



Discussion paper

Statements of intent: Examples of reporting practice

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Statements of intent: Examples of reporting practice

This is a discussion paper produced
under section 21 of the Public Audit
Act 2001

June 2009

ISBN 978-0-478-32632-1

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Auditor-General's overview

This discussion paper gives examples of reporting practice from the statements of intent (SOIs) of government departments and Crown entities, including statements of forecast service performance (forecast SSPs). The examples were selected during my Office's review of the 2008/11 SOIs.

Each of the 26 examples includes features that I would refer to as "better practice". I hope that highlighting these examples will stimulate discussion within public entities and contribute to better non-financial performance reporting.

Performance reports (such as SOIs and SSPs) should reflect the entity's management intentions, and are an essential part of accountability documents. These documents help ensure that government departments and other state sector entities are held accountable to Parliament and the public. The quality of performance reports needs to improve significantly to achieve their purpose satisfactorily.

Although my staff have not identified any SOIs as overall models of good practice, the examples in this paper may serve as helpful references for public entities to improve their accountability documents. I am confident that many entities have begun to improve the quality of their SOIs. I am encouraged because many of the entities featured in this discussion paper have already informed my Office that their 2009/12 SOIs (in draft at the time of writing) have significantly improved on 2008/11. Therefore, I encourage readers to seek out the latest SOIs for these entities when they become available.

I expect to see a steady improvement in the quality of performance reporting, and my Office will continue to encourage this through our audit reports and various other reports to Parliament and to the entities themselves. We plan to publish a follow-up report in the near future about this expected improvement in performance reporting.



K B Brady
Controller and Auditor-General

23 June 2009

Glossary

This glossary explains the technical terms used in this publication and provides definitions from other relevant sources (see the shaded text).

Appropriateness refers to the usefulness or suitability of various aspects of the non-financial performance report and is a term that can be applied to:

- the overall non-financial performance reporting framework;
- the elements reported;
- the performance measures; and
- the targeted levels of performance or historical results.

Specifically, appropriateness means that the reported subject matter provides an adequate basis for an informed assessment of the entity's service performance. In assessing whether the service performance report is appropriate, consideration is given to whether the information is relevant to the interests of users, reliable (that is, faithfully represented, supportable, neutral, complete, and balanced), understandable, and comparable.

Dimensions of performance are the aspects or properties of performance that may be captured by a particular performance measure. They include, but are not limited to, quantity, quality, timeliness, location, and cost.

Elements of non-financial performance reporting include inputs, outputs, impacts, and outcomes – all of which can be measured for the purpose of reporting and assessing the reporting entity's performance.

Impacts are the contributions made to an outcome by a specified set of outputs. Often referred to as "intermediate outcomes", impacts represent the relatively immediate or direct effect on stakeholders of the reporting entity's outputs.

Impacts refer to the contribution made to an outcome by a specified set of outputs, or actions, or both.

Source: Public Finance Act 1989

Inputs are the resources used by the reporting entity to produce its outputs.

Inputs are the resources used to produce the goods and services, which are the outputs of the reporting entity.

Source: Institute of Chartered Accountants of New Zealand – *Statement of Concepts of General Purpose Financial Reporting* (withdrawn), Financial Reporting Standard No. 2: *Presentation of Financial Reports* (withdrawn), Technical Practice Aid No. 9: *Service Performance Reporting*

Non-financial performance reporting framework, for the purpose of published, statutory accountability reports, this kind of framework will typically be made up of the following components:

- A medium-term component that incorporates an outcome-oriented statement of intended or actual achievements. This should include information on the public entity's objectives, outcomes, impacts, and operating intentions, together with related performance measures and targets and other information required by legislation and generally accepted accounting practice (GAAP).
- An annual component that incorporates a service performance report (often referred to as a "statement of service performance" or "SSP"). This is an output-oriented statement of forecast or historical service (that is, output) delivery, together with related performance measures and targets and other information required by legislation and GAAP.

To constitute a "framework", these components need to give enough context and links: (a) to strategic-level information; and (b) within and between the information in the two components, to provide a coherent structure for reporting. They need to clearly explain the rationale for, and the relationships among, the contextual information, elements, performance measures, and performance targets. The framework, including the two components described above, should be evident both in the forecast non-financial performance report and in the historical (or "actual") non-financial performance report. The historical non-financial performance report is typically included in the annual report and should report historical outcome and output performance against the targets set in the forecast non-financial performance report, together with related performance measures and targets and other information required by legislation and GAAP.

Non-financial performance reports provide primarily non-financial information that records the performance of a public entity against specified objectives. Such reports can encompass a comprehensive range of performance elements (including outcomes, outputs, inputs, and capability), and the information can be presented in various statements (for example, *Information Supporting the Estimates of Appropriation*, statements of intent, statements of corporate intent, long-term council community plans, annual plans, statements of service performance, and other statements within annual reports).

"Service performance reports" are non-financial reports concerned primarily with output performance information.

Non-financial performance reports can be:

- **forecast** performance reports, which are before-the-event statements that express intended, expected, or targeted performance for the period, or
- **historical** performance reports, which are after-the-event statements on results or achievements for the period, ideally against the forecast levels of performance.

Outcomes refer to changes in the state, condition, impacts on, or consequences for the community, society, economy, or environment resulting from the existence and operations of the reporting entity. (The outcomes sought provide the rationale for the range of outputs delivered by the entity.)

Outcomes are the impacts on, or consequences for, the community resulting from the existence and operations of the reporting entity. Desired outcomes provide the rationale for action and are the basis on which decisions should be made concerning the outputs as part of the range of possible interventions.

Source: Institute of Chartered Accountants of New Zealand – *Statement of Concepts of General Purpose Financial Reporting* (withdrawn), Financial Reporting Standard No. 2: *Presentation of Financial Reports* (withdrawn), Technical Practice Aid No. 9: *Service Performance Reporting*

Outcome means a state or condition of society, the economy, or the environment; and includes a change in that state or condition.

Source: Public Finance Act 1989

Output classes are groups of outputs of a similar nature. (They are sometimes referred to as “groups of activities”.)

Class of outputs or **class** means a grouping of similar outputs.

Source: Public Finance Act 1989

Output class or **group**: For external reporting and appropriation purposes, individual outputs are often aggregated into output classes or groups that are similar in nature.

Source: Institute of Chartered Accountants of New Zealand – Technical Practice Aid No. 9: *Service Performance Reporting*

Outputs are the goods and services produced by the reporting entity. The term refers only to the goods and services produced for third parties; it excludes goods and services consumed within the reporting entity (such as services provided by legal, research, human resources, and information technology functions to other functional areas within the same entity, which are often referred to as “internal outputs”).

Outputs are the goods and services produced by the reporting entity.

Source: Institute of Chartered Accountants of New Zealand – *Statement of Concepts of General Purpose Financial Reporting* (withdrawn), Financial Reporting Standard No. 2: *Presentation of Financial Reports* (withdrawn), Technical Practice Aid No. 9: *Service Performance Reporting*

Outputs means goods or services that are supplied by a department, Crown entity, Office of Parliament, or other person or body; and includes goods and services that a department, Crown entity, Office of Parliament, or other person or body has agreed or contracted to supply on a contingent basis, but that have not been supplied.

Source: Public Finance Act 1989

Outputs means goods or services that are supplied by a Crown entity; and does not include goods and services that are produced for purchase or consumption solely within the Crown entity group.

Source: Crown Entities Act 2004

Performance measures are the specific criteria or means used to measure performance (most commonly of outputs produced and outcomes achieved). They may be expressed as (but are not limited to) absolute numbers, percentages, ratios, point estimates, or ranges. They might also be qualitative in nature.

Performance targets are the specific levels of performance (usually relating to outputs produced and outcomes achieved) that the entity aims to meet. Various pronouncements and literature on performance reporting often use the term “performance standards” to refer to levels of planned performance. This term carries the nuance of levels established by legislative or other mandatory requirements; by contrast, the term “targets” is often reserved for levels that are aspired to or otherwise discretionary. This discussion paper uses the term “targets” as an over-arching concept to describe performance levels and, therefore, the term “performance targets” encompasses the notion of “performance standards”.

Service performance reports are reports to users that provide primarily non-financial information that records the output delivery performance of a public entity against specified measures and targets. This information is usually shown in statements of service performance (or equivalent reports) and is compared with information contained in forecast non-financial performance reports (for example, *Information Supporting the Estimates of Appropriation*, statements of intent, statements of corporate intent, long-term council community plans, and annual plans).

Users are those persons who rely on published (that is, external) general purpose reports as their major source of financial and non-financial information about the entity. For this purpose, users are assumed to have a reasonable knowledge and willingness to study the reported information with reasonable diligence.

Regarding the public sector, specific users of published, general purpose, non-financial performance reports may include: customers (that is, the recipients of public goods or services); funders and financial supporters (including taxpayers and ratepayers); elected or appointed representatives (for example, members of Parliament and select committees); and interested members of the public (for example, media commentators, academics and other analysts, and members of relevant professional or community groups). Although governors (for example, Ministers and local authority councillors), central agencies, other monitoring agencies, some grant providers, and employees in management at entities are also users of published reports, they have access to, or are able to request, additional financial and non-financial performance information (that is, special purpose reports) in carrying out their governance, monitoring, or management responsibilities.

Part 1

Introduction

Purpose of this discussion paper

- 1.1 The purpose of this discussion paper is to provide helpful examples of reporting practice to public sector entities required to produce forecast performance reports under the Public Finance Act 1989 and the Crown Entities Act 2004.
- 1.2 During 2008, the Office of the Auditor-General carried out in-depth reviews of the 2008/11 statements of intent (SOIs), including statements of forecast service performance (forecast SSPs), of 125 government departments and Crown entities. The results of these reviews have been reported to Parliament.¹ They show that the overall quality of performance reporting in the state sector continues to be poor.
- 1.3 Our observations on the state of public entities' performance reports have been comprehensively documented in our June 2008 report, *The Auditor-General's observations on the quality of performance reporting*. Our Office's findings from the 2008/11 SOI reviews are consistent with those expressed in that report.
- 1.4 We were unable to identify one 2008/11 SOI as a model of "best practice". Further, it is difficult to conclude that any specific sections of the SOIs reviewed can be called definitive "best practice examples" because, without exception, they fall short of being model statements. However, we are confident that entities are improving their external accountability reports, and we hope that we will be able to report more favourable results in the near future.
- 1.5 Despite the current lack of best practice examples, we were able to identify "better" examples of reporting practice, which might be helpful for other entities. We have reproduced these examples in this paper with a strong, general caveat that although they illustrate features we find useful, there are other aspects that still need attention.
- 1.6 Therefore, it is important to remember that although this publication gives useful examples of current reporting practice, it is not intended to be a best practice guide, or even a good practice guide. It is descriptive, rather than prescriptive. It does not critique the illustrative examples. We have at times referred to some of the shortcomings in the examples given, but these comments are not an in-depth evaluation of the reported information.
- 1.7 We have provided a Glossary which includes technical terms and legislative definitions.

¹ Central government: Results of the 2007/08 audits.

Scope of this discussion paper

- 1.8 The examples in this document are reproduced from the 2008/11 SOIs and the 2008/09 forecast SSPs. For government departments, the forecast SSP information is contained in the *Information Supporting the Estimates of Appropriation*.
- 1.9 Our comments are limited to presentation and content issues with the disclosed material. Our comments do not address the overall validity of the SOI contents for the featured entities. To evaluate each report's relevance and reliability requires an in-depth understanding of each entity's strategies, operations and priorities, and the performance management arrangements underpinning them. This is outside the scope of this discussion paper.
- 1.10 The examples of reporting practice in this document focus on outcome, impact, and output reporting. There are other elements of performance reporting (for example, inputs, resources, processes, and other objectives) and specific legislative reporting requirements (like cost-effectiveness measures, organisational health and capability, and risk management approaches) that we do not discuss.
- 1.11 The commentary in this publication is provided as context for the examples. Several publications are available that provide in-depth commentary on performance reporting matters. These include guidelines issued by the Treasury and State Services Commission for people who prepare accountability reports, as well as other publications we have produced.
- 1.12 With regard to outcome, impact, and output reporting, we have not tried to cover every issue or provide an example of every facet of performance reporting. We hope that public sector entities will find value in reviewing the examples of reporting practice we have included.

Part 2

Background

Performance information: The importance of external reports

- 2.1 Performance reports are an essential part of accountability documents. Accountability documents ensure that government departments and other state sector entities are answerable to Parliament and the public. Accountability documents also ensure that local authorities and their controlled entities are held accountable to local communities. Parliament and the public rely on accountability documents to assess public entities' performance and the effectiveness of public entities' use of taxes and rates.
- 2.2 There are legislative requirements for most public entities to prepare information (in various forms) about their performance. Entities required to do this include government departments, Crown entities (including district health boards, Crown research institutes, tertiary education institutions, and schools), and local authorities and their controlled subsidiaries.
- 2.3 A core purpose of performance reporting is to be accountable to the public for the responsible use of public resources and regulatory powers, including demonstrating that public services are being delivered effectively and efficiently. This means reporting on performance about delivering services the entity is accountable for (output reporting), and the intended or actual effect of service delivery on society or the community (impact and outcome reporting). Entities can be accountable for their outputs only if they are transparent about both their financial and non-financial performance and the relationship between the two.
- 2.4 As well as supporting their accountability purpose, performance reports should reflect good management practice. This practice involves clearly articulating strategy, linking strategy to operational and other business plans, monitoring the delivery of operational and business plans, and evaluating strategy effects and results.
- 2.5 Well-considered and well-prepared reports about planned and actual progress should provide useful insights into an entity – its purposes, outcomes, and intentions, and the services it provides to achieve them.
- 2.6 Many public entities are required to produce forecast performance information, and to report against it in their annual report. For many entities, the information in the annual report (a statement of service performance (SSP), which reports actual results against a forecast SSP) must be audited. For a small group of public entities (almost entirely local authorities), forecast performance information must also be audited.

