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A guide to our resources to support better performance reporting

Public sector performance reporting means how the public sector reports on how well it uses public money and resources to deliver high-quality services and better outcomes for New Zealanders.

Performance reporting is an essential part of the public sector's accountability to New Zealanders. It allows Parliament and the public to hold public organisations accountable for their use of taxes and rates and for the effectiveness of their service delivery.

Clear and meaningful performance reporting has always been important for trust in public services. It is even more important now, given the scale of spending by central and local government and the rise of misinformation and disinformation.

Performance reporting is important but it can also be difficult. This guide is to help those in the public sector who are responsible for preparing performance reports to find and use the many resources we have made available.

Good practice for all performance reporting

Our [good practice section on performance reporting](#) includes:

- the basics – what most public organisations are required to report on and the Acts of Parliament that set out those requirements;
- the attributes of a clear performance reporting framework and performance indicators; and
- the features and essential qualities of meaningful performance reporting.

Importantly, the section has links to our two most recent publications:

- [Good practice in reporting about performance](#) (April 2022), which aims to help people in central government prepare better reports on the performance of their public organisation, particularly better annual reports; and
- [Local government planning and reporting on performance](#) (January 2024), which sets out a range of individual examples of good practice in long-term plans and annual reports. It explains what we liked about each example, and why.



No matter what sort of public organisation you work for, your performance reporting needs to be:

- relevant;
- reliable;
- understandable;
- timely;
- comparable; and
- verifiable.

The emphasis and balance of performance reporting should accurately reflect your public organisation's:

- performance objectives;
- priorities; and
- significant achievements.

As well as the general content in our good practice section, our back catalogue includes resources aimed to help preparers working in particular types of public organisations.

If you're in central government or a Crown entity

[Observations from our central government work in 2022/23](#)

Part 2 of this report from late 2023 noted that it is still "too hard to tell what value New Zealanders are receiving from about \$160 billion of central government spending each year." The Part also describes the system-level changes needed to support better performance reporting.

The descriptions of what is missing are useful in pointing to what is needed:

... we found some improvements to the performance information, with some examples of good practice. However, we also found three weaknesses that urgently need addressing:

- *Measures, either quantitative or qualitative, that are not meaningful or comprehensive (for example, the percentage of contracts monitored against their milestones).*
- *Gaps in measuring what difference is being made (for example, how funding and activities are resulting in improvements in regional productivity, quality of education, or resilience of the roading network).*

- *Poor measures for assessing the stewardship, oversight, and monitoring functions of departments.*

[Do your measures measure up?](#)

This article from late 2023 is closely connected to the Part discussed above. The article talks about how performance measures within your reporting need to give a sense of how well your organisation is providing services and what difference these activities make.

When we've looked across different Votes for the Estimates process, we've found many appropriations with measures that are inward-looking, too focused on process, and not meaningful to the public and Parliament.

For example, some of the measures include:

- the percentage of funding applications processed and approved;
- funding being drawn down and used for the purposes and on the terms agreed to by Cabinet;
- the percentage of forecast investment allocated each year; and
- the percentage of contracts monitored against their milestones.

These kinds of measures simply describe the activities of the organisation. It's worth assessing your own measures and checking that they aren't inward-looking, too focused on process, or lacking in meaning to Parliament and the public.

[Good practice in reporting about performance](#)

For this resource from 2022, we looked at about 40 annual reports from public organisations in central government. We chose good practice examples of:

- reporting on what is important;
- providing a coherent account of performance; and
- reporting on impacts and the contribution to outcomes.

We focused on these aspects because they're where public organisations can make significant improvements and had asked for guidance.

Alongside reporting on services, the three aspects are critical to providing meaningful, appropriate, and accurate reporting that fairly reflects the performance of a public organisation.

The examples are intended to help when you prepare annual reports and other accountability documents, including strategic intentions, statements of performance expectations, and supporting information for the Estimates on how performance will be assessed for appropriations.

[Central government: Cost-effectiveness and improving annual reports](#)

Our 2011 report is comprehensive – it has nearly 60 pages of useful explanations, descriptions, and rich examples from government departments and Crown entities. It was written to encourage ongoing improvements in performance reporting and in using information about performance to support good decision-making and management.

After the introduction, there's a Part on legislative requirements and the use of annual reports. The next Part focuses on analysing the cost of delivering services and has examples of output reporting. The fourth covers measuring and reporting impacts, outcomes, and cost-effectiveness, with further good examples. The final Part covers how and why you should be analysing trends in performance and measuring over a longer time.

[Central government: Case studies in reporting forecast performance information](#)

The case studies in this 2011 report contain observations that remain relevant today, as does the third Part – it describes six aspects of the performance story that we focused on during our audits, why we considered these aspects important, and what our expectations were.

The six aspects were:

- strategic context;
- specifying and presenting the outcomes framework;

- main measures and targets for impacts and outcomes;
- linking impacts and outcomes to outputs;
- specifying outputs and output classes; and
- performance measures and targets for outputs.

