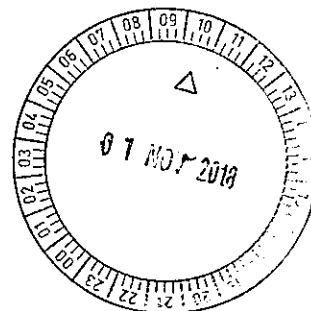




ATTORNEY GENERAL

Our Ref: 67-08502 & 67-08503



Hon. Alanna Clohesy MLC
Chair, Standing Committee on Estimates and Financial Operations
18-32 Parliament Place
WEST PERTH 6005 WA

By Email: icefoc@parliament.wa.gov.au

Dear Ms Clohesy

2018-19 ANNUAL REPORTS – QUESTIONS PRIOR TO HEARING

I am writing to you to provide answers to annual reports currently being examined by the Committee.

Attached to this letter is responses from the Department of Justice and Office of the Director of Public Prosecutions.

Should you have any questions please contact my office on 6552 6800.

Yours sincerely

Hon. John Quigley MLA
ATTORNEY GENERAL

Attach

APPENDIX

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2017-18 Annual Reports questions prior to hearings

Department of Justice

The Committee asked:

1) For each matter that had an impact in 2017-18, how much was spent on

(a) each spending change identified in the 2017-18 Budget and the 2018-19 Budget

Answer: Refer to Tables 1 and 2 attached.

(b) each capital project listed in the 2018-19 Budget asset investment program?

Answer: Refer to Table 3 attached.

2) How frequently do you review your

(a) key performance indicators

Answer: The Department of Justice conducts periodic OBM reviews to ensure the structure remains relevant and meaningful and supports the Department's agency level desired outcomes and the delivery of services. Reviews may commence following external requests from the Department of Treasury, or be initiated internally due to organisational change to structure and/or core function.

(b) key performance indicator targets?

Answer: Key performance indicator targets are reviewed annually as part of the budget statement process.

3) When were your key performance indicators last reviewed?

Answer: Department of the Attorney General (DotAG) – 2014

Department of Corrective Services (DCS) - 2010

JA 31-10-18

4) Can you provide any documentation from your last review of your key performance indicators?

Answer: Refer attached for the 2014 DotAG review. The Department is unable to locate documentation for the 2010 DCS review.

5) Can you list any new key performance indicators for this year?

Answer: The Department of Justice's 2017-18 annual report reports on OBM structure reflects outcomes, services and key performance information following the amalgamation of the Department of the Attorney General and Department of Corrective Services due to Machinery of Government changes on 1 July 2017. No new key effectiveness or key efficiency indicators were incorporated into the OBM structure for the 2017-18 period.

GR 31-10-18

TABLE 1

2017-18 Spending Changes Identified in the 2017-18 Budget

	Note	2017-18 Budget Estimate \$'000	2017-18 Actual Expenditure Impact \$'000
Election Commitments			
Methamphetamine Action Plan			
Drug Testing	1	329	329
Triage Unit	1	592	592
Other			
Community Safety Network.....		216	216
District Court Judicial Resources.....		1,446	1,446
Enhanced Driver Training.....		(1,224)	(1,224)
Ex-Gratia Payments.....		(a)	1,140
Family Court Temporary Judicial Resources		375	375
Freeze Salaries and Allowances Tribunal Determined Salaries		(528)	(528)
Growth in Prisoner Population.....		49,769	49,769
Justice Pipeline Model	2	850	195
Legal Aid			
Kimberley Interpreting Services		200	200
Non-Government Human Services Sector Indexation Adjustment.....		(26)	(26)
Revision to Indexation for Non-Salary Expenses.....		(179)	(179)
State Indictable Matters.....		2,766	2,766
Non-Government Human Services Sector Indexation Adjustment.....		(248)	(248)
Recalculation of Savings Targets		3,251	3,251
Regional Workers Incentive Allowance Payments		(755)	(755)
Regional Youth Justice Services Strategy - Kimberley and Pilbara		5,500	5,500
Resolution of Native Title in the South West of Western Australia (Settlement).....		188	188
Revision to Accommodation Expenses for the David Malcolm Justice Centre ...		(457)	(457)
Revision to Indexation for Non-Salary Expenses		(695)	(695)

(a) Not able to be disclosed, pending final outcomes.