Our role in auditing performance reports

- 2.7 The Office of the Auditor-General has worked to ensure that annual audits address whether entities have met statutory requirements and complied with generally accepted accounting practice (GAAP) in reporting their performance information.
- 2.8 Along with the central agencies and others, we have previously reported on the information required for Parliament to hold the Executive to account, and have also provided guidance and good practice advice.
- 2.9 Before the changes to the Public Finance Act 1989 in 2004, and the passing of the Local Government Act 2002 and the Crown Entities Act 2004, audit work focused on verifying the SSP information. The audit would attest to the true and fair disclosure of SSP results against the measures and performance targets¹ set in the forecast SSP. However, verifying actual results against forecast results does not address the quality of the service performance information (for example, the appropriateness of the choice of subject matter, performance measures used, or performance targets set).
- 2.10 The legislative changes referred to in the earlier paragraph have put a greater emphasis on information about medium- and longer-term context and strategy in performance reporting. This information provides context that helps the auditors to judge the quality (and therefore the appropriateness) of performance information. It also forms the basis of, and sets the direction for, audit work and, in particular, SSP audit work. Therefore, we have been placing more emphasis on the appropriateness (that is, its relevance, whether it is understandable, its reliability, and its comparability) of forecast and historical performance reports in the SSP audit work.

¹ We use the term "performance targets" in this discussion paper to refer to levels of planned performance (see the Glossary). This term is equivalent to "performance standards", as used in the Public Finance Act 1989 and the Crown Entities Act 2004.

Part 3

The performance story

- 3.1 Performance reports should provide a clear picture of what the entity is trying to achieve (its intended outcomes) and how it believes it contributes to them (its outputs). Also, the report should tell a story about the services the entity delivers, why it delivers them, and what difference it intends to make to the community or to society. The emphasis and balance of the report content should faithfully reflect the entity's performance management objectives, priorities, and significant achievements.
- 3.2 A useful performance story is one that provides a concise and balanced picture of performance that emphasises matters according to their significance. It should present and clearly articulate the entity's logic or "theory" behind why it does what it does, focusing on outcomes, impacts, and outputs (that is, how cause-and-effect assumptions factor into the entity's business planning). The performance story, and its framework, should help enable entities and their stakeholders assess which actions work well and which do not work well. In this way, performance reports help intervention logic to be continually evaluated and, accordingly, assist in the drive towards providing the most cost-effective output mix.
- 3.3 Specifically, a good performance story within a forecast performance report will:
- include a discussion of the entity's strategic context – Part 4;
 - specify intended outcomes and impacts, including their interrelationships at various levels, if applicable – Part 5;
 - identify the main measures (for impacts and outcomes) to gauge the entity's effect or influence (with targets attached) – Part 6;
 - show the relationships between outputs, impacts, and outcomes – Part 7;
 - group outputs into useful output classes – Part 8; and
 - identify the measures that will show how well the entity delivers its outputs (with targets attached) – Part 9.

Part 4

Strategic context

- 4.1 The relevance of specific performance objectives and priorities should become apparent when they are presented within the context of the entity's operating environment, purpose, and strategic aims. The strategic context helps explain, at a high level, the reason for the entity's existence, what it exists to achieve, and the powers and functions it may exercise to help achieve its goals.
- 4.2 A useful discussion about context will include information on the purpose of the entity, its role, and the nature and scope of its functions and operations. Such characteristics remain relatively fixed over time, because they express, at a fairly high level, the fundamental information on the entity's strategic positioning within the general, long-term aims of the Government.
- 4.3 Information that reflects the dynamic context of the entity needs to complement these discussions. This might include a discussion about changes to the entity's operating environment, and how the entity is managing its current priorities, challenges, risks, and planned responses within that changing environment.
- 4.4 A common starting point for providing a strategic context for reported outcomes is the entity's governing legislation. In its SOI, the Human Rights Commission succinctly outlines its purpose, functions, and roles in relation to the Human Rights Act 1993 (Example 1), before discussing its operating environment (Example 2).

The Human Rights Commission Te Kāhui Tika Tangata

The Commission's purpose and functions

The Human Rights Commission works for a fair, safe and just society, where diversity is valued, human rights are respected, and everyone is able to live free from prejudice and discrimination.

The Human Rights Commission's major statutory functions under the Human Rights Act 1993 (the Act) are:

- To advocate and promote respect for, and an understanding and appreciation of, human rights in New Zealand society
- To encourage the maintenance and development of harmonious relations between individuals and among the diverse groups in New Zealand society
- To lead, evaluate, monitor and advise on equal employment opportunities
- To provide information to members of the public who have questions about discrimination, and to facilitate resolution between the parties in disputes about discrimination.

The Commissioners

The Act provides for the positions of Chief Commissioner, Equal Employment Opportunities Commissioner, Race Relations Commissioner, five part-time Human Rights Commissioners, and the Director of Human Rights Proceedings. The Commissioners and the Director are required by the Human Rights Act to act independently.

The Chief Commissioner, the Race Relations Commissioner and the Equal Employment Opportunities Commissioner have a range of additional statutory functions. Acting jointly with the Chief Commissioner, the Race Relations Commissioner is responsible for the maintenance and development of harmonious relations in New Zealand. The EEO Commissioner is responsible for the provision of advice, evaluation through benchmarks, developing guidelines, monitoring progress, and liaising with others to progress equal employment opportunities. The EEO Commissioner also has responsibility to provide guidance to Crown entities on their "Good Employer" obligations under the Crown Entities Act 2004.

Office of Human Rights Proceedings – Te Tari Whakatau Take Tika Tangata

The Office of Human Rights Proceedings is established by the Human Rights Act 1993. It is an independent part of the Commission headed by the Director of Human Rights Proceedings, who is responsible to the Chief Commissioner. The Director decides whether to provide legal representation for people who have complained of breaches of the Act. Those proceedings are heard in the Human Rights Review Tribunal. The Director may also appear for the Human Rights Commission before the Tribunal. The Director has functions under the Privacy Act 1993 which include issuing proceedings in cases referred by the Privacy Commissioner and intervening in Privacy Act cases before the Tribunal.

The key activities of the Office of Human Rights Proceedings and the relevant reporting measures are included in the Forecast Statement of Service Performance.

The Commission's approach

Across the broad range of issues that the Commission could potentially become involved with, the Commission tackles systemic issues, prioritising those affecting the people who are most vulnerable to human rights violations. The Commission approaches its work through promotion and education, advocacy and protection, handling enquiries and complaints, and undertaking litigation.

Roles and functions

The Human Rights Act sets out the Commission's functions and related responsibilities, which include:

- Advocating for human rights
- Conducting human rights programmes and activities
- Making public statements on human rights and race relations issues
- Promoting understanding of the human rights dimensions of the Treaty of Waitangi
- Publishing guidelines and voluntary codes of practice
- Receiving and inviting public representations on human rights
- Consulting and cooperating with other organisations
- Inquiring into infringements of human rights
- Bringing proceedings and intervening in court proceedings
- Reporting to the Prime Minister on human rights compliance, international standards and legislation
- Development of a national plan of action for human rights (the first plan was released as *Mana ki te Tangata / the New Zealand Action Plan for Human Rights* on 31 March 2005).

The ways in which the Commission seeks to influence the human rights environment in New Zealand depend on the nature of the issues. Decisions about which functions and related responsibilities are most appropriate and effective in each case are influenced by the experience of working with a wide range of individuals and groups, the development of an evidential base and rigorous use of empirical data, and the Commission's evolving understanding of international good practice.

Strategic Context

Te Mahinga Taiao o te Komihana

The human rights of people in New Zealand, and therefore the Commission's work, are affected by a broad range of global, regional and national influences and trends. These include international and domestic law, the health of the New Zealand economy, and key demographic, social and cultural trends.

The International Environment

Human rights are integral to security and sustainable development worldwide. Within the international community there is increasing recognition of the centrality of human rights to durable responses to the major challenges facing humanity: violent conflict, terrorism, poverty, climate change and environmental degradation, trade and economic inequalities, and global migration.

Those challenges are particularly acute in the Asia-Pacific region, including in New Zealand's immediate Pacific neighbourhood. Recent events in Fiji, Timor-Leste and Tonga highlight the vulnerability to violent civil unrest of societies where neither civil and political, nor economic, social and cultural rights, are adequately respected. With Auckland being the largest Polynesian city in the world, the impact of these developments is felt within New Zealand.

Geographical proximity, trading opportunities and recent migration patterns are increasingly linking New Zealand's prosperity and wellbeing to the stability and development of the Asian region. New Zealand therefore has an interest in working with its trading partners on human rights issues that are of significance in New Zealand and in other parts of the region.

The United Nations establishment of the Human Rights Council in 2006 emphasised its recognition of the importance of human rights to global peace. Replacing the former UN Human Rights Commission, the Council now faces the challenge of demonstrating its effectiveness on serious human rights issues, in order to build its credibility. The Human Rights Council is mandated to undertake a "Universal Periodic Review" of every member State's human rights performance, regardless of whether they have ratified the human rights Conventions. The reviews begin in the second quarter of 2008. To assist in building the credibility of Universal Periodic Reviews, and those of the Treaty Bodies, which report on compliance with specific human rights Covenants and Conventions, provision has been made for direct engagement by national institutions in the processes and procedures of the Human Rights Council. New Zealand's first review will take place in 2009. Several of its regular treaty reports fall due between 2008 and 2011.

The trend to have national human rights institutions contribute more directly to international monitoring of States' human rights performances was explicit in the two latest human rights treaties: the Optional Protocol to the Convention against Torture and the Convention on the Rights of Persons with Disabilities. New Zealand was amongst the first countries to sign them. Both have significant implications for the work of the Commission.

Human Rights in New Zealand

In 2007, Cabinet required all government departments to engage with the Commission on the *New Zealand Action Plan for Human Rights* priorities and to take account of these priorities in developing their work programme. This represents a significant step towards a more systematic approach to incorporating human rights into legislation, policy and practice.

In most of the major legislative and policy reviews undertaken in the last 12 months there has been evidence of a willingness to consider and to incorporate, at least in part, reference to the relevant human rights standards. The reviews of the Police, Immigration and Public Health

resulted in Bills before Parliament with greater human rights protections than the preceding laws. All had also involved considerable public consultation and engagement with the Commission before drafting of the legislation. Where engagement with the Commission has only occurred at Select Committee stages, for example with the Electoral Finance Bill and anti-terrorism legislation, there has also been some improvements in human rights provisions but not to the extent that they could be deemed fully human rights compliant.

The promulgation of the revised national education curriculum in October 2007 included references to human rights and responsibilities, recognition of the Treaty of Waitangi and cultural diversity in its Principles and Values. The government is revising the New Zealand Transport Strategy and will consider the Commission's recommendations on accessibility targets. Positive developments have also occurred in the use and protection of te Reo Māori and Pacific languages.

Other factors contributing positively to the human rights environment in New Zealand include a buoyant labour market, the reduction in public anxiety about race relations and increasing ethnic and cultural diversity. While New Zealand has been enjoying a period of relatively strong economic growth and high employment, the global credit crisis and other factors threaten to soften this growth and may increase economic hardship. Poverty and economic inequality impact negatively on human rights and harmonious relations. A range of current forecasts and analyses suggest both may grow in the year ahead. At the same time New Zealand's labour market will continue to require new migrant and seasonal workers. Without recognition and respect for their human rights, New Zealand workers will suffer as will New Zealand's reputation internationally.

The uneven nature of human rights legal protections in New Zealand remains a significant feature of the Commission's operating environment. While New Zealand has a long history of contributing to the development of and subsequently ratifying international human rights standards, there is no single document, such as a written Constitution, which explicitly incorporates them into domestic law or which comprehensively establishes the rights and responsibilities of New Zealanders. Nor do New Zealanders grow up learning about their rights and responsibilities explicitly as part of their education. While just under half of respondents to a 2007 survey on knowledge of human rights said they knew a lot, one in five respondents claimed to know little or nothing about human rights.

And despite optimism about race relations, race-based discrimination continues to be the most frequent ground of complaint to the Human Rights Commission. One in five of respondents to a 2007 survey reported personal experience of some form of discrimination – most commonly in their interactions with government departments, in employment, or in the provision of goods and services. The prevalence of discrimination in these areas, particularly in employment, is also evidenced in the Commission's complaints data. Structural disadvantages continue to limit the participation of some groups. The Census of Women's Participation 2008 highlights continuing disparities, particularly for Māori, Pacific peoples and disabled people. An overall slowing of progress in EEO is evident.

In the absence of a clear consensus on the place of the Treaty of Waitangi in New Zealand's constitutional arrangements, the level of recognition of the Treaty in legislation, policy and practice continues to vary. Relationships between the Crown and Tangata Whenua are of variable quality. In the past year, recognition of the Treaty in the new Curriculum and positive progress in Treaty hearings and settlements have occurred, alongside challenges to settlements and concerns about settlement policy and practice. Although some communities have made progress in negotiating recognition of their customary rights under the Foreshore and Seabed Act, concerns about the Act's impact on indigenous rights continue to be raised.

Human rights challenges and the Commission's focus

The developments described above provide a context for the Commission to review and focus its priorities, to ensure they remain relevant and responsive to the evolving national and international human rights environments.

In 2005, the Commission published the *Mana ki te Tangata / The New Zealand Action Plan for Human Rights* (the Action Plan), following a comprehensive review of the status of human rights in New Zealand. The Action Plan acknowledged New Zealand's considerable human rights achievements, but found that there remain critical areas where action is needed to effect change. An evaluation of progress in implementing the Action Plan has found that despite significant gains, the pressing issues and priorities identified in the Action Plan remain critical.

Continuing human rights challenges which demand the focus of the Commission include:

- Building community-wide understanding of and respect for human rights and responsibilities – from children, families and communities, through to government law and policy makers
- Reducing discrimination, entrenched social and economic inequalities and barriers to full participation in society affecting particularly disabled people, Māori, Pacific peoples and new migrants
- Achieving more equal participation and representation; accelerating progress on EEO and expanding the use of 'good employer' policies, practices and tools to the private sector
- Strengthening the Treaty relationship between the Crown and Tangata Whenua. Healthy Treaty relationships and effective methods of engagement are necessary if the constitutional and human rights issues relating to the Treaty are to be progressed
- Incorporating human rights systematically into legislation, policy and practice. Economic, social and cultural rights, in particular, lack robust protection
- Maintaining a watching brief on the human rights implications of a range of global issues, such as terrorism, climate change, bioethics and developments in genetic technology.

The Action Plan sets out the key priorities for action over the period from 2005-2010 in order to better ensure that the human rights of everyone in New Zealand are respected, protected and fulfilled. These priorities, along with subsequent research, inquiries and surveys on specific human rights, race relations and EEO issues, provide the evidential basis for determining the Commission's strategic priorities and key activities described in this Statement of Intent.

