



Summary

The problems, progress, and potential of performance reporting

Performance reporting is a fundamental part of providing effective public accountability.

Over the past three decades, considerable time and effort has been spent providing regular reports on the performance of public organisations to Parliament and the public. Significant resources are invested in ensuring that reports are carefully prepared, audited, and published. Despite this, there are still criticisms about the relevance, accessibility, and usefulness of publicly reported performance information.

In our work, we regularly see public organisations struggle to clearly explain what they do and how well they do it. Much of the reporting about performance is focused on what is important to the organisation rather than on what matters to the people they serve.

In our view, the first step in preparing a meaningful story about public sector performance is to understand what people want to know about public

organisations, their services, and their contribution to New Zealanders' well-being. The next step is being able to clearly describe (and ideally measure) the difference that each public organisation is seeking to achieve in terms of improved outcomes for the communities it serves.

Although this paper is focused on the quality of reported performance, it also points to an underlying question about the management of performance. If public resources are being directed and managed well, public organisations should be able to tell a clear and compelling story about how they deliver value and contribute to the outcomes that are important to New Zealanders.

Good performance information is required at an organisational level, across sectors, and at a whole-of-government level. The current plans to reform public services (including for example to the health system and water management) also provide an important opportunity to make improvements.



In our view, improving public accountability needs to be a key consideration in any reform.

This discussion paper explores five areas for improvement:

- ensuring that performance information is focused on the issues that matter to New Zealanders;
- ensuring that performance information is tailored to different audiences to make it more accessible;
- better integrating and aligning performance information so it is clear how the activities of public organisations contribute to outcomes;
- improving monitoring and scrutiny of the performance information that is produced to encourage continuous improvement; and
- building demand for good quality performance information, strengthening system leadership, and investing in the capability to do it well.

We encourage Parliament to reflect on its own role in supporting these improvements. Parliament can require more from public organisations. It can demand better quality information that is focused on what matters to New Zealanders.

Improved performance reporting must be seen as a priority, if we are to address the many complex, long-term, and difficult problems facing New Zealand and improve accountability of the public sector.