Notes:

1. Spent on Wandoo development.
2. As part of the 2018-19 Budget process, the Government approved the reflow of \$655,000 into 2018-19.

TABLE 2

2017-18 Spending Changes Identified in the 2018-19 Budget

	2017-18 Estimated Actual \$'000	2017-18 Actual Expenditure Impact \$'000
Election Commitments		
Law Reform Initiatives - Civil Litigation Reform.....	427	427
Senior Executive Service Reduction.....	(1,000)	(1,000)
Other		
Cost and Demand Forecasts.....	(1,486)	(1,486)
Family Court - Commonwealth Grant.....	282	282
Government Office Accommodation Reform Program.....	(445)	(445)
Government Regional Officer Housing.....	2,364	2,364
Integrated Courts Management System.....	(399)	(399)
Legal Aid		
Cost and Demand Forecasts.....	3,761	3,761
New Public Sector Wages Policy.....	(173)	(173)
State Fleet Policy and Procurement Initiatives.....	(23)	(23)
Voluntary Targeted Separation Scheme ^(a)	784	784
New Public Sector Wages Policy.....	(1,809)	(1,809)
Regional Workers Incentive Allowance Payments.....	179	179
State Fleet Policy and Procurement Initiatives.....	(308)	(308)
Voluntary Targeted Separation Scheme ^(a)	10,127	10,127

(a) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April 2018 Budget cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

TABLE 3

2017-18 Asset Investment Program Identified in the 2018-19 Budget

	Note	2017-18 Estimated Expenditure \$'000	2017-18 Actual Expenditure \$'000
WORKS IN PROGRESS			
Administrative			
Information Projects			
Corporate Information Management Systems		600	406
ICT Infrastructure Upgrade		1,073	738
Replacement of Western Australian Registration System		2,800	1,934
Upgrading of Alesco, Financial and Budgeting System		1,301	1,021
Physical Infrastructure - Replacement Office and Other Equipment		2,081	471
Community Corrections - Office Establishment and Refurbishment		839	112
Courts			
Building Infrastructure and Maintenance		1,099	2,528
Court and Judicial Security		509	947
Court Audiovisual Maintenance and Enhancements		1,256	1,445
Kununurra, Broome and Karratha Courthouses		1,469	1,334
Custodial			
Building Infrastructure and Maintenance			
Adult Facilities		4,116	4,223
Youth Facilities		323	1,011
Building Upgrades and Replacement		3,154	2,422
Bunbury Regional Prison Expansion		4,500	257
Casuarina Prison Expansion		5,418	225
Cell Upgrade and Ligature Minimisation Program		1,125	2,401
Custodial Infrastructure Program - Administered Equity		6,264	2,888
Election Commitment - Methamphetamine Action Plan Wandoo Facility Infrastructure		4,184	2,330
Prison Industries - Mobile Plant		651	766
COMPLETED WORKS			
Administrative - Information Projects			
Decommissioning Shared Corporate Services Project		82	10
ICT Systems - Life Extension and Upgrades Administered Equity		50	33
SSO - Legal Practice Systems		500	105
Community Corrections - Office Accommodation North West Metro (Mirrabooka)		918	754
Courts - Carnarvon Police and Justice Complex		600	430
Custodial			
Acacia Wastewater Treatment Plant		1,300	643
Community Safety Network		204	79
Election Commitment - Methamphetamine Action Plan Drug Testing		600	18
West Kimberley Regional Prison		230	204
Total Cost of Asset Investment Program	1	47,246	29,735

Notes:

1. The Department has made a submission to the Government as part of the 2018-19 Mid-year Review to carryover the 2017-18 underspend of \$17.5 million into 2018-19 and across the forward estimates.