- 4.5 Another way to provide strategic context is to show how public entity outcomes link to Government themes. Many entities describe these links, although the extent to which the links are self-evident vary from entity to entity. The Ministry of Economic Development (MED) provides a clear and simple illustration of the links between Government economic transformation themes and the MED's high-level outcomes (Example 3).
- 4.6 Government agencies share many societal outcomes. Although their common aims are sometimes clearly expressed, they are usually implied. Individual agencies do not often make appropriate reference to the outcomes of other agencies. We consider it would be useful for agencies to make such reference, as it is a good way for the user to see how a particular agency's work complements the work done by other parts of government. The MED shows a summary of the most important agencies it works with and the agency outcomes that relate closely to the MED's work. However, the diagram does imply that all outcomes relate to all agencies. To improve it, the MED could identify which outcomes relate to which specific agency.

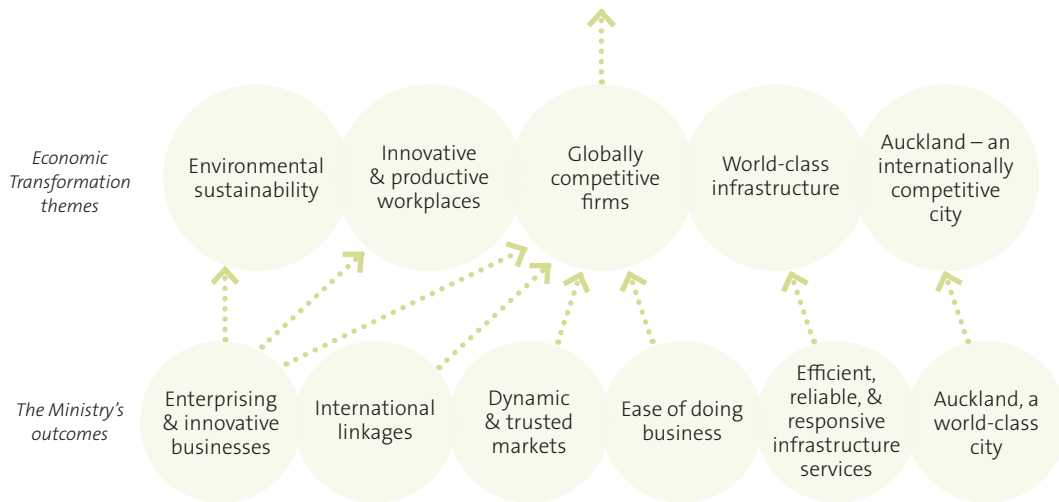
How our work contributes to the Government's Economic Transformation priority

Economic Transformation

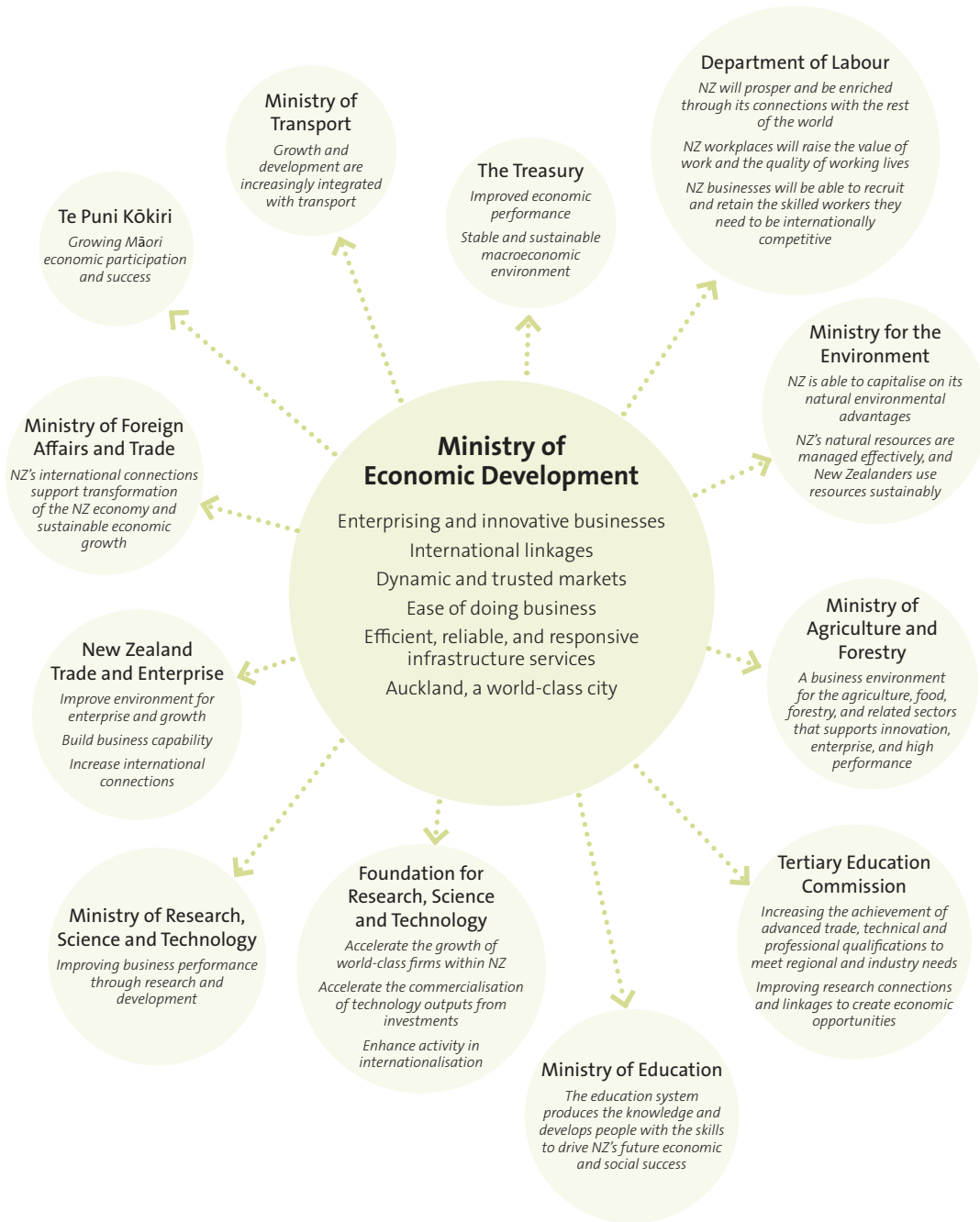
Progress our economic transformation to a high-income, knowledge-based market economy, which is both innovative and creative, and provides a unique quality of life to all New Zealanders.

The Ministry of Economic Development's overall aim:

To help develop an internationally-competitive and sustainable economy.



How our outcomes relate to those of other agencies



Part 5

Specifying and presenting the outcomes framework

- 5.1 The SOI must identify the outcomes the entity aims to contribute to or influence, at least in the medium term. This is important because the outcomes explain why the entity exists, whereas the outputs explain how the entity intends to intervene to help bring about the outcomes. Therefore, if appropriate, the outcomes should be identified at various levels (for example, impacts, low-level intermediate or intervening outcomes, high-level outcomes), with a clear depiction of the cause-and-effect relationships between them.
- 5.2 It is important that the outcome statements are accurate and well-phrased; they should capture and describe the desired effects. An outcome statement should refer to the state or condition of society, the community, economy, or environment. It should also include a statement about the desired change in that state or condition.¹ It is therefore important that the outcome statement be “dynamic” – that is, it describes the direction of the change being sought and preferably the targeted or desired level of change.
- 5.3 The SOI should capture those impacts and outcomes that are priorities for the entity. It should be clear to the user why the reported impacts and outcomes are priorities.
- 5.4 The Retirement Commission identifies two high-level goals, which are then split out into four stated outcomes (Example 4). The first of these goals, and the first of the four stated outcomes, come closer to what we would expect to see than most other outcome statements we reviewed. This is because they express something about a desired state of society as a whole.

¹ As defined in section 2 of the Public Finance Act.

Our goals and outcomes

The Retirement Commission's vision is that New Zealanders are financially sorted.¹

There are two high level goals for New Zealand society that we seek to achieve both through our own work, and through working with many other organisations, groups and individuals. These are:

- *New Zealanders are financially well prepared for retirement.*
- *New Zealanders living in retirement villages have informed choice.*

Outcomes

We identify four contributing outcomes that the Commission's work is directly aimed at achieving, and which contribute to these higher level goals. The four contributing outcomes of the Commission are:

1. *New Zealanders are well educated in financial matters and can make informed financial decisions throughout their lives.*
2. *The financial services sector is trusted.*
3. *Government's retirement income policies are effective and stable.*
4. *All retirement villages meet societal expectations and current quality standards.*

Outcome measures

We have found it challenging to identify useful, quantifiable and attributable outcome measures to judge future performance. As many other factors influence outcomes, to suggest that the Commission's activities alone have resulted in a particular outcome is not only misleading, but may take credit (or blame) for the work of other individuals or agencies. Nevertheless, we have described the type of measures we will use and, where possible, included some current numeric indicators and the expected change.

¹ Our vision and goals complement the government social sector agencies' common outcome of an inclusive New Zealand where all people are able to participate in the social and economic life of their communities.

- 5.5 In its SOI, the Retirement Commission expresses outcomes in static rather than dynamic terms, although, within its performance measures and targets (Example 5), the entity does point out the expected change. It is necessary to specify the desired change of direction within the outcome statement to identify precisely what the entity is seeking to achieve. This makes it easier to then identify appropriate performance measures. We consider the Retirement Commission could improve its outcome statements (and meet the statutory definition of “outcomes”) by describing the specific improvement sought in the state or condition of society.
- 5.6 The Retirement Commission’s usage data (use of “Sorted” resources, visits to the website, and calculations made on the website) are all impact measures – in that they measure the direct effects, on people, of the service provided. This is their primary value. Impact measures are also useful because they have the potential to imply something about the quality of the service.
- 5.7 By contrast, stating the number of booklets distributed (an output measure) is of limited value because there is no sense of their quality or their impact on users. To be really useful, both the impact and output measures shown in this example need to be augmented by measures that capture their actual quality (in the case of the booklets) and inferred quality (in the case of the impact measures).

How we will measure results:

The major measures of impact will be changes in attitudes, levels of knowledge and action taken as a result of accessing our education programmes and information. These will be measured through the financial knowledge survey that the Commission conducts in association with ANZ, together with other benchmarked surveys and analyses. We are also looking at developing longitudinal measures of our education programme.

Other indicators of interest levels in personal financial management will be statistical measures of the use of all Sorted resources, brand awareness and brand attribute tracking.

1. *Key financial knowledge measure is:*

- *To reduce the size of the lowest knowledge group from 33% to 25% by 2010.*

2. *Sorted resource use – overall uptake goal:*

- *To increase the percentage of New Zealanders who use Sorted resources from 19% to 30% by 2010 with over half the interaction being through the workplace.*

3. *The workplace financial education programme will also be evaluated to assess the impact of KiwiSaver decision making information and tools:*

- *Maintain 2007 levels indicating 28% of 18-65 year olds surveyed had used Sorted resources to help them make a decision about KiwiSaver.¹*

4. *Sorted resource use – monthly average over 12 months:*

- *Visits to sorted.org.nz 110,000 – 140,000.*
- *Calculations made via sorted.org.nz 500,000 – 700,000.*
- *Sorted booklets distributed 8000 – 10,000.*

1 KiwiSaver campaign evaluation– Colmar Brunton, 2008

- 5.8 The MED's outcome statements describe the desired changed state, although the desired change is stated simply as "improving" (Example 6). It is not always clear from these statements what "improving" actually means (that is, more, or better). More information is needed to explain what sorts of improvements are desired, how each improvement will be measured (performance measures), and how much improvement is required (performance targets). (The MED discusses what it will measure in its "How we will demonstrate success" sections.)

What we are seeking to achieve

To support the Government's aim of an innovative and creative, high-income, knowledge-based economy, we have identified six long-term outcomes for the Ministry:

- Enterprising and innovative businesses – improving the drivers for success and productivity improvement in firms.
- International linkages – improving the linkages that allow New Zealand firms to benefit from trade, and the flows of investment, skills, and technology.
- Dynamic and trusted markets – improving the competitiveness, integrity, and effectiveness of New Zealand's markets.
- Ease of doing business – improving the way public agencies and the regulatory environment interact with business.
- Efficient, reliable, and responsive infrastructure services – improving the quality and reliability of key infrastructure services that support growth.
- Auckland, a world-class city – improving Auckland as a world-class city that attracts firms, investment, and skills.

