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Reporting on what went well and what didn't

The public sector spends about $180 billion of public money each year.[1] Performance reporting by public organisations is crucial for enabling the public and Parliament to determine whether this money is being spent appropriately and achieving what was intended.

Current performance information often highlights successes, achievements, and what went well, but usually gives less attention to things that did not go as well or as planned.

In our view, reporting on what didn't go well is as important as reporting on what did. It also demonstrates a commitment to transparency and provides a platform from which organisations can discuss plans for improvement.

Being clear about what didn't go well allows organisations to provide a faithful representation and a balanced story to Parliament, the media, and the public. It helps public organisations to "front foot" performance issues and explain what they are doing to build on their successes and address areas of concern.

Why don't we see many examples of reporting on what didn't go well?

There are many reasons why organisations might not want to clearly report on what didn't go well in an annual report. Organisations might see a risk of public criticism and they might also be nervous that acknowledging failures or shortcomings could damage their reputation and erode public confidence in them, their governors, or their ministers.

We previously reviewed annual reports for balanced reporting

In April 2022, the Office of the Auditor-General, the Treasury, and Audit New Zealand published joint guidance entitled *Good Practice in Reporting about Performance*. It included a review of 40 annual reports from 2020/21, identifying performance reporting good practice.

1 The Treasury (2024), *Financial Statements of the Government of New Zealand for the Year Ended 30 June 2024*.

It included a section that provided three examples of balanced reporting on what went well and what didn't. Those examples were:

1. New Zealand Customs 2020/21 annual report had a simple, clear, one-page summary that transparently reported on "what was on-track", "what was off-track", and "what didn't happen". This section was presented early and prominently in the annual report.
2. Inland Revenue Department's 2020/21 annual report was transparent in reporting on service delivery and performance issues and concerns. The reporting showed a clear focus on learning by identifying where issues and concerns were arising and focusing on improvement.
3. Accident Compensation Corporation's 2020/21 annual report clearly reported on performance objectives it was not achieving, displayed by a graph that showed a trend over five years. It also included comments on how it intended to improve its performance.

What we reviewed this time for balanced reporting

In 2025, we reviewed the 2023/24 annual reports of seven large public organisations. We looked for prominent and clear examples of reporting on what went well and what didn't go well. We looked at reporting by:

- Ministry of Business, Innovation and Employment;
- Ministry for Primary Industries;
- Ministry of Social Development;
- Ministry of Education;
- Ministry of Justice;
- Waka Kotahi New Zealand Transport Agency; and
- Te Whatu Ora Health New Zealand.

Of the seven annual reports reviewed, only Te Whatu Ora Health New Zealand prominently reported on what did not go well. It acknowledged the need to improve factors that contributed to a decline in access to critical health services. The Chief Executive's message also directly referred to an inability to stay within budget.

We did find some less prominent examples of reporting on what did not go well in the annual reports we reviewed. These examples were often in the service performance information or later in the annual report, which required a more thorough read. We suggest that organisations consider how to give their reporting on what didn't go well the same level of prominence as what did.

How did we assess "prominent reporting" on what didn't go well?

Annual reports usually provide a summary that highlights early in the document what was achieved. This can be shown through a "year in numbers" section, text that explains the achievements, or a timeline of work completed. The chief executive's overview is another common place to report the key achievements of the organisation.

To provide balance to commentary about achievements, we looked for prominent and easily found reporting on what didn't go well. We did not find many examples. We suggest that the best places in the annual report to prominently report on what didn't go well would be:

- in the chief executive's overview;
- on a page dedicated to what didn't go well, with a clear title; and/or
- in headings that use explicit language along the lines of "what didn't go well", "areas for improvement", or similar so that the reader can find it easily.

For example, in our own annual report we have clearly titled pages dedicated to what went well and what did not go well.

Discussion about what didn't go well during select committee annual review scrutiny

Each year, select committees scrutinise the performance of annually reviewable public organisations. At these hearings, organisations provide the select committee with opening remarks that are usually a brief overview of the past year (these should be kept to 3-6 minutes).

In some instances, we observed discussion in hearings about areas in which organisations thought they did not perform well. This type of discussion, however, was often not represented clearly in the annual report.

Conclusion

Reporting on what went well and what didn't go well is a straightforward way for public organisations to support accountability and transparency. This helps build trust in their reporting, and enhances the usability of these reports for readers. It is also a way for public organisations to demonstrate their commitment to continuous improvement and effective use of public money.

However, the public organisations we reviewed mainly emphasised what went well. We encourage senior leaders in the public sector to prioritise balanced reporting in their 2024/25 annual reports – covering what went well as well as what didn't go well.

Next steps

We intend to repeat our review of these organisations' reporting on what went well and what didn't, after the 2024/25 annual reports are published.

We also note that the Treasury will be releasing updated guidance on annual reports and end-of-year performance reporting at the end of April.