Outcome Based Management (OBM) Reporting

BACKGROUND

The OBM framework is reviewed each year to ensure it remains relevant and meaningful and supports achievement of the Department's agency level desired outcomes and the delivery of services. Agencies' OBM frameworks, including KPIs must be approved by the Under Treasurer before they can be implemented. Any changes to agency level outcomes, services or KPIs must also be approved by the Under Treasurer. All submissions to the Department of Treasury seeking to amend the OBM framework require the approval of the Director General and advice of the changes must be provided to the Attorney General.

Business areas are urged to periodically review their OBM structures which include services, outcome statements and KPIs to ensure that they remain relevant, meaningful/helpful for the achievement of agency level desired outcomes and delivery of services.

The revised OBM structure can be used as the basis for the next agency Budget Statements. Performance in relation to the KPIs in the Budget Statements is reported at the end of the financial year to which the Budget Statements relate.

The Department of the Attorney General (DotAG) implemented major revisions to its OBM structure in 2005, 2007 and 2009.

CHANGES FROM 2006 TO 2013

2005 Status (2006-07 Budget)

In March 2005, following a review carried out within the then Department of Justice, the OSRG endorsed a revised OBM framework known as the Justice System Framework (JSF). The JSF comprised 10 services for DotAG, five of which related to Court and Tribunal Services. The JSF also included two services which also applied to the Department of Corrective Services.

The OBM was as follows:

Government Goal	Desired Outcome	Services
To enhance the quality of life and wellbeing of all people throughout Western Australia.	The right to justice and safety for all people in Western Australia is preserved and enhanced.	<ol style="list-style-type: none">1. Judiciary and judicial support2. Civil justice services3. Family court services4. Adult criminal justice services5. Juvenile criminal justice services6. Advocacy, guardianship and administration services7. Trustee services8. Births, deaths and marriages9. Services to Government10. Legal aid assistance

Outcome Based Management (OBM) Reporting

2006 Changes (2007-08 Budget)

In 2006 Court and Tribunal Services reviewed its component of the OBM structure. The existing JSF services and KPIs for the Courts and Tribunals sector were replaced with new services and KPIs which better reflect the performance of Courts and Tribunals. The revised structure was approved by the OSRG in February 2007, implemented in the 2007-08 budget statements and reported in the 2008 annual report.

In 2006 the Outcome Structure Review Group (OSRG) approved changes to the department's OBM structure to reflect the split of DoJ to DotAG and the Department of Corrective Services (DCS). The changes were intended to be an interim arrangement until the DotAG and DCS were in a position to establish a long term strategic framework from which agency level outcomes, services and key performance indicators could be derived.

The interim OBM structure for DotAG consisted of the existing DoJ agency level outcome and the services, effectiveness indicators and efficiency indicators from the DoJ OBM structure relevant to the new department. As with the 2005 changes this structure was only in place for a single budget cycle which did not provide sufficient time to evaluate the impact of the changes on the department's internal management decision making process.

The OBM was as follows:

Government Goal	Desired Outcome	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	The right to justice and safety for all people in Western Australia is preserved and enhanced.	<ol style="list-style-type: none"> 1. Court and Tribunal Services 2. Advocacy, Guardianship and Administration Services 3. Trustee Services 4. Births, Deaths and Marriages 5. Services to Government 6. Legal Aid Assistance

2007 Changes (2008-09 Budget)

While the OBM structure created as an interim measure following the split of DoJ represented the operations of DotAG, they were created as part of a strategic whole of justice system structure and were not easily linked to the department's budget process and did not reflect the business of individual court levels.

The most recent changes to DotAG's OBM structure approved in February 2007 combined the operations of the courts and tribunals sector of DotAG into a single service and implemented a set of jurisdiction based key performance indicators to replace the previous sector wide indicators.