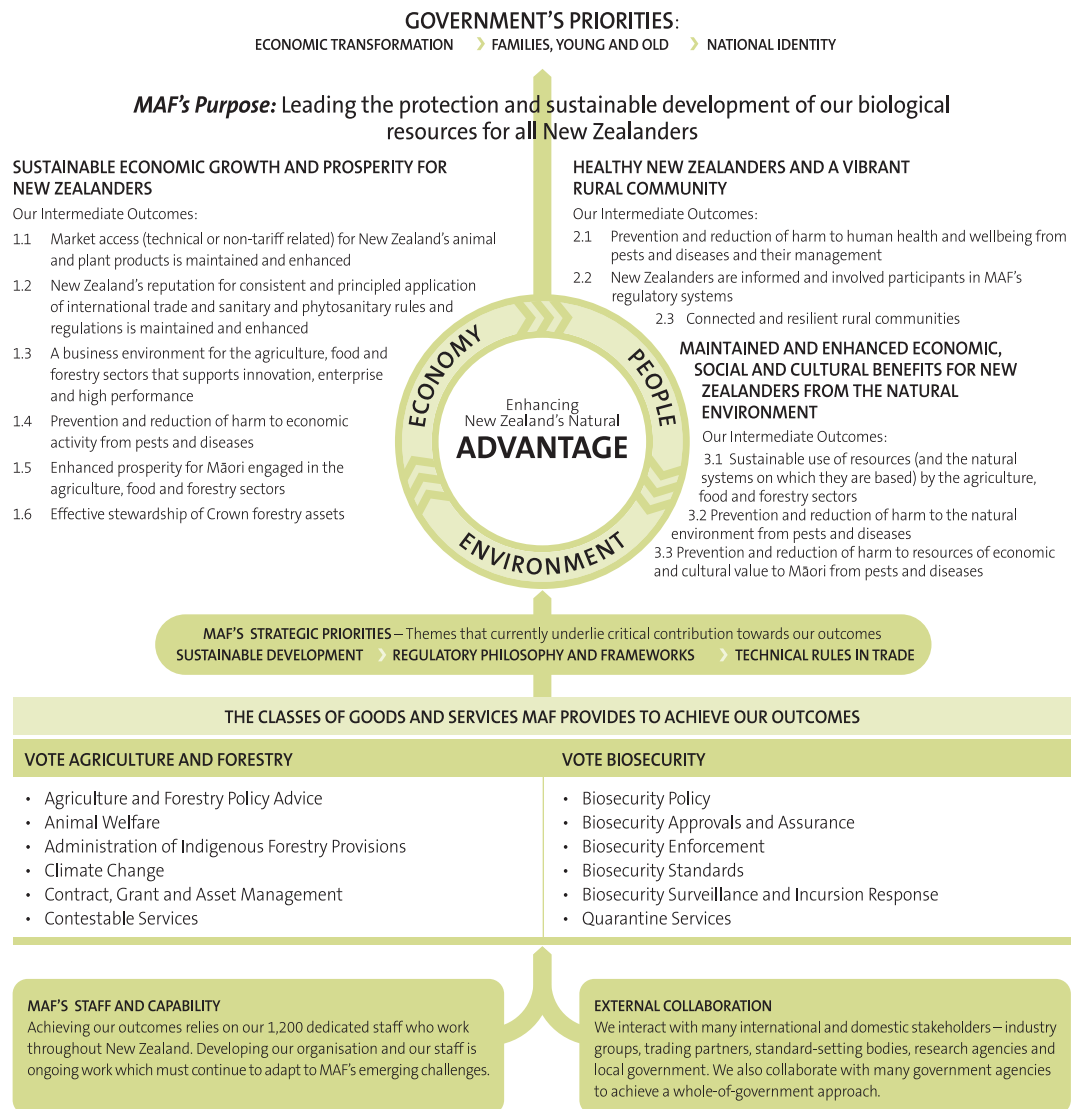
- 5.9 One of the major challenges in reporting outcomes is deciding on the most appropriate level or levels at which they should be reported. Reporting outcomes at only one level usually provides only an incomplete performance story. A more informative story is one that reports a hierarchy of outcomes, demonstrating how lower level impacts of service delivery feed through a cause-and-effect chain to higher level outcomes and Government priorities. Therefore, it is helpful to include intermediate outcomes or impacts (as defined in legislation)² to clearly articulate the entity's assumptions about the intervention logic they use (that is, the theory behind how courses of action resulting in outputs cause changes to the state of individuals and society). On one page, the Ministry of Agriculture and Forestry (MAF) illustrates its hierarchy of government priorities, high-level outcomes, intermediate outcomes, output appropriations (called Votes), and inputs/ processes (for example, capability and collaboration) (Example 7). Many of MAF's intermediate outcome statements are dynamic, describing the change direction sought.

² The legislative definition is included in the Glossary.

Strategic Direction

Figure 1 illustrates the linkages between MAF’s operating environment, outputs/services, intermediate and end outcomes and forms the basis for the discussion that follows.

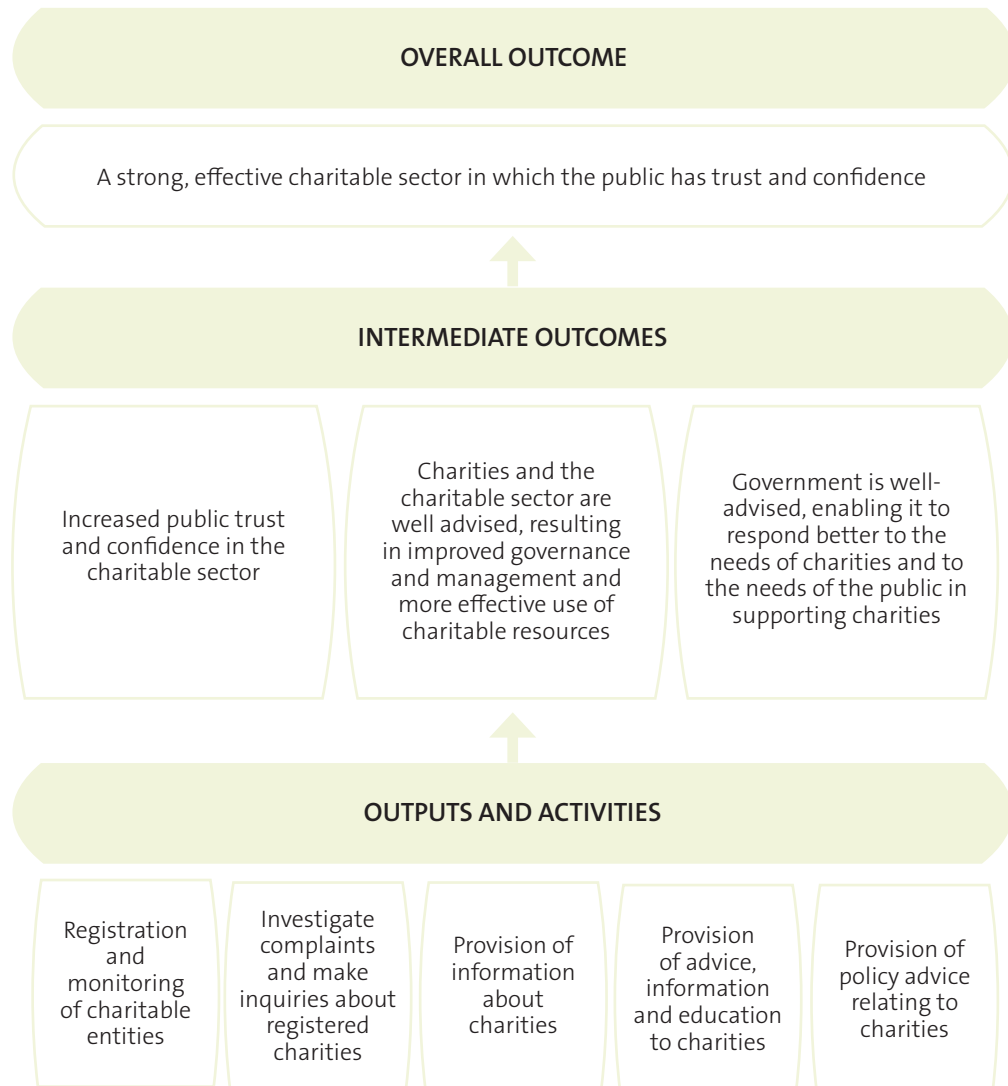
Figure 1
MAF’s outcome framework in context



- 5.10 The Charities Commission presents a succinct, two-layer outcomes framework linked to outputs (Example 8). The framework clearly lays out the general cause-and-effect chain between intermediate outcomes and the single “overall outcome”. The cause-and-effect relationship between the outputs and intermediate outcomes is also clear, although the diagram relates the bundle of outputs to the bundle of intermediate outcomes (that is, it does not show which specific outputs relate to which specific intermediate outcomes).
- 5.11 Another notable feature of this example is that the intermediate outcome statements give a broad indication of the changed state desired.
- 5.12 However, we consider that some of the intermediate outcome statements would be improved if they were not so complex: the second and third intermediate outcome statements contain more than one outcome-type statement. We think it would be better for each outcome statement to be simple and refer to only one outcome. For example, the second intermediate outcome statement refers to: (1) the sector being well advised; (2) improved governance and management; and (3) more effective use of resources. Therefore, the specific focus of the second intermediate outcome is unclear.
- 5.13 A clear expression of outcomes is also important for letting the user know the important effects the entity measures and monitors. For the Charities Commission’s second intermediate outcome, it is not clear which of the three effects is most important. It may be that all three outcomes are vital, and there may even be a cause-and-effect chain involving all three of these effects. If so, then an alternative approach might be to express this intermediate outcome as three separate outcome statements, one leading to the other, and to depict this in a multi-layered diagram of impacts and consequent outcomes.

Our outcomes framework

This is our current Outcomes Framework, (below) based on our strategic priorities, and our current pragmatic understandings of the Commission's functions. We will develop and amend this framework as we gather evidence about whether or not our activities are contributing to the desired outcomes.



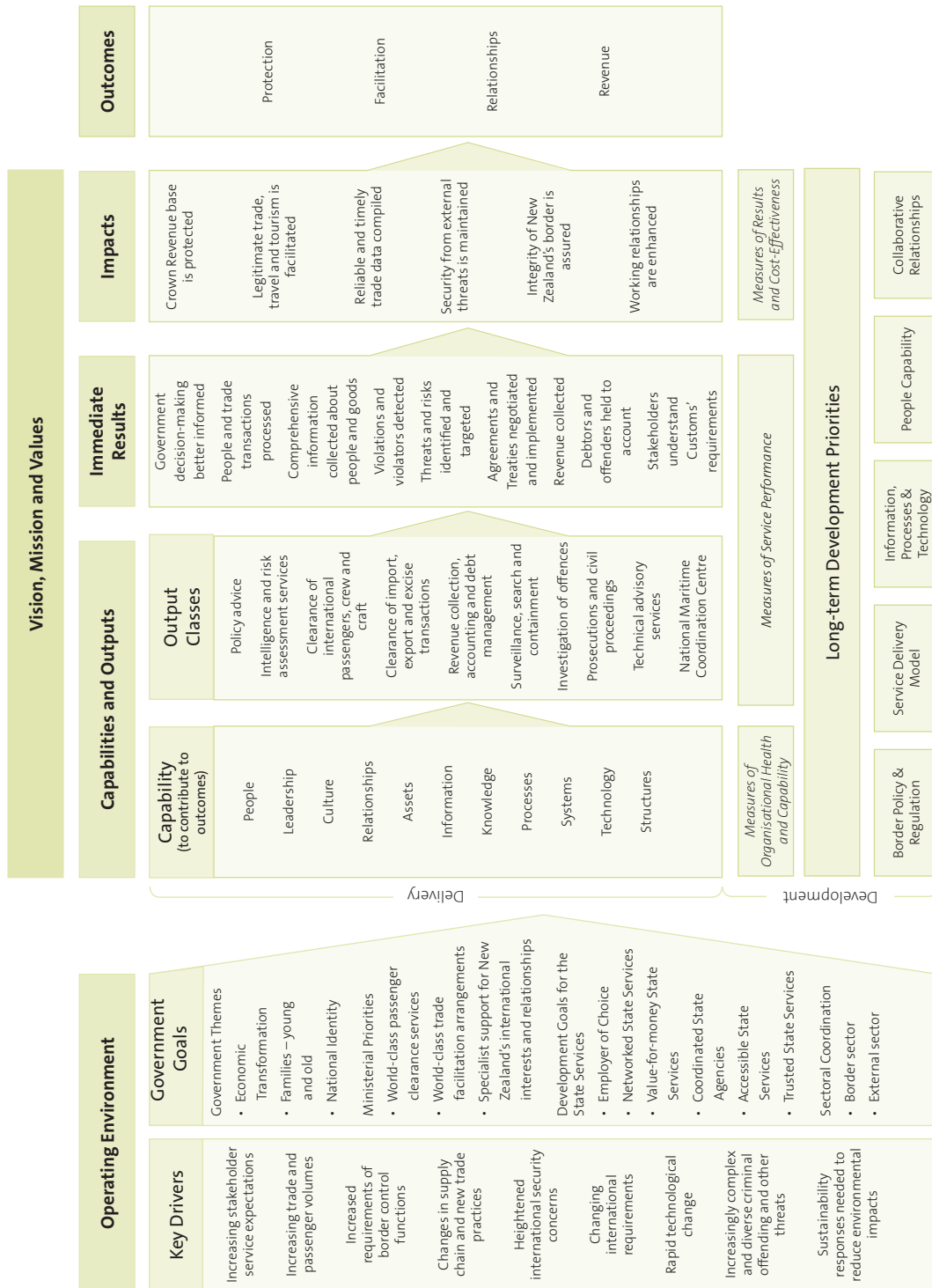
- 5.14 Te Māngai Pāho’s framework sets out desired outcomes in a hierarchy of elements, from its vision statement (high level) down to capability initiatives (low level) (Example 9). The intermediate outcome statements could be improved by the agency asserting the desired change in direction and level, in the state of society, which would result from their outputs.
- 5.15 The outputs, and the major and intermediate outcomes, are set out in separate layers. If there are specific relationships between individual outcomes and individual output classes, then those relationships are not clear from this diagram.
- 5.16 It is common practice to include something about capabilities, inputs, or resources in diagrams like this, and to show them feeding into the outputs. Some entities overlay the input-output-outcome model with a depiction of strategic goals, which relate to anything ranging from input/capabilities to outputs and outcomes. Te Māngai Pāho has inserted a “Strategies” layer between outcomes and outputs; the individual elements of this layer refer variously to inputs, outputs, impacts, and outcomes. Another approach is to have the most important strategic priorities spanning the various layers.

Our Outcome Framework

| | | | | |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Vision | <i>Ahakoā kei whea, Ahakoā āwheā, Ahakoā pēwheā, Kōrero Māori!</i> <i>Māori language – everywhere, every day, in every way!</i> | | | |
| Key Government Goals | <i>National Identity;</i> <i>Families Young and Old; and</i> <i>Economic Transformation.</i> | | | |
| Major Outcome | Kia tū noa te reo Māori, kia piki te arokā mō ngā uara, ngā tikanga me ngā whakaaro Māori, i roto o Aotearoa. Normalisation of Māori language and greater awareness of Māori values, practices and views within Aotearoa. | | | |
| Intermediate Outcomes | Whānau, hapū, iwi, and Māori communities, maintain and strengthen their te reo Māori and tikanga Māori | Learners of all ages and abilities are supported in their Māori language education, use and retention | New Zealanders experience te reo Māori and tikanga Māori | |
| Te Māngai Pāho Strategies | Investment in the protection, promotion and development of te reo Māori and tikanga Māori | Investment in the promotion of a positive awareness of current issues that are important for Māori | Ensure that the programmes in which we invest are responsive to, and can reach, a large and diverse New Zealand audience | Support for initiatives and programmes that encourage New Zealanders to value, or at least, understand the value of te reo Māori and tikanga Māori |
| Te Māngai Pāho Outputs | Direct funding of Māori Television Contestable Television Programme Funding Television Industry Co-ordination and Development | Operational Funding for Iwi Radio Contestable Radio Programme and Music Funding Radio Distribution System and Coverage Extension Capacity Building and Industry Co-ordination | Strategic, cost effective and transparent Administration of Broadcasting Funding | |
| Te Māngai Pāho Capability Initiatives | Establish clear Purchasing, Management and Operational Policies for public and internal purposes Establish a practical, cost effective evaluation tool Implement strategies to consolidate and enhance the expertise and people resources available to carry out all aspects of our business. | | | |

- 5.17 The New Zealand Customs Service (Customs) has several outcomes-type layers in their strategic framework diagram (Example 10). The diagram identifies different elements, including immediate results, impacts, and outcomes stemming from its output delivery. We consider this to be a good example, because of its structure, orderliness, and general clarity. The elements are shown in layers, which is a useful way of showing the performance framework, including the hierarchy of impacts, outcomes, and inputs. As with the previous example, if there are any specific links between output classes and their outcomes, then they are not explicit.
- 5.18 Customs' diagram includes an "immediate results" column, which provides additional and relevant information to the other columns. The immediate results column appears to contain a mix of different elements of performance. Some of the statements in the column relate to the intended effects of Customs' operations, whereas others refer to the quality of the services (or inputs/processes relating to the services) themselves.
- 5.19 We consider that improvements could be made to the way outcomes are expressed, because they fall short of being complete statements of the desired change to the state of the community or society. Further, we would consider "relationships" as an enabler of service delivery rather than an outcome of service delivery, as defined under legislation.

