per client served Ratio of number of collection processes to staff
Revenue collected as a proportion of total land taxes due Cost per "successful" collection Proportion of liable land owners who paid land tax Proportion of land tax assessments paid by the due date Proportion of land tax assessments written off as bad debts	Land tax assessments Collection processes	Cost per assessment Cost per collection process Ratio of tax assessments to staff Ratio of number of collection processes to staff Note the trend: With efficiencies introduced to the Department, the trend is for cost per collection process to decrease

HELPFUL HINTS

SOME HINTS FOR PREPARING GOOD PERFORMANCE INDICATORS

- Write the objective clearly. This is the key to developing good performance indicators.
- Clarify and identify the linkages between desired outcomes and agency outputs
- Ensure that key performance indicators are determined and endorsed by the organisation's executive
- Promote an organisational culture that emphasises the achievement of objectives, self-evaluation, staff participation and consultation
- Use people with the appropriate skills to develop satisfactory indicators
- Make sure that your objectives focus on customer needs and desired outcomes
- Use performance indicators for agency planning and management at both strategic and operational levels
- Remember PIs, by definition, provide indicative rather than absolute and all-embracing information. The information acquired from statistically sound sampling techniques may be as valid as that acquired from massive data collection.

Key management questions

Can I do anything to promote an organisational culture that emphasises the achievement of desired outcomes or objectives, self-evaluation, staff participation and consultation?

Do we have people with the appropriate skills to develop satisfactory indicators or do we need help in this area?

Do we use performance indicators for agency planning and management?

Do our objectives focus on customer needs and desired outcomes?

THE NEXT STEPS

WHERE DO I GO FROM HERE?

Having prepared your PIs, you will need to

- Decide what information is needed to support the PIs
- Establish if the information is available
- If necessary, establish the management information systems to collect the data required and the necessary controls to ensure the integrity of the data collected, stored and analysed
- Collect, collate and analyse the data
- Decide an appropriate reporting format
- Report the information in a manner which helps users (both external and internal) to make judgements about the program

UNDERSTANDING THE CONCEPTUAL FRAMEWORK

A manager's fundamental responsibility is to manage agency performance. This involves managing for results achieved rather than focussing on processes of service delivery:

- PLANNING Strategic, business and operational planning. Within the Western Australian public sector, planning occurs at many levels. This includes Cabinet, agency strategic and corporate planning, business planning for units and annual or operational planning for agencies and the units/sections within agencies. It is within this planning stage of the framework that new government policies and reforms are introduced.
- RESOURCE MANAGEMENT Resource allocation and management occur within the program and Output Based Management (OBM) processes. At a whole of government level, this is coordinated by Treasury; at agency level by the Corporate Executive and at program level by the program manager.
- SERVICE PROVISION The primary purpose of all government agencies is to bring about desirable changes, resolve problems in the community and/or satisfy community needs. Services may be provided directly or through external service providers contracted to supply the services.
- PERFORMANCE ASSESSMENT This incorporates both monitoring and evaluation. Monitoring involves ongoing assessment of a program using performance indicators. Evaluation (ex-post evaluation) is a more in-depth retrospective assessment of the program against its objectives or desired outcomes. It is sometimes stimulated by the information provided by monitoring. Performance assessment occurs through the use of performance indicators on a regular basis and, where necessary, evaluation. It is an integral part of performance management.

The performance management process is, of course, on-going and cyclical. Through gathering information for performance indicators, analysing it and using it to influence program changes, all levels of planning and implementation can be directed at improving services in the future. This facilitates continuous improvement of public sector services so that community needs are met in the most appropriate manner.

Performance management is applied at all levels in an organisation. This leads to a hierarchy of performance information that varies from details about a specific task to overview information about a program or agency. Generally a small amount of high level information will be of interest to a wide range of people and will serve external accountability needs. More detailed information will be of interest to managers within the agency and will help identify means of improving services.

Within this context, performance indicators have three important purposes. They are a tool for managers to enhance service improvement and are a means of meeting accountability and legal requirements.

Management improvement: Assessment of performance is based on the extent to which the desired outcome or objective of the program has been achieved (effectiveness) and the efficiency with which the allocated resources have been used to produce the required goods and or services (outputs). Through monitoring agency outputs and achievements, managers can identify emerging problems and improve service delivery. Many modern management approaches (eg. Quality Management), are based on this principle.

Information derived from performance indicators will often highlight areas that need further examination or evaluation as required by Premier's Circular to CEOs 37/94, Program Evaluation.

Operational performance indicators are a useful management tool that plays a key role in management processes such as Workplace/Enterprise Bargaining Agreements, Competitive Tendering and Contracting and Output Based Management.

Accountability: There is a strong, legitimate interest by Parliament, members of the public and the media in what public sector agencies do and how well they do it.

