

**Submission  
No 24**

**A FRAMEWORK FOR PERFORMANCE REPORTING AND DRIVING  
WELLBEING OUTCOMES IN NSW**

**Organisation:** NSW Council of Social Service

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# Submission to the Public Accounts Committee - A framework for performance reporting and driving wellbeing outcomes in NSW



NSW Council of Social Service

26 July 2024

Final Submission

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 **ncoss**  
NSW Council of Social Service

## About NCOSS

NSW Council of Social Service (NCOSS) is the peak body for non-government organisations in the health and community services sector in NSW. NCOSS works to progress social justice and shape positive change toward a NSW free from inequality and disadvantage. We are an independent voice advocating for the wellbeing of NSW communities. At NCOSS, we believe that a diverse, well-resourced and knowledgeable social service sector is fundamental to reducing economic and social inequality.

## Acknowledgement of Country

NCOSS respectfully acknowledges the sovereign Custodians of Gadigal Country and pay our respects to Elders, past, present and emerging. We acknowledge the rich cultures, customs and continued survival of First Nations peoples on Gadigal Country, and on the many diverse First Nations lands and waters across NSW.

We acknowledge the spirit of the Uluru Statement from the Heart and accept the invitation to walk with First Nations peoples in a movement of the Australian people for a better future.

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## Introduction

NCOSS welcomes the opportunity to make this submission to the Public Accounts Committee on *A framework for performance reporting and driving wellbeing outcomes in NSW*.

For many years, NCOSS has called on the NSW Government to introduce a population and needs-based approach to funding social services. For too long, there has been a lack of transparency around critical decision-making, and an apparent gap between the unmet needs of communities and the policy decisions to address them. The introduction of a Performance and Wellbeing Framework is a positive and critical step in this direction.

To inform this submission, NCOSS has held discussions with multiple members and sector organisations, including other peak bodies.

Our key recommendations are:

- One purpose of the Performance and Wellbeing Framework must include to **drive policy design and decision-making**, not just measure indicators.
- The purpose of the Performance and Wellbeing Framework should **expressly include the principle of equity**, directly supporting the achievement of wellbeing for all people of NSW, not just some.
- The Performance and Wellbeing Framework should measure both overall wellbeing and the **distribution of wellbeing**.
- The Performance and Wellbeing Framework should **include a measure of poverty**.
- The Performance and Wellbeing Framework should be **embedded in the Government's Budget and policy development processes**.

Our detailed recommendations are outlined below.

For any questions related to this submission, please contact Ben McAlpine, Director of Policy & Advocacy, at [REDACTED]

## NCOSS Approach to this Submission

NCOSS notes that the Terms of Reference for this inquiry outline the scope as follows<sup>1</sup>:

- 1) *That the Committee inquire into and report on an effective framework for reporting on the performance of NSW Government services and driving wellbeing outcomes for NSW residents, with particular reference to:*
  - a) *The process in the Budget that allows Government to examine the outcomes achieved through its resource allocations, and the extent to which it allows Government to observe:*
    - i) *Outcomes and service levels*
    - ii) *Evidence of the effectiveness of programs*
    - iii) *Transparency of performance*
    - iv) *how services are delivered and the outcomes achieved by Government*
  - b) *Opportunities, processes and governance arrangements to improve:*
    - i) *the quality of performance information that align to targeted, meaningful outcomes for the people of NSW, to better inform government decision making*
    - ii) *data collection and reporting to inform government decision making, enhance inter-Departmental collaboration and ensure accountability for cross-sector outcomes*
    - iii) *measurements of quality of life and wellbeing in New South Wales, with particular reference to the Commonwealth 'Measuring What Matters' national wellbeing framework and the OECD 'Framework for Measuring Well-being and Progress'.*

NCOSS also notes that the NSW Government has released a consultation paper on a Performance and Wellbeing Framework<sup>2</sup>.

With reference to both of these, this Submission provides recommendations that would inform:

- the **purpose** of a Performance and Wellbeing Framework
- the **design** of a Performance and Wellbeing Framework, including themes, outcomes and indicators
- how it might be **implemented** to better inform government decision making.