Experience during the trial period in 2006-07 and the 2007-08 budget process showed that the new OBM structure was working better. It was more relevant and consistent with the way we 'run our business' in the courts and tribunal sector. In particular, the use of timeliness indicators (e.g. 'time to trial' and 'time to finalise') is considered more relevant for WA Courts. DotAG's budget submissions to Government addressed the impact on 'time to trial' and 'time to finalise' and the Minister and other stakeholders were able to grasp this concept easily.

The other important change has been the move to jurisdiction based key performance indicators. Previously, the indicators covered all Court and Tribunal activities. Because the

Outcome Based Management (OBM) Reporting

Magistrates Court hears the vast majority of all cases the previous sector wide measurement of indicators was dominated by Magistrates Court outcomes. This tended to disguise important trends in other jurisdictions. Under the new regime, management could better target resource and other decision making to meet the needs of each jurisdiction.

There was no change to the OBM structure:

Government Goal	Desired Outcome	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	The right to justice and safety for all people in Western Australia is preserved and enhanced.	<ol style="list-style-type: none"> 1. Court and Tribunal Services 2. Advocacy, Guardianship and Administration Services 3. Trustee Services 4. Births, Deaths and Marriages 5. Services to Government 6. Legal Aid Assistance

2008 Changes (2009-10 Budget)

Four new KPIs were added in the Court and Tribunal Services area and were reported in 2009-10 budget process. The new KPIs account separately for performance in relation to Single Judge Appeals (SJAs) and other Supreme Court Civil jurisdiction matters. SJAs are appeals from the Magistrates Court heard by a single Supreme Court Judge. Chief Justice Martin strongly expressed the view that this will more accurately reflect the activities of the Supreme Court of Western Australia and make the KPI results more transparent and easily understood by the reader.

In addition, the Office of Native Title (ONT) was also incorporated into DotAG in 2009-10.

Government Goal	Desired Outcomes	Services
Outcomes-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	The right to justice and safety for all people in Western Australia is preserved and enhanced.	<ol style="list-style-type: none"> 1. Court and Tribunal Services 2. Advocacy, Guardianship and Administration Services 3. Trustee Services 4. Births, Deaths and Marriages 5. Services to Government 6. Legal Aid Assistance
	Resolution of Native Title matters in accordance with Government policy.	7. Native Title Policy Development, Implementation and Negotiation


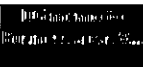





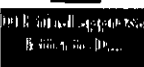
2009 Changes (2010-11 Budget)

The Department's Outcome Based Management (OBM) structure was amended to make the agency level outcomes more relevant to the activities of DotAG and ensure that only key indicators of performance are reported. The previous high level agency wide outcomes were replaced by a number of outcomes more closely aligned with the Department's organisational structure. The number of Key Performance Indicators was reduced from 61 to 40, primarily in the Court and Tribunal Services area, and some other minor amendments have been made to ensure that key effectiveness indicators relate to the new agency level outcomes and that only key indicators are reported.

Outcome Based Management (OBM) Reporting

Government Goals	Desired Outcomes	Services
Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	An efficient, accessible court and tribunal system. ⁽⁶⁾	1. Court and Tribunal Services
	Trustee, Guardianship and Administration services are accessible to all Western Australians.	2. Advocacy, Guardianship and Administration Services 3. Trustee Services
	Western Australian birth, death and marriage certificates are accurate and accessible.	4. Births, Deaths and Marriages
	Government receives quality, timely legal and legislative drafting services.	5. Services to Government
	Equitable access to legal services and information.	6. Legal Aid Assistance
Social and Environmental Responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.	Native Title matters are resolved in a timely manner.	7. Native Title Policy Development, Implementation and Negotiation

The following documents provide an idea of how the change process was carried out:

Letter from ED Corp Serv to Business Areas  	Letter to Minister  	Letter to Under Treasurer  	Approval Letter from Treasury  
--	--	--	---

The OBM framework was also amended to cater for the transfer of the Office of Native Title (ONT) from the Department of the Attorney General to the Department of the Premier and Cabinet. The transfer became effective on 1 April 2011 and results for Key Performance Indicators for ONT relate to the period 1 July 2010 to 31 March 2011.