Customs' Strategic Framework



Part 6

Main measures and targets for impacts and outcomes

- 6.1 Main measures and targets for impacts and outcomes are essential for the user to know whether the entity is making progress. We expect entities to have a wide range of measures for internal management purposes, but legislation requires that SOIs report only main measures and standards. This section of the SOI should focus on the vital few measures of achievement and the more significant targets, enabling users to see the “big picture” of the entity’s strategic intent, without being overwhelmed by detail.
- 6.2 As part of that big picture, the SOI should show where the entity intends to have its most direct impact. Impact measures and targets should be included wherever relevant and practicable. Impacts refer to the lower-level effects of output delivery; as intervening factors they contribute to higher-level outcomes. Impacts are important because they describe the direct, or more immediate, effect of the entity’s interventions. Some impacts can be directly attributable to an entity’s outputs if the cause-and-effect relationship is tight enough. However, most impacts represent the low-level outcomes over which the entity has significant influence or considerable (but not total) control through its service delivery.
- 6.3 There is a temptation for entities to focus on things that are easy to measure, but this is unlikely to provide a relevant or balanced basis for demonstrating the entity’s progress towards achieving its strategic outcomes.
- 6.4 Impact and outcomes targets must cover the full period of the SOI (a minimum of three years). This should not be problematic, because managing for outcomes requires a medium-to-long-term outlook.
- 6.5 For achievement targets to be meaningful to the user, enough context is needed to explain the entity’s direction. Comparative data can help provide this context, for example: past and future targets; past results; cross-sectional comparisons with other organisations, countries, regions, or national averages; trend information; and baseline data or other forms of benchmarking. This gives users essential information for judging the appropriateness of the entity’s targets.
- 6.6 In its SOI, MAF explains what it will measure to demonstrate success (Example 11). However, such a discussion, standing alone, falls short of what is required for specifying main measures and targets. The discussion needs context to inform the user about the current situation, the history, and the projected future. Discussions like these need to describe not just what will be measured, but also the criteria by which success will be measured (performance measures), the current state, and the direction and extent of the targeted level of change.

How will we demonstrate our success?

MAF measures success in achieving this outcome by monitoring several macro-economic variables impacting on the sustainability of business in the agricultural, food, forestry and related sectors. These include, among other things, investment in research and development, regulatory efficiency and compliance cost/burden, overall productivity, profitability and producer returns. MAF also monitors and evaluates the effectiveness of its own interventions (such as the Sustainable Farming Fund) aimed at supporting business sustainability.

As such, positive outcomes or success will be evident in the sectors if:

- > there is a proportionate increase in the total level of investment in research and development relevant to sectors' activities;
- > there is effective and efficient (or fit-for-purpose) regulation of sectors' activities that, as far as possible, minimises the overall cost of compliance;
- > there is an increase in businesses' overall productivity and profitability;
- > there are high and sustainable business survival rates;
- > there are net positive outcomes or benefits associated with MAF initiatives to support business sustainability and development (that is, those associated with the Sustainable Farming Fund);
- > there are positive spill-overs to other sectors from the success of the land-based primary industries.

- 6.7 Te Māngai Pāho (Example 12) provides reasonably precise indicators of outcome achievement (based on survey data) but, in this example, provides no targets or data on the current state of affairs or trends.
- 6.8 The New Zealand Fire Service Commission (Fire Service) and Retirement Commission do better than most other entities when disclosing main measures and targets. Despite there being room for improvement, they have provided specific measures and targets for the desired achievement of outcomes (Examples 13 and 14).
- 6.9 The Fire Service provides a useful set of data giving outcomes information about fire-related incidents. This could be enriched by providing the user with information about how its targets for the present SOI period compare with the current state and with historical trends.
- 6.10 The Fire Service has also provided useful impact targets relating to the public's knowledge and behaviour. One measure captures beliefs, another memory recall, and the third, action. It is implied that if these impacts on the public are achieved there will be positive outcomes for fire-related incidents. Again, the Fire Service could usefully add comparable trend information to these impact measures to put the extent of change sought into context.
- 6.11 Although the Retirement Commission has more work to do to identify appropriate measures and targets for its outcomes, it has made good progress in identifying specific and measurable targets. The discussion of its intended impacts acknowledges that some are not easy to measure and, to its credit, it has not resorted to trying to present only the easily measured aspects. Rather than avoiding the more difficult measures, the Commission has attempted to apply a similar level of detail and care to all of its significant outcomes.

Measuring Our Performance

Outcome Measures

We have worked with entities that share a direct stake in achieving Māori language outcomes, particularly Te Puni Kōkiri, Te Taura Whiri i te Reo Māori and Māori Television to identify the scope for collaboration and rationalisation of effort around outcome measurement and evaluation.

We continue to utilise longitudinal nationwide Māori language surveys such as the *Survey of the Health of the Māori Language and the Survey of the Attitudes, Values and Beliefs towards the Māori Language* to tell us how the Māori language environment that we are working in is changing. Through our relationship with Te Puni Kōkiri, Māori Television and Te Taura Whiri i te Reo Māori, we have had the opportunity to contribute to the development of these two national Māori Language Surveys which will assist us all to measure progress towards our respective and complementary Māori language outcomes.

During 2007/08 we have been developing and confirming an evaluation approach. In 2008/09 we plan to build that approach into an evaluation tool that will allow us to undertake practical, cost effective evaluations of our broadcasting interventions. While this tool is in development we will continue to monitor our performance using the indicators set out in the 2007 – 12 Statement of Intent, which are outlined below.

Major Outcome

We will determine the state of the major outcome by monitoring results and trends in the following set of indicators.

| Intermediate Outcome | Indicators |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Whānau, hapū, iwi, and Māori communities, maintain and strengthen their te reo Māori and tikanga Māori | <ul style="list-style-type: none"> • number of people able to converse in Māori about a lot of everyday things. (Census) • % of Māori who speak to others mainly in Māori (for half or more of the time): <ul style="list-style-type: none"> • in their household • while socialising (<i>Survey of the Health of the Māori Language</i>) |
| Learners of all ages and abilities are supported in their Māori language education, use and retention | <ul style="list-style-type: none"> • % of Māori who are participating in learning te reo Māori (<i>Survey of the Health of the Māori Language</i>) • % of Māori and non-Māori who believe it is right that Māori speak Māori in front of people who might not understand what they are saying (<i>Survey of Attitudes Values and Beliefs towards the Māori Language</i>) |
| New Zealanders experience te reo Māori and tikanga Māori | <ul style="list-style-type: none"> • % of Māori and non-Māori who 'really want to be involved in things to do with the Māori culture' (<i>Survey of Attitudes Values and Beliefs towards the Māori Language</i>) • % of New Zealanders who access Māori broadcasting (extent, level etc) |

Financial and non-Financial Measures

Main non-financial measures

As part of its overall evaluation processes the Commission continually reviews and updates its strategic approach to fire risk management and the resulting measures of performance. Some of the national goals listed below may evolve over time as part of that process. The targets included in the following national goals have an improvement component included when compared to the previous five-year average.

Fire-related

Achieve and maintain the estimated total number of fires in New Zealand to less than 2,300 per 100,000 population.¹

Achieve and maintain the number of fires in structures to less than 130 per 100,000 population.

Achieve and maintain the number of vegetation fires to less than 120 per 100,000 population.

Achieve and maintain an avoidable residential structure fire fatality rate of less than 0.5 per 100,000 population.

Achieve and maintain the number of life threatening and moderate injuries to the public from fire incidents to less than 4.5 per 100,000 population.

Maintain the estimated dollar value of damage from fires in residential structures below \$54m per annum.²

Maintain the estimated dollar value of damage from fires in non-residential structures below \$50m per annum.²

Response times for fire incidents inside fire districts will be monitored for performance against the national service delivery guidelines of:

- 7 minutes 30 seconds 90% of the time for career stations
- 10 minutes 90% of the time for volunteer stations.

Contain ninety-five percent of all wildfires within two hours of being reported.

Ensure annual area burnt by wildfires is 5% less than the previous 10-year average 75th percentile.

¹ The Fire Service has incident data on the number of fires it attends, but independent surveys show this number is between 9% and 25% of all unwanted fires people have in houses and between 19% and 44% of outside fires. The Commission estimates the total number of all fires in New Zealand each year by taking the annual number of fires attended by the Fire Service and dividing it by the by 5-year average percentage attended by the Fire Service. The effect of this calculation is to up-rate the Fire Service incident data as if it attended 100% of all fires.

² The Fire Service estimates dollar value lost by using its own estimate of area damaged and the standard industry quantity survey tables for construction cost by building type.

The following national goals measure the impact fire safety programmes have on changing the level of fire safety knowledge and behaviour of the public. Also included is the level of preparedness of fire authorities and the work of the NRFA to encourage fire authorities to merge into enlarged fire authorities. These goals contribute to fire-related goals above.

Improve the fire safety knowledge and behaviour of the public: projections developed for 2011:

- 98% of people will believe a fire can become unsurvivable in five minutes or less
- 85% of people recall a fire safety message
- 96% of homes will have at least one smoke alarm installed

Improve rural fire planning: 100% of fire authorities will meet their legal obligations for adopting and reviewing their fire plans. The readiness and response parts of the fire plan will be reviewed every two years and the risk reduction and recovery parts of the fire plan every five years.

Reduce the number of fire authorities from 89 to 60 by 2013.*

* The achievement of this national goal will only be achieved in consultation with fire authorities and with the agreement of fire authorities.

Outcome 1: New Zealanders are well educated in financial matters and can make informed financial decisions throughout their lives

Description:

This describes a population that has the necessary information and skills to help them make sound decisions about planning and managing their personal finances throughout their lives. Personal financial education includes providing information and decision-making tools, and increasing an individual's skills and understanding of personal financial issues.

Key impacts sought:

Increased information and skill levels will shape both financial attitudes and behaviours. We aim to help people become more aware of financial issues and their significance and therefore able to make more confident and effective financial choices. People will have the ability to assess their personal financial situation and make quality decisions about their involvement in KiwiSaver or other savings options as a result of the Commission's workplace financial education programme.

Activities:

The main activities are education and information based.

The Commission's Sorted programme with its website, printed information and Your Money Sorted television series are key strategies. The Sorted website's practical content and calculators gives users the opportunity to develop their financial plans and see the consequences of various courses of action.

Extension of the workplace financial education programme (featuring KiwiSaver decision making tools and information), in addition to regular Sorted marketing activities, mean that future Sorted activity will be dominated by:

- *Repositioning the Sorted brand from a financial knowledge source to offering motivational guidance around money matters in general.*
- *Enhancement of both the sorted.org.nz and retirement.org.nz websites to feature wider content and more relevant audience engagement tactics (e.g. allowing user comments on sorted.org.nz).*
- *Providing a wider and targeted range of printed material for specific segments.*
- *Expand face-to-face communication to include community-based seminars and conversations.*
- *Expand the range of KiwiSaver decision making tools and information available for both prospective and existing members.*

The general Sorted and workplace financial education programmes will complement each other to allow key sectors of New Zealand society to have ready access to a range of financial education resources. The products required and communication mediums utilised are different for each sub-audience, but will continue to be segmented as follows:

- *Children.*
- *Students in tertiary education.*
- *Adults in the workplace.*
- *Adults in the community.*
- *Older New Zealanders.*

The Retirement Commission led the development of a national strategy for financial literacy. With input from many individuals and organisations across the public, private and voluntary sectors, the strategy sets a direction to link providers of financial education and information, identify any gaps in coverage and avoid duplication.

The Retirement Commission and the Families Commission are working together on a project looking at 'indebtedness' of New Zealand households.

How we will measure results:

The major measures of impact will be changes in attitudes, levels of knowledge and action taken as a result of accessing our education programmes and information. These will be measured through the financial knowledge survey that the Commission conducts in association with ANZ, together with other benchmarked surveys and analyses. We are also looking at developing longitudinal measures of our education programme.

Other indicators of interest levels in personal financial management will be statistical measures of the use of all Sorted resources, brand awareness and brand attribute tracking.

1. *Key financial knowledge measure is:*

- *To reduce the size of the lowest knowledge group from 33% to 25% by 2010.*

2. *Sorted resource use – overall uptake goal:*

- *To increase the percentage of New Zealanders who use Sorted resources from 19% to 30% by 2010 with over half the interaction being through the workplace.*

3. *The workplace financial education programme will also be evaluated to assess the impact of KiwiSaver decision making information and tools:*

- *Maintain 2007 levels indicating 28% of 18-65 year olds surveyed had used Sorted resources to help them make a decision about KiwiSaver.¹*

4. *Sorted resource use – monthly average over 12 months:*

- *Visits to sorted.org.nz 110,000 – 140,000.*
- *Calculations made via sorted.org.nz 500,000 – 700,000.*
- *Sorted booklets distributed 8000 – 10,000.*

Outcome 2: The financial services sector is trusted

Description:

A financial sector that is trusted by the public and whose products, services and charges can be clearly understood.

Key impacts sought:

These cover both the performance of the industry and New Zealanders' increasing levels of trust in the industry. The industry is trustworthy when it meets the expectations of clients for the provision of products and services and can assure the quality of these.

New Zealanders dealing with a trustworthy financial sector will find the experience transparent and straightforward. Transparency extends to disclosing to clients the actual costs of products and services and any other relevant factors that could affect a client's decision – such as an adviser's financial interests that could in any possible way be seen to be in conflict with the services being offered.

Activities:

The Commission will promote research and debate about ways of improving trust in, and the efficiency of, the retail savings industry. We will also promote the adoption and use of standard forms of disclosure for financial advisers about the actual costs of their services and any related interests. We will watch with interest the progress of the Financial Advisers Bill and look at ways

1 KiwiSaver campaign evaluation – Colmar Brunton, 2008

of monitoring it once enacted. We will work with the sector and other government agencies to achieve these goals.