[Statements of intent: Examples of reporting practice](#)

In 2009, we looked at statements of intent and found 26 examples of features that we considered “better practice”. They're still good examples of how you can set out your organisation's performance story, describe its strategic context, and present the outcomes framework.

They're also good examples of the main measures and targets for impacts and outcomes, how to link impacts and outcomes to outputs, how to specify outputs and output classes, and how to present meaningful performance measures and targets for outputs.

If you're in a council

[Local government planning and reporting on performance](#)

Our most recent guidance (January 2024) was mentioned earlier – it sets out a range of individual examples of good practice in long-term plans and annual reports. It explains what we liked about each example, and why.

[Local government: Improving the usefulness of annual reports](#)

In 2011, we commissioned an analysis of six councils' publicly reported performance information for the previous seven years. The third Part is focused on presenting service and cost performance information.

The Part includes examples to show the sort of improvements that could be made in these areas:

- trend analysis;
- showing outcome progress;
- analysing cost-effectiveness; and
- providing greater explanation and commentary.

That section ended with a recommendation that councils identify services and results (costs, outputs, impacts, and outcomes) that would benefit from longer-term (5 to 10 years) trend analysis and report that analysis, supported with commentary, in their annual reports.

[Local government: Examples of better practice in setting local authorities' performance measures](#)

The usefulness of this 2010 report lies in its specific examples. There are entire Parts dedicated to better performance measures for each of these council services:

- roading services;
- water supply services;
- wastewater services;
- building control services; and
- library services.

If you're in a tertiary education institution

[Tertiary Education Institutions: Changes to the requirements for performance reporting in annual reports](#)

In 2019, we wrote to the chancellors, chairpersons, and chief executives of tertiary education institutions about the requirements for statements of service performance and the measures we expected to see.

The letter includes a good level of detail and guidance specifically for universities, wānanga, and polytechnics.

We set out the principles of performance reporting, explaining what we meant by **understandable**, **relevant**, **reliable**, and **comparable**.

We said:

*Your performance measures in your SSP should identify both the **quantity** (how much was provided) and **quality** (how well it was provided) of your service delivery.*

In general, performance measures in your SSP should include targets. Targets are the specific levels or results that you intend to achieve. You might align targets to:

- an external benchmark or required tertiary sector standard;
- a level that represents a meaningful improvement on past performance; or
- an aspirational level, if you anticipate a significant change in the relevant service's performance.

If a performance measure does not have a target or it has not been reported on, you should explain why in the SSP's commentary. Your reporting should be transparent when results do not meet targets and explain any variance from what you expected.

[Continuing to improve how you report on your TEI's service performance](#)

In 2015, we wrote to the leaders of tertiary education institutions about what auditors had seen during the 2014 audits. It could be worth checking that the aspects that could have been improved on then, do not apply to your performance reporting now.

[Education sector: Results of the 2011 audits](#)

The third Part in our 2012 report ("Non-financial performance reporting in the tertiary sector") confirms the essential elements of a good performance framework, identifies attributes specific to annual reports, and gives illustrative examples.

It includes a particular figure that could be useful to you – Figure 9 sets out attributes and examples of appropriate performance reporting.

[Education sector: Results of the 2010/11 audits](#)

The equivalent Part in our report from the year before (2011) focused on performance information in the 2011–13 investment plans of most tertiary education institutions. Our comments were limited to presentation and content matters.

If you're working in the health sector

We've looked at the reporting on performance by district health boards, which have since been absorbed into Te Whatu Ora. The organisational structures have changed but the comments we made about the components of good quality reporting remain relevant.

This six-page paper in 2012, [*District health boards: Quality annual reports*](#), followed on from a February 2011 report, [*District Health Boards: Learning from 2010–13 Statements of Intent*](#).

The 2012 paper set out our assessment of whether, for different aspects of an annual report, most district health boards were doing it well, some were doing it well, or most needed to improve.

The 2011 report about statements of intent was written with a strong focus on particular examples of better practice, a discussion about quality, and links to what we considered to be exemplar district health board statements of intent.

If you're reporting on performance across a sector

Although the performance of individual public organisations is important, issues that matter to Parliament and New Zealanders often relate to outcomes at a sector level.

Meaningful reporting requires clearly defined outcomes at a sector level, measures for assessing progress towards outcomes, clear strategies and plans for achieving the outcomes, and consolidated and integrated reporting on what is being delivered and achieved.

[*Transport sector: A case study of sector-level performance*](#)

In our 2023 case study of reporting about transport, there are several examples of good practice that other sectors can learn from, including:

- a clearly defined set of meaningful outcomes and outcome indicators (such as the Transport Outcomes Framework and indicators) that are relevant to the public and the performance of the sector;
- advanced reporting (such as the Road to Zero monitoring report) in some outcome areas that provides a consolidated, integrated view of progress the transport sector is making on these outcomes; and
- meaningful and consolidated reporting on what is being achieved for some key activities and areas of spending (such as the Rail Network Investment Programme).