This change was reflected in the 2011-12 and 2012-13 budget papers and the number of key performance indicators reduced to 37:

Government Goal	Desired Outcomes	Services
Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	An efficient, accessible court and tribunal system. ⁽⁶⁾	1. Court and Tribunal Services
	Trustee, Guardianship and Administration services are accessible to all Western Australians.	2. Advocacy, Guardianship and Administration Services 3. Trustee Services
	Western Australian birth, death and marriage certificates are accurate and accessible.	4. Births, Deaths and Marriages
	Government receives quality, timely legal and legislative drafting services.	5. Services to Government
	Equitable access to legal services and information.	6. Legal Aid Assistance

Outcome Based Management (OBM) Reporting

2013 Changes (2013-14 Budget)

The OBM structure was amended for 2013-14 to cater for the merging of two key efficiency indicators into one, 'Court of Appeal – Cost per case'.

Previously, this indicator was reported separately as 'Court of Appeal - Criminal - Cost per case' and 'Court of Appeal - Civil - Cost per case'. Since the inception of these indicators in 2007 it has been demonstrated that there is no cost differential between the criminal and civil components.

The merging of these has brought the number of key performance indicators down to 36.

Outcome Based Management (OBM) Reporting

Previous Audit Opinions (leading to changes)

Meeting with OAG and DTF on 18 November 2009

Purpose: The following minutes of meeting provides an idea of how some of the KPIs have been derived and options explored.

Table 1: DotAG OBM Review – Meeting Outcomes

Discussion Issue	Meeting Outcome/Notes
<p>Appropriateness of the suggested new agency level outcomes.</p>	<p>Outcome 1. Everyone is happy with the suggested options Notes 2. Issue raised revolved around the following Is the word 'accessible' used in the same context across first three outcome statements (CTS, PTO&OPA, RBDM)? Indicators would be dependent on the definition of the word 'accessible' across each of the outcomes. Question was raised around appropriateness of 'Extent to which PT maintains market share' indicator as it was not clear how it fits into the definition of accessibility.</p>
<p>Appropriateness of quantum of the suggested reduction in KPIs.</p>	<p>Outcome 1. A number of comments regarding the relevance and appropriateness of the KPIs were made. Notes 2. DTF questioned the Time to Finalise KPI. It was seen that this KPI sits above the Time to Trial indicator and that it encompasses an element that is outside of DotAG control i.e. how do we know when the SAT members will finalise a particular matter? DotAG response was that time to trial is appropriate for some jurisdictions and time to finalise for others (depends on Judicial definitions within court system). Inappropriate use of time to finalise means we are including performance of Judiciary. 3. DTF questioned the CTS KPIs in the context of appropriateness for stakeholders. An observation was made that the existing KPIs may reflect internal management needs and that perhaps we could consider KPIs that cater to key external stakeholders (I think this is an important point. Key stakeholders are OAG, DTF and Parliament and then the people). DotAG response was that Time to Trial is seen as particularly relevant to general public as individuals in the Court system want to know how long it will take to adjudicate their case e.g. If one is on remand, the length of time to get their trial underway would be of significant interest or if one has a civil case, the same would apply. This measure is readily understandable to the general public – the length of time one can expect to wait to have their dispute adjudicated (excluding Judicial time). 4. Accuracy KPI for RBDM was mentioned but it is unclear if there was agreement that the concept of accuracy was implicit in RBDM operations (i.e. would the accuracy KPI measure the obvious i.e. one would assume that their name and DOB were spelt correctly on the birth certificate). 5. DTF and OAG challenged the PCO indicator 'Cost per Page of Legislation'. OAG suggested 'Cost per Hour' was suggested and DTF proposed 'Cost of legislative service per Agency' based on the OSS efficiency indicators. 6. DTF raised the issue of consistency between CTS KPIs and ROGS. DotAG response was that current Time to Trial/Finalise KPIs are more readily understood by the users of the KPIs than clearance rate or backlog used in the ROGS report.</p>