How we will measure results:

Evidence of impacts will be provided by various indicators such as the development and use of improved forms of disclosure and industry commitments to improved training processes and standards and to standardised codes of practice and conduct. Public surveys will provide a measure of the public's perception of the industry and its practices.

We would like to see an increase of at least 5 percentage points over the next 3 years in the 32% of adult New Zealanders who agree or strongly agree with the statement 'I trust most financial advisers'.²

Monitoring media commentary on the industry will also provide an indicator of trust and public perception.

Outcome 3: Government's retirement income policies are effective and stable

Description:

The wide range of government policies that have implications for New Zealanders' financial wellbeing in retirement will be effective in achieving the intended results, and will do so efficiently and fairly. Overall policy directions will be generally stable, and will form a reliable retirement income framework on which individuals may confidently base their personal financial retirement plans.

Key impacts sought:

The main impacts sought are that New Zealanders will be able to plan financially for their future with reasonable certainty about the long term intentions of government and that the state funded retirement income will provide a basic income for older people.

Activities:

The Commission will provide information and education that describes the purpose and effects of relevant legislation. We will implement and monitor the agreed recommendations of the 2007 review of retirement income policy and put a reporting process in place. Through our research and evaluation work we will identify areas of policy that work well or that may need further consideration, development or adjustment.

How we will measure results:

The effectiveness of government policies in achieving intended results will be monitored and, as necessary, reported on. The extent to which the Retirement Commissioner's advice to the government and its agencies is acted on will be a measure of our impact on retirement policies and agencies' practices. Of particular interest will be the Government's response to the 2007 review. Other proxy measures of impact will be the amount of advice given, and research and analysis work undertaken on the operation of current legislation and government policies.

This is a difficult area for which to develop standards and measures that can reasonably be used to judge future performance. The Retirement Commission will continue to work with officials on measuring the effectiveness of the Government's KiwiSaver savings initiative.

2 'Sorted, Financial and Retirement Planning in 2005.' AC Nielsen.

Outcome 4: All retirement villages meet societal expectations and current quality standards

Description:

Retirement villages will comply with all relevant legislation and meet both the expectations of society and their residents about the overall fitness of villages' accommodation, facilities and services in meeting contemporary standards of good quality retirement living.

Key impacts sought:

The retirement villages sector will be operating well if all villages meet the legal requirements for performance as set out both in the Retirement Villages Act 2003, associated regulations and Code of Practice and more generally, the expectations of residents. Intending residents will be able to make informed choices, and residents understand their rights, as a result of education programmes.

Activities:

* The Commission will maintain and oversee members of disputes panels and provide information on dispute resolution.

* We are aware of options being considered in terms of implementing a Code of Practice for retirement villages. This may involve the Commission undertaking a consultation process.

* We will monitor the effects of the Act, regulations and Code of Practice and provide advice to the Minister when requested or required.

How we will measure results:

Measures will include the nature, numbers and trends in complaints and disputes about retirement villages.

Part 7

Linking impacts and outcomes to outputs

- 7.1 There should be a credible relationship between outputs and impacts/outcomes, and it should be explained clearly in the SOI. Such an explanation helps the user to understand how the entity believes that the goods and services it is accountable for will result in improved outcomes. It also helps users to see the alignment between the entity's medium-term goals and its annual performance plan.
- 7.2 Information on the specific links is vital to evaluating the effectiveness of the entity's outputs and service performance. However, there is more than one way to show links, and entities should experiment with different formats while keeping in mind the need for a precise and logical presentation.
- 7.3 Ideally, the entity's explanation of the medium-term impacts and outcomes in its SOI should link to a summary of the entity's outputs (or output classes) and illustrate the contributing outputs for each outcome. The outputs or (output classes), depicted outside the forecast SSP as linking to the outcomes/impacts, should correspond to those reported within the forecast SSP.
- 7.4 Entities are also encouraged to present the output information in SSPs (and forecast SSPs) within the context of the outcomes they seek to influence through delivering their outputs.¹ However, this is more difficult for government departments than for Crown entities, now that the forecast SSP is no longer reported in the SOI. Instead this information is reported in the *Information Supporting the Estimates of Appropriation*, which therefore constitutes the forecast SSP. It is critical that government departments depict the output-to-outcome links and explain the intervention logic within their SOIs, because the specified format of the *Information Supporting the Estimates of Appropriation* constrains this part of the performance story (also see paragraph 7.12).
- 7.5 Entities should customise their diagrams to best depict the links among the performance elements. Therefore, entities should not necessarily limit their model by using a standard format if that format limits their ability to communicate the performance story.
- 7.6 Specific links can be shown by grouping the outputs under related outcomes (if they are discrete enough) or by using lines or arrows. MED uses a table to depict the output-to-outcome links in its SOI (Example 15). This example contains a useful innovation in that it identifies its strategic priorities (SP) for particular output/outcome relationships. This points the user to areas the entity considers to be particularly important.

¹ Technical Practice Aid No. 9: *Service Performance Reporting*, Institute of Chartered Accountants of New Zealand.

- 7.7 The MED could now align its SOI with its forecast SSP in the *Information Supporting the Estimates of Appropriation*. By using consistent descriptions of outcomes and output classes, strategic priorities in the SOI could be identified and flow through into the forecast SSP.
- 7.8 Because the *Information Supporting the Estimates of Appropriation* now constitutes the forecast SSP for government departments, it is important for users that the outcome-to-output links are clear in this document. The links should be succinctly presented in tables and description in each department's Part 1.2 (High-Level Objectives of the Vote) and Part 2.1 (Departmental Output Expenses) of the *Information Supporting the Estimates of Appropriation*, as illustrated in Vote Transport (Examples 16 and 17).
- 7.9 The output-to-outcome links are apparent in each example. Example 16 links the output classes (appropriations) to “Government Outcomes” (although these are not always phrased in outcomes language). Example 17 links the output classes to the lower level outcomes and impacts.

How our outcomes align with our funding appropriations

The Ministry works towards its six outcomes through the outputs it produces. These outputs are shown in Table 1, which sets out the links between individual departmental output expense appropriations (listed by Vote) and their contribution to particular outcomes. Outputs that have a major contribution to the Ministry’s strategic priorities are marked with an “SP” in the table.

Table 1: Alignment of funding appropriations with outcomes

| Vote and output expense | Enterprising and innovative businesses | International linkages | Dynamic and trusted markets | Ease of doing business | Efficient, reliable, and responsive infrastructure services | Auckland, a world-class city |
|---------------------------------------------------------------------------------------|----------------------------------------|------------------------|-----------------------------|------------------------|-------------------------------------------------------------|------------------------------|
| Vote Economic Development | | | | | | |
| Policy Advice and Sectoral Leadership | X SP | X SP | X | | X | X SP |
| Policy Advice – Small Business | X | | | X | | |
| Vote Commerce | | | | | | |
| Policy and Purchase Advice – Business Law and Competition Policy | X SP | X | X SP | X | | |
| Administration of Import Legislation | | | X | | | |
| Administration of Trade Remedies | | | X | X | | |
| Registration and Granting of Intellectual Property Rights | | | X | X SP | | |
| Administration of Insolvencies | | | X | X | | |
| Registration and Provision of Statutory Information | | | X | X SP | | |
| Vote Communications | | | | | | |
| Policy Advice – Communications | | | | X | X SP | X |
| Management and Enforcement of the Radiocommunications Act 1989 | | | | X SP | X | |
| Vote Consumer Affairs | | | | | | |
| Policy Advice and Support on Consumer Issues | | | X | | | |
| Promotion and Enforcement of Measurement and Product Safety Infrastructure | | | X | | | |
| Vote Energy | | | | | | |
| Policy Advice on Energy and Resource Issues | X | | | | X SP | |
| Management of the Crown Mineral Estate | | | | | X | |
| Administration of Gas, Electricity and Energy Efficiency Regulations and Related Acts | | | | X | | |
| Emissions Trading Implementation | | | | X | X | |
| Energy and Resource Information Services | | | | | X | |
| Provision of Climate Change Unit Register and Information | | | | X | X | |
| Vote Tourism | | | | | | |
| Policy Advice – Tourism | X SP | X | | | | X |

Part 1.2 - High-Level Objectives of the Vote

Government Priorities and Outcomes - Links to Appropriations

| Government Priorities - Themes/Sub-themes | Government Outcomes | Appropriations |
|-------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic Transformation | Assisting Economic Development (Transport Sector Strategic Directions 2006-2009) | Airport Operation and Administration Management of Funding Allocation System Maintenance of Funding Allocation System Maintenance of Local Roads Maintenance of State Highways Motor Vehicle Registry and Revenue Management Next Steps Implementation New and Improved Infrastructure for Local Highways New and Improved Infrastructure for State Highways Next Steps Implementation Policy Advice Rail and Sea Freight Sector Leadership and Support |
| | Assisting Safety and Personal Security (Transport Sector Strategic Directions 2006-2009) | Airport Operation and Administration Civil Aviation Policy Advice Distress Radio Beacons National Education Campaign Maritime Safety Regulation and Monitoring Maritime Security Reporting on Accident or Incident Investigations Policy Advice Search and Rescue Activities Sector Leadership and Support Weather Forecasts and Warnings |
| | Improving Access and Mobility (Transport Sector Strategic Directions 2006-2009) | Enhanced public transport concessions for SuperGold cardholders Passenger Transport Services Policy Advice Sector Leadership and Support |
| | Protecting and Promoting Public Health (Transport Sector Strategic Directions 2006-2009) | Licensing Activities Policy Advice Promotion, Information and Education Activities Regulatory Implementation and Enforcement Sector Leadership and Support Transport Demand Management and Walking and Cycling |
| | Ensuring Environmental Sustainability (Transport Sector Strategic Directions 2006-2009) | Airport Operation and Administration Policy Advice Sector Leadership and Support |

- 7.10 The format does not show the links between the “Government Outcomes” (Part 1.2) and the lower-level outcomes and impacts (Part 2.1) for Vote Transport. The Ministry of Transport has sensibly used its SOI to draw these links together (Example 18). The “Government Outcomes” are referred to as “Objectives” in its SOI and, for each of the five “Objectives”, it lists the relevant outcomes (as in Part 2.1 of the *Information Supporting the Estimates of Appropriation*). Example 18 shows the Ministry of Transport’s approach for its “Objective 1: Assisting Economic Development”.
- 7.11 Although MAF’s “Strategic Direction” diagram in its SOI (see Example 7) does not draw explicit links between output classes and outcomes, there are good links with intermediate outcomes in the *Information Supporting the Estimates of Appropriation* – for example, in Vote Biosecurity (Example 19).
- 7.12 Because of the specified two-column format in the *Information Supporting the Estimates of Appropriation*, any depiction of intervention logic in these documents will necessarily be two-dimensional only. This format provides one approach to showing how outputs link to outcomes, but it will not always be the most effective approach. SOIs provide an opportunity for entities to use different formats.
- 7.13 In summary, it is important that government departments and Crown entities depict and explain the important intervention logic links within their SOIs. The SOI allows more freedom and flexibility for entities to best present the model of their intervention logic, including using diagrams, for drawing the important links between outputs, impacts, and outcomes.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

| Intended Impacts, Outcomes or Objectives of Appropriations | Appropriations |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome - The effectiveness of the transport system is being maintained or improved. | Airport Operation and Administration Motor Vehicle Registry and Revenue Management Next Steps Implementation Policy Advice Sector Leadership and Support |
| Outcome - The efficiency of the transport system is continuing to improve. | Airport Operation and Administration Motor Vehicle Registry and Revenue Management Next Steps Implementation Policy Advice Sector Leadership and Support |
| Outcome - The negative impacts of land-use developments on the transport system are reducing. | Policy Advice Sector Leadership and Support |
| Outcome - Growth and development are increasingly integrated with transport. | Next Steps Implementation Policy Advice Sector Leadership and Support |
| Outcome - Transport users increasingly understand and meet the costs they create. | Policy Advice Sector Leadership and Support |
| Outcome - New Zealand's transport system is improving its international and domestic linkages including intermodal transfers. | Policy Advice Sector Leadership and Support |
| Outcome - The transport system is improving its ability to recover quickly and effectively from adverse events. | Policy Advice Sector Leadership and Support |
| Outcome - The transport system is increasingly providing affordable and reliable community access. | Policy Advice Sector Leadership and Support |
| Outcome - New Zealand's transport system is increasingly safe and secure. | Airport Operation and Administration Distress Radio Beacons National Education Campaign Motor Vehicle Registry and Revenue Management Policy Advice Sector Leadership and Support |
| Outcome - Negative impacts of transport are reducing in terms of fatalities, injuries and harm to health. | Policy Advice Sector Leadership and Support |
| Outcome - Negative impacts of transport are reducing in terms of the human and natural environments. | Airport Operation and Administration Policy Advice Sector Leadership and Support |
| Outcome - The transport system is actively moving towards reducing the use of non-renewable resources and their replacement with renewable resources. | Policy Advice Sector Leadership and Support |

Operating Intentions

Objective 1:

Assisting economic development

What are we seeking to achieve?

The objective is to achieve a transport system that supports and assists long-term economic growth and improves the economic and social well-being of New Zealanders through more productive use of resources.