Accountability requirements are reinforced by the Public Sector Management Act, CEO Performance Agreements and the Financial Administration and Audit Act (FAAA).

Legal requirement: The FAAA requires public sector agencies to report performance indicators in their Annual Reports and the Auditor General to issue an opinion on the indicators provided. The requirement for agencies to produce key indicators of effectiveness and efficiency for each program objective are described in Treasurer's Instruction No. 904.

In summary, it is mandatory for public sector agencies to report key performance indicators in their Annual Reports to demonstrate accountability to the public and the Parliament. The Auditor General is required to issue an opinion on the indicators. In 1995-96, the Auditor General commenced issuing formal, qualified or unqualified audit opinions for all agencies listed in Schedule 1 of the FAAA.

Key management questions

Do I understand the place of PIs in the performance management cycle and their use in helping improve service delivery?

Do I use PIs as a management tool?

Do I understand how they can help me be accountable for the performance of my agency/program?

Do I understand the statutory and other requirements for me to report on performance?

Is my agency likely to get a qualified/unqualified audit opinion from the Auditor General?

PERFORMANCE INDICATORS FOR POLICY DEVELOPMENT AND ADVICE

Policy work is generally a support activity but policy agencies need performance measures

For most agencies, policy advice is a support activity. The policy advice function, like corporate support activities and research, is designed to help the agency achieve its objectives. However where the main activity of an agency or program is policy development and advice, as in some of the central agencies, it is necessary to develop performance measures to demonstrate effectiveness and efficiency.

The responsibility for the outcomes of policy decisions is clearly that of Ministers. Government policy decisions are a matter for Cabinet. Also the outcomes of policy decisions are often not known for many years and are the result of a wide range of influences, not simply the policy advice. However, these facts do not prevent the need to assess policy advice provided to Ministers by agencies. Agencies and Ministers need to know that policy advice meets predetermined standards and policy advisers need to be held accountable for their work. Since it is often not pertinent to assess policy outcomes at an agency level, assessment needs to focus on policy inputs, processes and outputs as well as the extent to which policy advice is accepted.

Developing performance measures for policy areas is a particularly difficult task. Assessment of the effectiveness of policy advice is often made more appropriately by using other performance information such as in-depth evaluation. However, it is possible to assess the quality and output quantity of policy advice and relate these to the resource inputs.

Effective management of inputs will involve a management culture that promotes effective and efficient performance. It will involve appropriately qualified and well-motivated staff and cost effective information systems.

Effective management of processes involves staff having high level policy skills, well-developed networks and open and honest relationships with Ministers and their advisers.

It may be appropriate to assess policy outputs (ie the policy paper, report) against predetermined standards relating to inputs and processes such as:

- Clear identification of the issues to be addressed
- Relevance and timeliness
- A forward looking approach with accurate identification of emerging issues
- Evidence of consultation with all key stakeholders
- Clear differentiation between facts and value judgements
- Presentation of a clearly defined and coherent strategy
- Presentation of cost effective solutions to problems
- Identification of constraints
- Identification of a comprehensive range of potential options or alternatives
- Forecasts of implications for each option
- Practical implementation plans

And, for central agencies

- A whole-of-government focus
- Appropriate selectivity, given the wide range of issues that could be addressed by central agencies

To assess these attributes requires a substantial degree of judgement. However, the judgement about the extent to which the policy output meets these standards will provide an indication of the quality of the policy development and advice.

More systematic evaluation could be made by using policy management reviews by external experts and by peer review.

Effectiveness indicators could include

- Rating by an independent expert of the quality of policy advice offered
- Rating by the client (Minister) on predetermined standards such as those listed above

Efficiency indicators may be

- Cost in dollars and/or FTE per unit of advice offered. However, care needs to be taken in the use and interpretation of this type of indicator.

One example is:

The XYZ Office, a central policy advice agency identifies as its client, the Minister for XYZ. His/her desired outcome is improved management in the area of XYZ. The role of the XYZ Office is to develop XYZ policies that, if implemented, will result in improved XYZ management across the entire public sector. The objective therefore is to improve XYZ management. A means of achieving this is by developing XYZ management policies for the Minister.

The Office has, with the Minister, established some priority standards. They include:

- Appropriately selected issues within the government's policy agenda
- A whole-of-government focus
- Evidence of consultation with all key stakeholders
- Clear identification of the issues to be addressed and accurate identification of emerging issues
- A clearly defined and coherent strategy with constraints identified
- Recommendations which should include
  - a range of potential options, with implications for each option
  - cost effective solutions to problems, with costs estimated for each option
  - practical implementation plans
- Timely reporting

To monitor its effectiveness, the XYZ Office has developed performance indicators and an evaluation plan. The Office keeps track of and reports on

- the extent to which policy papers meet the standards listed above
- the number and proportion of policy issues where the recommendations are largely endorsed

The Office also has an arrangement with its Victorian counterpart agency to bring an XYZ policy expert to Perth once a year to evaluate the extent to which they are meeting the standards they have set and professionally acceptable standards. This evaluation often results in an exchange of information that is professionally stimulating for all the policy staff and usually results in some improvements in the approach to the work of the Office.

