

What is the MFO Performance Management Framework?

The MFO Performance Management Framework is an organisational and accountability framework for public sector service delivery. It represents the whole delivery process - inputs, outputs and outcomes. It defines community outcomes to focus effort across the public sector in delivering services and appropriate results. It identifies the strategic points at which performance is measured and reported to Government and the community.

By relating outputs to outcomes, and inputs to outputs, the framework assists decision makers to test the alignment of government services and resources with desired outcomes and priorities.

Through measuring success in achieving outcomes, determinations can be made regarding the appropriate mix of outputs in delivering the desired results.

Through monitoring output performance, the efficiency and effectiveness of service delivery, including the extent, quality and benefit of services in relation to cost, can be determined.

An Organisational Strategy - setting the direction

Community needs are relayed to Government through a range of formal and informal processes. In the broadest sense, the community influences government policy through political processes. There are also community interest and business groups that seek to influence government policy on particular issues. More directly, in the course of delivering services to communities, agencies engage with their clients to identify opportunities for more effective service delivery and to monitor changing needs.

The Government's Priorities represent the areas of policy for focussed attention during a given term. They highlight key areas where improved results are sought. They are not intended however, to reflect the improvements being sought across all Outcomes.

Community Outcomes are intended to cover all dimensions of community well being. They express the current needs and future aspirations of communities, within a social, economic and environment context, providing the direction for what, how, when and to whom, services should be delivered.

Corporate Governance Principals and Fiscal Indicators focus on the leadership, management (including financial) and capability which enables government to achieve its Outcomes. Hence, Corporate Governance Principles and indicators underpin all Outcome areas.

Outputs are the goods and services delivered to the community. The outputs collectively contribute to one or more Outcomes. Outputs are generally specified at a point where their impact for communities can be readily assessed or measured.

Inputs are the financial, physical and human resources necessary to produce the outputs.

An accountability framework - measuring and reporting performance

Outcome Indicators provide the means for tracking success in achieving Outcomes. For instance, while improved health and education are important outcomes for communities, it will only be through the assessment of measures which relate to these Outcomes, such as increased life expectancy and improved literacy and numeracy, that will determine whether those Outcomes are being achieved.

Output Measures focus on the efficiency and effectiveness of the Outputs. Aspects such as quantity of services delivered, the quality or standard of the service of product and cost, are important aspects towards ensuring that outputs are appropriately directed towards the Outcomes.

Input Measures. It is important to consider the financial, human and infrastructure management processes that underpin the delivery of services. Improved efficiency and effectiveness will ensure that the value from available resources is realised.

Performance Reporting

The MFO Performance Management Framework provides for the regular reporting of performance to the community. The Charter of Social and Fiscal Responsibility requires that the Government reports progress against the stated Outcomes on an annual basis, also incorporating a summary of Outcome evaluations undertaken during the preceding year.

In addition, in accordance with the Financial Administration and Audit Act, agencies are required to prepare Ministerial Portfolio Statements, which summarise the achievements of the agency in the preceding year against agreed performance measures and strategic direction for the forthcoming year. Under the same Act, agencies are also required to provide annual reports to the Parliament, presenting audited financial statements and a summary of output performance.