Outcome Based Management (OBM) Reporting

Discussion Issue	Meeting Outcome/Notes
<p>Are we required to include "most" of the department's expenditure in the key efficiency indicators? If this is the case it leaves little room to reduce the number of our efficiency indicators. I would like this acknowledged at the commencement of the review so we are have a common understanding well before the indicators are audited.</p>	<p>Outcome</p> <ol style="list-style-type: none"> 1. According to OAG, this issue was a matter of confusion. Each DotAG service, according to the KPI reconciliation sheet, accounts for 90% or more of its expenditure. <p>Notes</p> <ol style="list-style-type: none"> 2. It is important to define total operating expenditure and look at how that expenditure was attributed to each of the services (i.e. what were the key units of service). Once this is known, a discussion with auditors can be had around whether or not the services attributed to the expenditure are relevant or not.
<p>Further to the dot point above. Audit comment following the 2008-09 audit of Legal Aid's KPIs was that they were required to increase the number of efficiency indicators to ensure at least 90% of expenditure was included.</p>	<p>Outcome</p> <ol style="list-style-type: none"> 1. According to OAG, this issue was a matter of confusion. Each DotAG service, according to the KPI reconciliation sheet, accounts for 90% or more of its expenditure. <p>Notes</p> <ol style="list-style-type: none"> 2. Low level discussion was had about Country Lawyers. 3. OAG was of the view that Legal Aid KPIs could be higher level than what they are now to capture more of their total operating expenditure. 4. Legal Aid suggested that Country Lawyers issue was only recent.
<p>Given we have published our existing KPIs in the 2009-10 budget statements is it acceptable to the OAG that we report against that framework for 2009-10 or are we expected to reduce the number of KPIs for the 2009-10 reporting period. If so, what are the options for reporting against a different framework than that published in the budget statements?</p>	<p>Outcome</p> <ol style="list-style-type: none"> 1. DTF suggested that DotAG is not without alternatives when it comes to this issue. 2. OAG suggested that DotAG consult DTF.
<p>Separate approval of Legal Aid KPIs and discontinuing reporting Legal Aid KPIs in DotAG's annual report.</p>	<p>Outcome</p> <ol style="list-style-type: none"> 1. To be resolved. 2. Continue current OBM review with Legal Aid as a part of DotAG OBM. <p>Notes</p> <ol style="list-style-type: none"> 3. OAG asked why Legal Aid can't be treated as an administered fund. 4. OAG suggested that DotAG and DTF consult on this issue.

OAG's comment - 2008-09

Comments from the Office of the Auditor General at the exit interview of the 2008-09 audit include the suggestion that some of DotAG's KPIs lacked relevance to the outcome statement and requested that the structure and content of our KPI report be revised to cease reporting on those indicators that were not relevant. In addition, the OSRG directed that DotAG review its OBM framework. The primary reasons for the review are that DTF and OAG consider DotAG has too many KPIs and the agency level outcome is set at too high a level which brings the relevance of the effectiveness indicators into question. This comment formed the basis of the changes carried out in 2010-11.



Review of DotAG
OBM framework.msg



Government of Western Australia
Department of Treasury

Our ref : 00182467
Enquiries : Jessica Symington
Telephone : (08) 6551 2388

Ms Cheryl Gwilliam
Director General
Department of the Attorney General
GPO Box F317
PERTH WA 6841

Dear Ms Gwilliam *Cheryl*

REVIEW OF OUTCOME BASED MANAGEMENT REPORTING STRUCTURES

On 14 April 2014, as part of a broader Budget Framework Reform initiative, Cabinet agreed that the larger general government agencies would undertake a review of their Outcome Based Management (OBM) reporting structures in consultation with the Department of Treasury (Treasury).