The CEO discusses with the Minister his/her view of the extent to which the standards are met. This is done in the context of the CEOs performance agreement because that also lists meeting the policy standards as a key portfolio issue to be assessed.

For external reporting purposes, the Office reports the average cost of addressing each policy issue. It has found this more useful than average cost of a policy paper as they often write several papers on the one issue. For major issues/projects, the Office carries out a cost-benefit analysis, listing the benefits of introducing the policy against the cost of its development and implementation.

USEFUL PUBLICATIONS

PUBLIC SECTOR MANAGEMENT OFFICE PUBLICATIONS

Managing Monitoring, Audit, Review and Evaluation Activities in WA Public Sector Agencies, Public Sector Management Office, December 1995

Managing the External Evaluation Process - A Practical Guide, Public Sector Management Office, November 1995

Useful Evaluations - A Practical Guide, Public Sector Management Office, May 1996

Stimulating Performance Improvement in the WA Public Sector - Case Studies in Program Evaluation, Public Sector Management Office, September 1996

The Public Sector Management Office may also be able to assist with helpful books, journals and other publications. Telephone Rachel Becu, Information Officer on (08) 9222 9563 or through e-mail on psmo@mpc.wa.gov.au

TREASURY PUBLICATIONS

Program Performance Management - A Guide for Managers, Treasury Department, June 1994

Output Based Management (OBM) An Overview, Treasury Department, July 1996

Output Based Management (OBM) - Guidelines to Assist Agencies, Treasury Department, July 1996

User's Guide to the Consolidated Fund Budget Process, Treasury Department, August 1996

PUBLICATIONS OF THE OFFICE OF THE AUDITOR GENERAL

Public Sector Performance Indicators - Special Report, Office of the Auditor General Report No. 7, December 1994

Under Wraps! Performance Indicators in Western Australian Public Hospitals, Special Report, Report No. 4, Office of the Auditor General, August 1996

APPENDIX D

KEY MANAGEMENT QUESTIONS - A CHECKLIST

A SELF ASSESSMENT CHECKLIST

QUESTION	COMMENT
1. Do I understand the context for, and uses of, PIs?	
2. Do I understand all the terms and concepts associated with performance indicators?	
3. Do I understand the place of PIs in organisational performance management and their use in helping improve service delivery?	
4. Do I use PIs as a management tool?	
5. Do I understand how they can help me be accountable for the performance of my agency/program?	
6. Do I understand the statutory and other requirements to report on performance (key performance indicators)?	
7. What type of outcome does the program intend to achieve?	
8. What type of output does it provide?	
9. What is the target population?	
10. Is the intended or desired outcome for the target population clear?	
11. Does the objective reflect the problem the program was set up to address and the needs of the target group?	
12. Is the objective achievable and measurable?	
13. Are the inputs clearly identified?	
14. Are the outputs clearly identified?	
15. Is the relationship of inputs to outputs correctly identified in the efficiency indicators?	
16. Can I do anything to promote an organisational culture that emphasises the achievement of objectives, evaluation of organisational performance, staff participation and consultation?	
17. Do our objectives focus on customer needs and intended results?	
18. Do we have people with the appropriate skills to develop satisfactory indicators?	
19. Do we use performance indicators for agency planning and management?	
20. Is my agency likely to get a qualified/unqualified audit opinion from the Auditor General?	
21. Do we need help?	

USE HELP WHEN YOU NEED IT

PUBLIC SECTOR MANAGEMENT OFFICE

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197 St. George's Terrace
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Fax. (08) 9222 8770

The Public Sector Management Office can advise on the interpretation of the PI Guide as well as public sector requirements in relation to PIs; and can refer agencies to other publications and relevant information. Certain private sector consultants are able to provide detailed, agency-specific assistance with the development and use of performance indicators. The Public Sector Management Office can advise on means of identifying and selecting suitable consultants.

TREASURY DEPARTMENT

197 St. George's Terrace
Perth, WA, 6000

Financial Reform Branch can advise on the relationship between OBM and performance indicators. Contact Andrew Joseph on Tel. (08) 9222 9357

OFFICE OF THE AUDITOR GENERAL

4th floor, Dumas House
2 Havelock Street
West Perth, WA, 6005
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Fax. (08) 9322 5664

The Office of the Auditor General is able to offer general advice. Please contact the Performance Indicator Unit (Rod Berg) on the numbers listed above.

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