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<sup>1</sup> <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=3045#tab-termsofreference> – accessed 13 June 2024

<sup>2</sup> <https://www.budget.nsw.gov.au/2024-25/budget-papers/performance-and-wellbeing> - accessed 5 July 2024

## NCOSS Recommendations

NCOSS welcomes the NSW Government's proposal to introduce a 'Performance and Wellbeing Framework' (the Framework). Our recommendations based on the draft Framework are as follows:

- 1. The purpose of the Framework must be clearly articulated and embedded in its design.**
- 2. One purpose of the Framework must be to drive policy design and decision-making, not just measure indicators.**
- 3. The purpose of the Framework should expressly include the principle of equity, directly supporting the achievement of wellbeing for all people of NSW, not just some.**
- 4. The Performance and Wellbeing Framework should measure both the overall level of wellbeing and its distribution.**
- 5. The Performance and Wellbeing Framework should include a measure of poverty.**
- 6. Over time, the Performance and Wellbeing Framework should include targets for metrics wherever possible.**
- 7. The Performance and Wellbeing Framework should be embedded in the Government's Budget and policy development processes.**
- 8. The Framework's Outcomes and Indicators should be mapped to major Government programs.**
- 9. The Government should engage a diverse range of stakeholders in the ongoing development, implementation, and review of the Framework, including experts across the community sector.**

Each of these are outlined in further detail below.

## A. Purpose of a Performance and Wellbeing Framework

While not explicitly described as the purpose of the Framework, the Performance and Wellbeing Consultation Paper (the Consultation Paper) outlines that the Framework will be used to<sup>3</sup>:

- track the overall quality of life of the people of NSW
- benchmark the delivery of services
- support the prioritisation and accountability for the achievement of the goals set by Government
- bring together the evidence to make necessary reforms to drive efficient service delivery and innovative new programs.

This is summarised in the Consultation Paper as follows:

*Better information serves our community by supporting more effective allocation of our collective resources, allowing us to achieve more with less, thereby improving our collective wellbeing.*

The Consultation Paper also states that the Framework will<sup>4</sup>:

- articulate how government performance influences outcomes
- strengthen performance reporting to improve accountability and transparency
- improve the quality of data insights that inform government decision-making
- encourage cross-agency collaboration and strategic planning to deliver improved outcomes for our State.

NCOSS supports these descriptions of the purpose of the Framework, and makes the following recommendations:

### 1. The purpose of the Framework must be clearly articulated and embedded in its design.

If the purpose of the Framework is not agreed and clearly articulated, there is a risk that the Framework will not effectively improve the quality of life of the people of NSW.

### 2. One purpose of the Framework must be to drive policy design and decision-making, not just measure indicators.

The quoted sections above from the Consultation Paper imply that the Framework's purpose is to drive policy design and decision-making, but this should be made explicit. The Framework should exist, in part, to improve policy decisions so that greater levels of wellbeing are achieved in NSW.

### 3. The purpose of the Framework should expressly include the principle of equity, directly supporting the achievement of wellbeing for all people of NSW, not just some.

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<sup>3</sup> Page 9

<sup>4</sup> Page 10

To its credit, the Government has recognised this on page 13 of the Consultation Paper, reflecting a similar statement in Measuring What Matters<sup>5</sup>:

*Equity, inclusion and fairness are cross-cutting objectives that are relevant to all wellbeing themes.*

However, a failure to expressly include these principles in the purpose of the Frameworks risks them falling to the wayside. An example might be:

*The Performance and Wellbeing Framework's purpose is to track the overall quality of life of the people of NSW, and to support the NSW Government's actions in achieving higher and more equitable wellbeing across the State.*

The next sections further outline how the Framework could be designed and implemented to support such an overarching purpose.

## B. Design of a Performance and Wellbeing Framework

### 4. The Performance and Wellbeing Framework should measure both the overall level of wellbeing and its distribution.

In line with NCOSS's recommendation to expressly include the principle of equity in the purpose of the Framework, the indicators must be presented in a way that enables the analysis of 'wellbeing distribution'.

Wherever possible, the data must be presented for various demographics to support this. In particular, the data should be presented for:

- socio-economic status
- gender
- First Nations
- geography.

Without this transparency, there is a risk that the true picture will be hidden. NCOSS' *Mapping Economic Disadvantage in NSW*<sup>6</sup> research is a case-in-point. Between 2016 and 2021, the NSW poverty rate only increased by 0.1%. However, this hides the true experience of poverty across NSW, including:

- Significant increases in, and greater concentration of, poverty for communities in Western Sydney and South West Sydney
- Greatly different results between regional and metropolitan NSW for specific cohorts (e.g. young people)
- An alarming increase in poverty rates for older people (increasing by 26%).