Outcomes relating to this objective are:

- + growth and development are increasingly integrated with transport
- + transport users increasingly understand and meet the costs they create
- + New Zealand's transport system is improving its international and domestic linkages including inter-modal transfers
- + the efficiency of the transport system is continuing to improve
- + the effectiveness of the transport system is being maintained or improved
- + the negative impacts of land-use developments on the transport system are reducing.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

| Intended Impacts, Outcomes or Objectives of Appropriations | Appropriation |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <p>Immediate outcome or impact Policy advice and initiatives that support the ongoing development and implementation of New Zealand’s biosecurity system as articulated in the New Zealand Biosecurity Strategy.</p> <p>Intermediate outcomes A business environment for the agriculture, food, forestry and related sectors that supports innovation, enterprise and high performance. New Zealanders are informed and involved participants in MAF’s regulatory systems.</p> | Biosecurity Policy |
| <p>Intermediate outcomes Market access for New Zealand’s animal and plant products is maintained through the administration of biosecurity standards, and the provision of export certification. It involves auditing against biosecurity regulatory standards and providing assurance to trading partners that New Zealand exporters are complying with the relevant regulations. New Zealand’s reputation for consistent and principled application of international trade, sanitary and phytosanitary rules is maintained and/or enhanced through the provision of approvals and assurance to trading partners that New Zealand exporters are complying with the relevant regulations.</p> <p>End outcome Market access for New Zealand’s animal and plant products is maintained and/or enhanced.</p> | Biosecurity Approvals and Assurance |
| <p>Intermediate Outcomes New Zealand’s reputation for consistent and principled application of international trade, sanitary and phytosanitary rules is maintained and/or enhanced through the investigation and (where appropriate) prosecution of individuals and organisations who breach biosecurity legislation. New Zealanders are informed and involved participants in MAF’s regulatory systems.</p> | Biosecurity Enforcement |
| <p>Immediate outcome or impact The development (and subsequent implementation) of the New Zealand Biosecurity System is based on scientific evidence and current research. This is reflected in the development of system-wide standards (and subsequent implementation) that are integrated, adaptive, and timely in protecting New Zealand’s natural advantage. This process relies on MAF BNZ undertaking risk analysis to support standard development, administration of biosecurity standards and export certification, and monitoring of border pathways.</p> <p>End outcome Market access for New Zealand’s animal and plant products is maintained. New Zealand’s reputation for consistent and principled application of international trade, sanitary and phytosanitary rules, regulations and/or standards is maintained and/or enhanced.</p> | Biosecurity Standards |

Example 19

Vote Biosecurity, Performance Information for Appropriations (2008/09), pages 43-44

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <p>Immediate outcome or impact Potentially harmful pests and diseases are detected (and/or eradicated) through the implementation of surveillance activity in the terrestrial and aquatic environments and, if necessary, pests are eradicated or managed.</p> <p>Intermediate outcomes Prevention and reduction of harm to:</p> <ul style="list-style-type: none">• economic activity• human health and wellbeing• the natural environment, and• resources of economic and cultural value to Māori from pests and diseases. <p>End outcomes Sustainable economic growth and prosperity for New Zealanders. Healthy New Zealanders. Maintained and enhanced economic, social and cultural benefits for New Zealanders from the environment.</p> | Biosecurity Surveillance and Incursion Response |
| <p>Immediate outcome or impact Potentially harmful pests and diseases are intercepted at main (border) entry points through the identification and management of all biosecurity risk goods, and goods that may be contaminated with biosecurity risk organisms. It includes the inspection and clearance of aircraft, vessels, cargo, containers, mail and passengers, and the audit and approval of transitional facilities, in accordance with biosecurity legislation and standards.</p> <p>Intermediate outcomes Prevention and reduction of harm to:</p> <ul style="list-style-type: none">• economic activity• human health and wellbeing• the natural environment, and• resources of economic and cultural value to Māori from pests and diseases. <p>End outcomes Sustainable economic growth and prosperity for New Zealanders. Healthy New Zealanders. Maintained and enhanced economic, social and cultural benefits for New Zealanders from the environment.</p> | Border Clearance Services |

Part 8

Specifying outputs and output classes

- 8.1 The forecast SSP sets out the entity's plans for its service delivery for the first year of the period covered by the SOI. For Crown entities, the forecast SSP should be clearly distinguishable within the SOI. For both government departments and Crown entities, the subject of the forecast SSP is to report intended output performance. Therefore, the reported elements should meet the definition of outputs and should exclude other elements (for example, inputs, activities, processes, impacts, or outcomes) except where these are useful or necessary to provide context. If reference is made to other elements of performance within the forecast SSP, they should be clearly distinguishable and not reported as if they were outputs.
- 8.2 Another reason for clearly distinguishing the forecast SSP is that it forms the basis for the historical SSP, the end-of-year performance report, which is audited as part of the entity's annual report.
- 8.3 Using output classes allows the entity to group services, and to aggregate them where possible. This gives report users enough information without burdening them with too much detail. Output classes should group similar outputs within one class. Irrespective of how the outputs are grouped, the underlying rationale should be clear and justifiable in all instances.
- 8.4 Entities should use the same output classes and headings in the medium-term part of the SOI as they have used in the forecast SSP. This is necessary to show a consistent performance framework within their performance reports and to help users identify the primary links from outputs to outcomes. It is also desirable that output classes are consistent or reconcilable between the financial and non-financial performance information, so users are better able to evaluate the entity's performance (for example, for cost-effectiveness).
- 8.5 Customs provides a well-structured list of its output classes (the column headed "Appropriations") in Part 1.2 of the *Information Supporting the Estimates of Appropriation* for Vote Customs (Example 20).

Contribution of Appropriations to Government Priorities and Outcomes

| Appropriations | Government Priorities - Themes/Sub-themes | Government Outcomes |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------|
| Policy Advice Clearance of International Passengers, Crew & Craft Clearance of Import, Export and Excise Transactions | Families - young and old Economic Transformation National Identity | Protection Facilitation Relationships Revenue |
| Intelligence and Risk Assessment Services Revenue Collection, Accounting & Debt Management Investigation of Offences Prosecutions and Civil Proceedings | Families - young and old Economic Transformation National Identity | Protection Revenue |
| Surveillance, Search and Containment National Maritime Coordination Centre | Families - young and old | Protection |
| Technical Advisory Services | Economic Transformation | Facilitation Revenue |

- 8.6 Within each output class, the forecast SSP should include the outputs for which the entity is accountable. These are the goods and services provided to third parties, whether delivered directly by the entity or delivered by contractors. All significant goods and services should be identified and reported on, to ensure users get a comprehensive, balanced, and proportionate picture of the entity's services.
- 8.7 What makes up an individual output as opposed to an output class or a sub-output is a matter of judgement. Practices vary across entities on the extent to which outputs are grouped into output classes or split into sub-outputs. The National Library of New Zealand clearly lays out its output classes, and outputs within those classes (Example 21).

Output Performance Measures and Standards

| Performance Measures | 2007/08 | | 2008/09 |
|--------------------------------------------------------------------------------|-------------------|---------------------------|-----------------|
| | Budgeted Standard | Estimated Actual Standard | Budget Standard |
| 1. Access to Information | | | |
| 1.1 Maintaining and building databases and access tools | | | |
| [...] | [...] | [...] | [...] |
| 1.2 Providing access to the collections | | | |
| [...] | [...] | [...] | [...] |
| 1.3 Advice and support for New Zealand libraries and information organisations | | | |
| [...] | [...] | [...] | [...] |
| 1.4 User satisfaction and access | | | |
| [...] | [...] | [...] | [...] |
| 2. Collecting and Preserving Information | | | |
| 2.1 Collecting and preserving information | | | |
| [...] | [...] | [...] | [...] |
| 2.2 Preservation and Conservation activities | | | |
| [...] | [...] | [...] | [...] |

- 8.8 The forecast SSP can be enriched by providing context informing the user about why the services are being delivered. If enough context is given, and relevant performance measures are chosen, the user should then be able to appreciate the relationship between the performance dimensions being measured and reported, and the effect that successful service delivery should have on the outcomes.
- 8.9 The Office of the Health and Disability Commissioner (Example 22) provides an informative contextual introduction to its output reporting. (However, the outcomes context here does not correspond well to the outcomes discussion elsewhere in the SOI, and we consider there is significant room for improvement in selecting and reporting its output performance measures.)

6.1 Output 1 – Complaints Resolution

Value 2008/09 **\$3,844,438**

The Commissioner has various options when a complaint is received to secure a fair, simple, speedy and efficient resolution. He may decide to take no action, for example, where the passage of time makes it impracticable to take any action, or where a complaint is made by someone other than the consumer and the consumer does not wish the matter to proceed.

The other options open to the Commissioner include:

- gathering additional information and sharing this with the parties concerned, which can often resolve the matter for the complainant
- writing an educational letter to the relevant party
- referring the complainant to the provider to work with the complainant to resolve the concerns raised, and asking both the provider and the complainant to report back on the outcome
- referring the complainant to advocacy for assistance in resolving his or her complaint
- referring the parties to formal mediation to resolve the complaint
- referring the complaint for investigation
- referring the complaint to an agency who is better placed to manage the complaint, for example, the Privacy Commissioner or the Human Rights Commission.

Where complaints are outside jurisdiction, the Commissioner's approach is always to assist the complainant or enquirer to identify the correct agency, as many callers find it difficult to discern the Commissioner's role from the name of the office, and often expect the office to be able to deal with any matters related to the broader health and disability sector issues.

HDC responds to enquiries from the public, health and disability service providers, and from a range of other associated bodies and organisations in the health and disability sectors. In responding to enquiries, HDC offers advice and information in order to assist consumers to better understand health and disability services and systems and to participate more fully in their care. The information and advice is provided both verbally and in writing. It can assist people to take their own action in managing concerns they have with a health or disability service provider. Sometimes it simply helps to clarify a matter and no further action on the part of the enquirer is needed.

When someone makes a complaint about a health or disability service, HDC looks for the lessons from the complaint and uses this to encourage improvements to the service in question. Complaints help consumers to have their needs and expectations known and understood. They assist in identifying poor practice and poor systems and allow remedial action to be taken. Complaints help to keep people safe by offering a learning opportunity to all involved, especially the health or disability service provider. Complaints offer insight into the reasons for near misses, preventable injuries, emotional harm and preventable deaths.

Serious complaints that are upheld offer an opportunity not only for learning but also for accountability. An individual or organisation that has seriously breached the Code of Rights may be censured by the Commissioner and face disciplinary action. Very serious cases are referred to the Director of Proceedings for prosecution, and this may result in loss of the right to practise as a registered health professional. This protects the public from providers whose practice is significantly below the acceptable standard and at risk of causing harm.

Where the Commissioner makes recommendations for improvements to services or an individual provider’s practice, he follows up to ensure that action has been taken. Information about the Commissioner’s findings, recommendations, and resulting action, is widely circulated to professional bodies and relevant organisations in order to share the learning from this work.

Output 1 – Complaints Resolution

Outcome

Ministry of Health Outcomes

Trust and security — New Zealanders feel secure that they are protected by the system from substantial financial costs due to ill health, and trust it because it performs to high standards, reflects their needs and provides opportunities for community participation.

System outcomes/Quality — Health and disability support services are clinically sound, culturally competent and well co-ordinated, and ongoing service quality improvement processes are in place.

HDC outcomes that contribute to the MOH outcomes:

Consumers are protected and are able to exercise their right to complain without fear of retribution.

Complaints about health and disability services result in significant improvements in the safety and quality of services.

| Output 1 | Performance Measures and Standards |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Complaints</i></p> <p>6.1.1 Every complaint is addressed promptly and impartially, using the most appropriate option under the HDC Act 1994.</p> | <p><i>Complaints</i></p> <ol style="list-style-type: none"> 80% of complaints are closed within six months, and 95% are closed in 12 months, with no files aged over 2 years. Quarterly updates on progress are provided. Less than one percent of complaints files are reopened after a closed file review¹ to determine the fairness and appropriateness of the original decision. Quarterly updates are provided. A random sample of consumers and providers is surveyed and feedback is sought regarding the timeliness and fairness of HDC complaints' processes. Reported in the final quarter. |
| <p><i>Complaints</i></p> <p>6.1.2 Where quality and safety issues are identified, changes are recommended. Recommendations are followed up to ensure improvements have occurred.</p> | <p><i>Complaints</i></p> <ol style="list-style-type: none"> Follow-up of recommendations confirms 100% compliance by providers. Progress is reported in the 3rd quarter. 10% of group providers (organisations) subject to recommendations from HDC, report systems changes to improve the quality and safety of their service. Reported in the final quarter. |
| <p><i>Complaints Resolution Process</i></p> <p>6.1.3 Review the Health and Disability Commissioner Act and Code of Rights as required by the HDC Act 1994.</p> | <p><i>Complaints Resolution Process</i></p> <ol style="list-style-type: none"> Review of Act and Code completed with findings and recommendations reported to the Minister of Health by 30 June 2009. |

¹ All requests for the Commissioner to reconsider his decision result in a closed file review.

6.2 Output 2 — Education

Value 2008/09 \$888,505

Through education HDC aims to have providers understand their responsibilities and comply willingly with the requirements of the Health and Disability Commissioner Act 1994, and have consumers know their rights under the Act and feel free from fear to exercise those rights.

The Advocacy Service is the primary vehicle for promoting awareness of the Code of Rights to the public, both to consumers and providers of health and disability services. However, the Commissioner's Office also focuses on several types of promotional and educational initiatives:

- *Presentations* at conferences and seminars, both nationally and internationally, on specific areas of interest to provider and consumer audiences. Findings from the Commissioner's complaints resolution work are used to facilitate a deeper understanding of issues providers and consumers need to be cognisant of, along with suggestions for service improvement. Staff from the Commissioner's Office often work in a co-facilitation role with advocates and consumers to deliver educational sessions to special interest groups.
- *Customised training* working with consumers to help them build support networks in situations where they are likely to need ongoing help to work in partnership with a particular provider or a number of providers. Customised training is also developed and implemented with individual providers and group providers to address their specific needs in relation to better meeting their obligations under the Code, whether it is changes to their practice or their systems.
- *Opinions* given by the Commissioner provide information for the public and, in particular, professional bodies on issues for improvement in the delivery of health and disability services. The opinions outline areas for learning around professional accountability and systems failure. Case studies are also available. These can be found on the Commissioner's website, www.hdc.org.nz.
- *Publications* in a range of media are available from the Commissioner's Office and can be ordered on-line or by post or fax. These publications explain the role of the Health and Disability Commissioner, the processes used in carrying out the Commissioner's functions, and information about the services offered by the Commissioner's Office. Many of these publications are available in languages other than English and Māori. There are easy-read versions of the key publications. All information produced is free to the public.
- *Articles* written by the Commissioner and members of his senior management team are published regularly in a wide range of health and disability journals, magazines and newsletters.
- *Media interviews and releases* are given where there are opportunities for wider learning as a result of HDC findings or where there is a perceived public safety issue.
- *DVD movies* are provided for use as training and awareness-raising tools and for providing general information.

Output 2 – Education

Outcome

Ministry of Health Outcomes

Trust and security — New Zealanders feel secure that they are protected by the system from substantial financial costs due to ill health, and trust it because it performs to high standards, reflects their needs and provides opportunities for community participation.

System outcomes/Quality — Health and disability support services are clinically sound, culturally competent and well co-ordinated, and ongoing service quality improvement processes are in place.

Reduced inequalities — we achieve an improvement in the health status of those currently disadvantaged, particularly Māori, Pacific peoples and people with low social economic status.

HDC outcomes that contribute to the MOH outcomes

Consumers are protected and are able to exercise their right to complain without fear of retribution.