This reflects a general concern that the existing OBM reporting structures of many agencies are too high level and fail to provide sufficiently detailed and meaningful information for the Government, Parliament and other key stakeholders.

It is intended that through this review, the level of detail at which larger agencies' operations are reported, and the usefulness of associated performance measures, be enhanced. It is expected that a greater level of transparency can be achieved by reporting services at a more granular level to better align with individual programs or areas of activity.

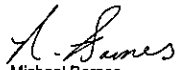
Attached to this letter is a brief outline of identified shortcomings in the current application of the existing OBM framework, which should provide some guidance in undertaking the review in line with Cabinet's decision.

It is intended that the review be a collaborative exercise between your agency and Treasury, so I would encourage you to actively engage with your Treasury analyst in undertaking the review.

Gordon Stephenson House, 140 William Street, Perth, Western Australia 6000
Locked Bag 11, Cloisters Square, Western Australia 6850
Telephone (08) 6551 2777 Facsimile (08) 6551 2500
www.treasury.wa.gov.au

The Economic and Expenditure Reform Committee has requested that Ministerially-endorsed agency reviews be submitted for consideration by 1 November 2014 to enable the revised reporting arrangements to be considered and reflected in the 2015-16 Budget Statements.

Yours sincerely



Michael Barnes
ACTING UNDER TREASURER

18 JUN 2014

Attachment

Outcome Based Management Reviews – Additional Details

A detailed guide on the application of Outcome Based Management (OBM) is available on the Treasury website (guidelines).

The below provides some details on the drivers for the review of agencies' OBMs and may provide additional context to agencies in undertaking those reviews.

It is strongly encouraged that you contact your Department of Treasury (Treasury) agency analyst in undertaking your OBM review.

Agency OBM frameworks form the basis of the public's, Parliament's and the Government's understanding of agency operations: useful, rigorous and transparent performance information must be a central tenet of Government and periodic reviews of OBM frameworks are crucial in achieving this goal.

In its analysis of agency OBM reviews, the Economic and Expenditure Reform Committee will focus on whether the following key shortcomings have been addressed in the proposed OBM framework:

- agency level desired outcomes must:
 - be within the control of the agency;
 - express a single intent (a desired outcome expressing a number of different intents, is likely to represent a number of desired outcomes); and
 - there may be a number of desired outcomes associated with a single Government Goal;
- the usefulness of key effectiveness indicators.

Key effectiveness indicators must measure if the agency is achieving the associated desired outcome.

Key effectiveness indicators in many cases are currently:

 - too proliferate, collectively painting a confusing picture of whether or not the desired outcome is being delivered;
 - rarely benchmarked;
 - too complex for non-specialist readers to understand;
 - not within the control of the agency;
 - linked to unchallenging/irrelevant targets; and
 - too often based on agency surveys of stakeholders'/customers' etc. perceptions of performance;

- there are, generally, far too few services in agency reported OBM structures.

As stated in the guidelines, services should neither be too few to obstruct the agency's functions or too many to result in a detailed listing of all tasks the agency performs. However, in many cases agencies have moved too far towards the former, resulting in opaque agency operations. In this regard it is expected that a 'very large' agency (i.e. the top two general government agencies in terms of total expenditure) would have 20 or more services and a 'medium sized' agency (i.e. within the top 20 general government agencies in terms of total expenditure) would have around 10 to 15 services.

It is recommended that agencies consider their corporate structures or cost centres as a starting point to better illustrate the services that the agency delivers; and

- the value of key performance indicators to readers.

Key performance indicators are currently too often unit based efficiency indicators: how much it costs in any particular year to deliver a unit of a service holds little value for a reader.

Key performance indicators by service, should be in most cases be productivity based efficiency indicators and comparative (be that overtime or inter-jurisdictionally) effectiveness indicators: how many units of the services were delivered in a period by FTE, dollar spent, or time unit, etc., at what cost compared to a comparative baseline or comparative target, is useful for a reader.