The importance of this approach is explicitly recognised on page 13 of the Consultation Paper:

<sup>5</sup> Page 14, Measuring What Matters, [https://treasury.gov.au/sites/default/files/2023-07/measuring-what-matters-statement020230721\\_0.pdf](https://treasury.gov.au/sites/default/files/2023-07/measuring-what-matters-statement020230721_0.pdf) - accessed 8 July 2024

<sup>6</sup> <https://www.ncoss.org.au/policy-advocacy/policy-research-publications/mapping-economic-disadvantage-in-nsw/>



*As a general principle, proposed wellbeing metrics and performance indicators will cover the largest proportion possible of the NSW population. This will help us understand how we are faring at a whole of society level. Such macro indicators can, however, mask differences in outcomes for different groups in society. Where such differences are significant, and raise issues for society, this will be drawn out through the presentation of information for different groups, where available.*

Further, NCOSS notes the following in the Consultation Paper:

*There are also difficulties in tracking distributional differences between population groups or geographies, especially where there is poor data quality or availability. The Framework will therefore be accompanied by a data development strategy to improve data quality, availability, and capability over time<sup>7</sup>.*

Such a data development strategy should be prioritised.

#### **5. The Performance and Wellbeing Framework should include a measure of poverty.**

There is significant evidence linking poverty with negative life outcomes across many of the Framework's draft wellbeing areas, including Healthy, Skilled and Secure. Including a measure of poverty should therefore be a priority in the Framework.

NCOSS notes that there is no nationally agreed definition of poverty, and recognises the role played by the Commonwealth Government in relevant data collection and policy design. As such, the NSW Government should join the sector in advocating that the Commonwealth design an agreed national definition of poverty and commit to measuring it. This might be included in the data development strategy noted above.

#### **6. Over time, the Performance and Wellbeing Framework should include targets for metrics wherever possible.**

To improve accountability, the Framework should articulate targets for each metric. While the desired trajectory is important, the Government should demonstrate to the community what its goals are when it comes to wellbeing. The community and the Government will only know we are being successful if we have clear targets, rather than simply relying on trends and relative improvements.

### **C. Implementation of a Performance and Wellbeing Framework**

#### **7. The Performance and Wellbeing Framework should be embedded in the Government's Budget and policy development processes.**

In line with NCOSS's recommendation that the purpose of the Framework be to drive policy design and decision-making, the Framework should be embedded in the Budget and policy development processes. This will better allow the Framework to be a tool for reducing disadvantage and inequality across communities, and improve equity in policy making. Without embedding the Framework in this way, it risks being a reporting dashboard that does not inform

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<sup>7</sup> NSW Budget 2024-25 Performance and Wellbeing Consultation Paper, Page 19

action. Existing and proposed expenditure should be assessed against the Framework, and clearly reported in the Budget Papers. It must not be a disconnected appendix to the Budget Papers.

**8. The Framework's Outcomes and Indicators should be mapped to major Government programs.**

NCOSS notes the following in the Consultation Paper:

*Matching Government expenditure with indicators will ensure the people of NSW have clarity on the performance of the public services they rely on.<sup>8</sup>*

This would require Outcomes and Indicators to be mapped to major Government programs, which would drive decision-making aligned with these indicators, and improve transparency. NCOSS is very supportive of this.

**9. The Government should engage a diverse range of stakeholders in the ongoing development, implementation, and review of the Framework, including experts across the community sector.**

While the Consultation Paper notes that public consultation will occur through 2024, NCOSS encourages the Government to ensure that it engages a diverse range of stakeholders. This should include those most impacted by poor wellbeing, community members, community sector organisations, and relevant experts.

## Conclusion

NCOSS supports the introduction of the Performance and Wellbeing Framework. It is critical that the Framework explicitly focus on achieving wellbeing equitably for all people of NSW, and that it is embedded in Government budget and policy development processes. NCOSS looks forward to working with the Government on the refinement and implementation of the Framework.

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<sup>8</sup> NSW Budget 2024-25 Performance and Wellbeing Consultation Paper, Page 7