Sustainable improvements in safety and quality in the health and disability sectors are achieved through learning from complaints.

| Output 2 | Performance Measures and Standards |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>6.2.1 Provide six-monthly Commissioner complaints trend reports to DHBs in September 2008 and March 2009.</p> <p>6.2.2 Develop two national educational initiatives aimed at strengthening consumer voice and increasing the use of consumer-centred approaches by providers, by 30 June 2009.</p> <p>6.2.3 Produce a DVD on the Code of Rights in New Zealand Sign Language by 30 June 2009.</p> <p>6.2.4 Produce and deliver 300,000 units of educational material by 30 June 2009.</p> <p>6.2.5 Facilitate two consumer seminars by 30 June 2009.</p> <p>6.2.6 Provide 20 education presentations to health and disability sector organizations by 30 June 2009.</p> <p>6.2.7 Provide two intensive provider training programmes for providers who may work in isolation or in settings where there is little or no input from consumers of the service.</p> <p>6.2.8 Provide quality responses to relevant submission documents affecting the rights of health and disability services consumers.</p> | <ol style="list-style-type: none"> 1. 80% of DHBs report that they find the trend reports useful and describe how they have used the trend information. 2. Educational initiatives implemented. 3. DVD produced. 4. Percentage of new orders rather than repeat orders for educational material increases from 3% to 5% a month. 5. 80% of participants who respond to the seminar evaluation rate that they were satisfied or very satisfied with the usefulness of the seminar. 6. 100% of requestors of education presentations rate that the presentations met their expectations. 7. 80% of participants who respond to an evaluation of the intensive training programme rate that they were satisfied or very satisfied with the content and delivery of the programme. 8. Provide an annual report on the impact of policy advice given and submissions made by 30 June 2009 with quarterly updates on the percentage of satisfaction with the quality of our policy advice and submissions. |

Part 9

Performance measures and targets for outputs

- 9.1 To provide a balanced and rounded performance story about service delivery, it is usually necessary for output performance measures to cover several dimensions of performance (for example, quantity, quality, and timeliness of service delivery). It may also be necessary to include a variety of different measures within each dimension (that is, several quantity or quality measures).
- 9.2 The Securities Commission adopts a clear and orderly format, grouping together measures of quantity, quality, timeliness, and cost in its forecast SSP (Example 23). We have reservations about several of the performance measures themselves, but consider the output information to be clearly presented and well organised.
- 9.3 The clear categorisation of dimensions presented by the Securities Commission in its SOI can be easily applied to the *Information Supporting the Estimates of Appropriation*, as shown by the Ministry of Social Development (Example 24). The budgeted and estimated actual figures for 2007/08, required in the *Information Supporting the Estimates of Appropriation*, provide a useful background to the 2008/09 targets.

| Performance measures Surveillance and enforcement | Performance standards | |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| | 2008/2009 Forecast | 2007/2008 Achievements as estimated at 30 April 2008 |
| <i>Quantity</i> | | |
| Complete surveillance actions that meet the Commission's case criteria relating to the above matters | 132 | 87 |
| Complete the enforcement actions that meet the Commission's case selection criteria, relating to the above matters. | 5 | 6 |
| One key area (e.g. finance companies or adviser disclosure statements) is identified, investigated & reported on | 1 | NA – new measure in 2008/09 |
| Complete the financial reporting surveillance programme | 2 cycles in the year | 2 |
| <i>Quality</i> | | |
| Surveillance & enforcement resources are applied in accordance with the Commission's market surveillance and enforcement priorities | Full compliance | Full compliance |
| The desired regulatory result is achieved in surveillance cases where deficiencies are identified | 90% | NA – new measure in 2008/09 |
| Enforcement actions achieve the desired regulatory result. | 80% | 80% |
| There is no successful judicial review of the Commission's decisions or actions. | 100% | 100% |
| <i>Timeliness</i> | | |
| Complete surveillance actions | On average within 3 months | On average within 3 months |
| Progress civil enforcement actions from investigation to the filing of proceedings. | On average, within 24 months of commencement of investigation | No cases taken |
| Complete other enforcement actions. | On average, within 6 months of action commencing | 1.5 months |
| Complete financial reporting surveillance reporting programme | On average within 9 months of commencing each cycle | On average within 8.7 months of commencing each cycle |
| <i>Cost</i> | | |
| Expenditure allocated to surveillance and enforcement work | 38% | 38% |

Output Performance Measures and Standards

| Performance Measures | 2007/08 | | 2008/09 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------|-----------------|
| | Budgeted Standard | Estimated Actual Standard | Budget Standard |
| Quality | | | |
| The percentage of actions accurately processed by War Pensions Services will be no less than: | 95% | 95% | 95% |
| Timeliness | | | |
| The percentage of new disability applications and reassessments of accepted disability that are administered and processed by the Ministry of Social Development (applications are acknowledged and the decision of the claims panels relayed to veterans) will be completed within 14 working days will be no less than: | 85% | 90% | 90% |
| The percentage of National Review Officer decisions that are administered and processed by the Ministry of Social Development (application acknowledged and decision referred to the claims panel) within 9 working days will be no less than: | 90% | 90% | 90% |
| The percentage of ad hoc payments, overseas treatment schedules, rehabilitation schedules and reimbursements that will be made within 21 working days of receipt will be no less than: | 97% | 97% | 97% |
| The percentage of calls answered within 20 seconds will be no less than: | 90% | 90% | 90% |
| The percentage of new Veteran's Pension applications that are administered and processed by the Ministry of Social Development (application acknowledged and decision relayed to the veteran) within 7 days will be no less than: | 90% | 90% | 90% |
| Veterans' satisfaction | | | |
| The results of the veterans' satisfaction survey will be reported biennially to the Minister, where veterans' satisfaction with the level of service and information provided will be no less than: | 85% | 85% | 85% |

- 9.4 Performance measures need to be meaningful. They need to measure the service aspects that represent good performance, and that are within the control of the reporting entity. Therefore, performance measures need to be relevant, controllable, valid, verifiable, unbiased, complete and balanced, understandable, and comparable.
- 9.5 Specific and measurable targets should be attached to the performance measures, preferably with comparative data, including prior-year targets and actuals (see Example 24). The SOIs (including the forecast SSPs for Crown entities) provide scope for reporting longer-term historical trend information that gives users some context for the current set targets. At the very least, forecast targets should be included for the forthcoming annual reporting period. Longer-term targets are more useful in helping users understand the direction and level of the entity's intended performance. Comparative information from other entities, regions, or countries can function as useful benchmarking.
- 9.6 Well-specified targets with contextual information allow users to gauge the entity's intended level of performance for the period and to compare actual performance against intended performance. Targets should be reasonable (in terms of representing best estimates), and reflect the priorities of the entity, its resources, decisions, and past performance.
- 9.7 Many of the Department of Internal Affairs' performance measures in the Vote Internal Affairs Estimates material relates to quality measures (for example, error rates) and timeliness measures (for example, turnaround times for applications). Other types of measures are used in its Regulatory Services output class (Example 25). Of note in Vote Internal Affairs is the considerable amount of "activity information", which is demand-driven.

Output Performance Measures and Standards

| Performance Measures | 2007/08 | | 2008/09 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------|
| | Budgeted Standard | Estimated Actual Standard | Budget Standard |
| Regulatory Services - Gambling | | | |
| Percentage of licence renewal applications processed within two months of receipt is no less than: | 80% | 73% | 80% |
| Percentage of all other licence applications processed within one month of receipt is no less than: | 90% | 80% | 90% |
| Percentage of audits of gaming machine societies completed within three months and the balance within six months. | 80% within 3 months 20% within 6 months | 80% within 3 months 20% within 6 months | 80% within 3 months 20% within 6 months |
| Percentage of breaches found in audits and investigations that are followed up and result in rectification or further compliance action, in accordance with the timeframes set out in the relevant follow-up process, is no less than: | 100% | 100% | 100% |
| Percentage of gambling prosecution cases dismissed where prima facie case is not established is no more than: | Revised measure | Revised measure | 5% |
| Percentage of respondents to a survey of gambling sector organisations and operators who rate their satisfaction with how information services provided by the Department support their ability to comply with relevant laws, conditions and rules at 3 or above on a scale of 1 to 5 is no less than: | 85% | 85% | 85% |
| Number of formal presentations and compliance educational inspections to the gambling sector. | 10 formal presentations 500 compliance educational inspections | 25 formal presentations 250 compliance educational inspections | 10 formal presentations As required for compliance educational inspections |
| Activity Information¹ | | | |
| Number of licence renewal applications processed. | New measure | New measure | 350 - 400 |
| Number of other licence applications processed. | New measure | New measure | 5,500- 6,000 |
| Number of audits of casino operators and gambling sector organisations identified as high risk, in accordance with their risk profile. | As required | 60 | As required |
| Number of investigations of casino operators and gambling sector organisations where serious non-compliance is identified through audit, intelligence or complaints. | As required | 70 | As required |

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|
| Number of instances of non-compliance with gambling laws that are detected during audits and investigations that result in a warning or sanction. | As required | 400 | As required |
| Number of non-compliant activities that have resulted in a prosecution, an infringement notice, or application to the Gambling Commission. | As required | 70 | As required |
| Gambling Commission | | | |
| The Gambling Commission's satisfaction with the services provided by the secretariat is 3 or above on a scale of 1 to 5. | 3 or above | 3 | 3 or above |
| Regulatory Services - Censorship | | | |
| Percentage of non-compliant practices identified during inspection processes or as a result of complaints are dealt with during the inspection or within 3 months, and the balance dealt with within 12 months. | 75% within 3 months 25% within 12 months | 75% within 3 months 25% within 12 months | 75% within 3 months 25% within 12 months |
| Percentage of censorship prosecution cases dismissed where prima facie case is not established is no more than: | Revised measure | Revised measure | 5% |
| Activity Information¹ | | | |
| Number of inspections at outlets for publications/videos/films undertaken. | 1,500 | 1,500 | 1,500 |
| Number of censorship complaints and proactive investigations for publications/videos/films and on the Internet responded to. | 700 | 700 | 700 |
| Number of censorship prosecutions undertaken. | 20 - 40 | 40 | 20 - 40 |
| Regulatory Services - Unsolicited Electronic Messages | | | |
| Percentage of non-compliant practices identified as a result of complaints which are dealt with within 3 months of receipt and the balance dealt with within 12 months of receipt of the complaint. | New measure | New measure | 75% within 3 months 25% within 12 months |
| Number of formal presentations to industry and the community. | New measure | New measure | 4 |
| Activity Information¹ | | | |
| Number of New Zealand-linked complaints and proactive investigations responded to. | New measure | New measure | 700 |

¹ Activity information relates to output volume measures that are demand driven and therefore outside the Department's control.

- 9.8 Generally, data that record demand-driven events relate to matters outside the reporting entity's control (for example, number of applications received, number of prisoners, and number of students enrolled in compulsory education programmes). They are not often "true" measures of performance, because demand-driven data do not tell the user about how well the service is being delivered. However, purely demand-driven data may provide context, and be useful when they relate to real measures of performance (for example, the effect on the quality of services from a change in throughput volume).
- 9.9 Usually, reporting demand-driven data is unnecessary from an external performance reporting perspective. However, if the demand-driven data are included in a forecast SSP for contextual reasons, then this inclusion should be justified and explained. Importantly, reporting demand-driven data is not a substitute for true service performance measures and targets, or results.
- 9.10 If the demand-driven data are considered necessary to provide meaning to service performance reports, then they should be clearly identified and separated from the true performance measures. The Department of Internal Affairs has done exactly that and includes a useful footnote explanation (Example 25).
- 9.11 We consider that the New Zealand Qualifications Authority (NZQA) provides one of the better examples of a Crown entity forecast SSP, in terms of its clear and orderly layout (Example 26). The format of NZQA's report provides a useful starting point for showing its output classes, outputs, performance measures, and targets. However, the report could be clearer if separate columns for performance measures and performance targets are included to distinguish the measure from the target.
- 9.12 Although there are areas for improvement in the content of the forecast SSP, we consider this example shows a useful format for presenting performance targets across the various dimensions (that is, quantity, quality, and timeliness). Areas for improvement in content include: removing information on processes; better identification of some outputs; and identifying performance criteria where they are currently absent.

Output 2.1: Monitor quality assurance process and bodies

This output class involves the development and management of quality assurance processes. This includes the management of relationships with quality assurance bodies and education agencies, the monitoring of the delegation to ITPQ, and processes associated with NZQA's own activities as a quality assurance body.

| Description | Quantity and Timeliness | Quality |
|-----------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------|
| Audit ITPQ against quality assurance standards for quality assurance bodies | Complete an audit of degree processes | 100% ITPQ audits are reviewed against agreed criteria for continuous improvement |

Output 2.2: Support providers at risk

This output class involves services to monitor and support providers at risk and potentially at risk, and manage complaints about tertiary education organisations that are quality-assured by NZQA.

| Description | Quantity and Timeliness | Quality |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Provider trusts audited to ensure compliance with Student Fee Protection policy | [...] | 100% compliant with NZQA's quality assurance standards and procedures |
| Complaints regarding PTEs are managed | 90% of complaints concluded within agreed timeframes | All complaints are concluded to documented processes |
| Manage the process of deregistration, or other NZQA risk management action in relation to providers <i>(Volume is demand driven)</i> | | No successful appeals due to NZQA's management of the process |
| Interventions in the tertiary sector | | The interagency risk group is 100% satisfied with NZQA's monitoring systems and interventions |
| Develop and agree a process to review key risks | Completion by December 2008 | Processes ensure key risks are identified and mitigated |

Output 2.3: Moderation and support

This output involves services to enhance and maintain systems that ensure valid and consistent internal assessment for candidates in secondary schools.

| Description | Quantity and Timeliness | Quality |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| School-based internal assessments moderated | <ul style="list-style-type: none"> • 10% of reported results moderated • 95% of moderation materials returned and reports completed within published timeframes | Less than 1% successful appeal against secondary moderator judgements as a percentage of secondary moderator judgements made |

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <p>Quality audits, external evaluations and reviews completed during the year <i>(Note: Volume and performance will be impacted by the tertiary reforms)</i></p> | <ul style="list-style-type: none"> • 500-580 • 90% of draft audit reports completed and sent to provider within 20 days of the completion of the audit visit | <p>100% of quality audits of all types completed comply with the Quality Management System policies and procedures</p> |
| <p>Development of quality assurance processes and systems to support the Tertiary Reforms</p> | <p>Work completed to project plan</p> | <p>SLG satisfaction with project performance</p> |

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