

**Supplementary
Submission
No 27a**

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

Organisation: Eovia Corporation Pty Ltd

Date Received: 30 August 2024



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30 August 2024

Alison Buskens
Public Committee Manager

RE: Supplementary submission
Framework for performance reporting and driving wellbeing outcomes in NSW

Thank you for the opportunity to provide this supplementary document to our original submission dated 26 July 2024.

For context purposes, Etvia has engaged, co-designed and co-developed with the NSW public sector and other subject matter experts a people, change and technology solution for outcomes delivery and strategy execution management.

Etvia is a New South Wales based, Australian owned organisation, specialising in supporting organisations, including government owned enterprises, to deploy, manage, measure and govern their strategy and plans.

Our solution integrates the essential elements of mastering strategy, outcomes and plan execution and performance – planning, team engagement and deployment processes, leadership and culture change, underpinned by our patented execution management system. We support the end-to-end planning process, working with leaders and teams to build a culture of performance and collaboration across organisational lines. Our clients are large to medium-sized, organisations and enterprises in Australia, New Zealand, Asia, and North and South America and our execution management system, etviaTRACE, is well-established, with over a thousand users.

As an overarching statement for our submission, we would like to state our support for the intention of this initiative. We believe that a critical success factor for the Performance reporting and Wellbeing framework to genuinely be embraced and embedded will be the requirement to address the current way outcomes, programs and performance are managed and led as a core government process. The opportunity is to transform this core

process to a transparent, engaging way of working that enables the optimisation of resources and measures what matters including the economic and social worthy goals.

We have structured our responses over the following pages according to the **Terms of Reference**. Please see following.

Thank you for the opportunity to provide this submission. We hope it is thought provoking and of service and that we can discuss this more broadly and answer any questions the committee may have.

Yours sincerely

Janet Hunter
Managing Partner

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TERMS OF REFERENCE:

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

RESPONSE

Outcomes:

The Performance and Wellbeing Framework will build on, strengthen and uplift current practises for how taxpayer's money is spent to create economic and social value with a specific and focused shift to demonstrating improvement in the wellbeing of the community.

- This ambition can only be achieved, particularly in the current fiscal climate, if there are no gaps, overlaps or misalignments between government departments that 'leak' performance and resources of time, effort and money.

- Optimised efficiency and effectiveness of resource allocation will require a connected-up way of working, intra department and across government, where despite their individual delivery missions they align, co-ordinate and collaborate to achieve higher order, integrated outcomes for NSW.

- This is a most worthy and ambitious initiative that we believe is achievable and most importantly sustainable. However, it will require facing into the 'government system' (systems, processes, policies, mindsets and cultures) for the current planning and reporting processes and addressing what will hold back the achievement of the ambitions of this new framework.

- The new framework will require putting in place different systems and processes and change programs that scaffold the two primary areas of change:
 - i. **Changing mindsets, leadership and culture** to support the practicalities of co-ordination and the spirit of collaboration
 - ii. **Digitising manual, people dependent practises** to give visibility to the connected up big picture for the state, enabling all the moving parts to transparently synchronise and be part of the same system and standards for evaluation, governance and monitoring

- In our view the overarching ambition of placing a greater emphasis on social goals and wellbeing will generally be well received across the public sector team as a concept as there is no shortage of passion in the public sector for being of service or willingness to rise to a challenge.
- The most critical success factor will be the ability to demonstrate and lead the practicalities of implementation with clear process, technologies and change management replacing current manual, disconnected processes and reporting; acknowledging and supporting the necessary mindset and cultural change.
- If the overall outcomes management and reporting process remains manual, reflective of outdated ways of working with no focus on the leadership and cultural change required to embrace new ways of thinking, an unintended conclusion could be drawn that the focus on social goals and wellbeing outcomes lacks substance and 'reality' and will simply be an additional requirement to an already cumbersome process.
- To both improve outcomes for NSW by transforming current outcomes and performance management practises it is important to acknowledge and understand what is working and what is not:
 - There has been good progress and take up of outcomes planning to date, and this new framework will land on good foundations with highly competent professional people across government who understand the intentions of outcomes planning
 - The current process for monitoring outcomes and service levels is fragmented, relying on budget submissions, quarterly reports, periodic tri-party reviews and treasury meetings.
 - Reporting on programs and strategic plans is a set of manual processes, distilling various data sources to create indicators that can be applied to outcomes.
 - Performance and strategic improvement indicators are not directly connected to the plan to drive it in a methodical, structured way intra or inter department
- Success going forward will require a new, contemporary capability to have a strategic, prioritised, comprehensive oversight of the end-to-end planning process that spans intra and eventually inter department. This is achievable and critical.

- This system enabled process will provide direct connection of resources, indicators and plans as well as execution and performance tracking – a direct correlation between outcomes, resources and plans with transparency for connected program-level outputs.
- A strategy and program management system would provide a consolidated view of all department and agency strategic plans and programs. Initially, this kind of system this could be put in place for individual departments however a whole government perspective is achievable.
- A whole of government perspective would provide a strategic, elevated view into status of all departmental strategic plans, program delivery and performance. It could provide visibility to all key contributors which would support and enable alignment and collaboration across government. It would also provide a basis for reporting and interrogable data for Treasury as well as a mechanism for planning process controls, consistency, oversight, governance and *'deep dives'*.
- As the framework evolves and matures, it will be essential to test these outcomes and recognise that outcomes from different departments will need to converge to support overarching goals. This will only be meaningful for resource allocation if programs are well-designed and deployed; and logically connect, systematically across government.
- Improved oversight and direction with more timely, transparent information and reporting will be fundamental. Current manual, disparate processes for reporting and managing alignment will not enable this transformational change in resource planning, execution and performance management, nor the measurement of wholistic indicators such as wellbeing.

Service Levels:

Tracking and monitoring service levels is crucial for government departments whether they are servicing internal and/or external customers and making their inclusion as reportable components is a positive step.

- It is vital to connect this reporting to specific programs responsible for delivering these services, which may require a review of program definitions, intent, governance, and accountabilities.
- Additionally, to optimise resource allocation and cross-government collaboration, programs may need to be logically connected across departments to achieve optimal service level performance.

- This can only be achieved by an enabling system that goes beyond financial alignment to defining, co-ordinating, managing and monitoring the successful delivery of program outcomes and indicators.
- Enabling an appropriate level of visibility, transparency and oversight will be core to achieving collaboration and efficient management of team and input resources and requirements, whilst not overlaying additional manual, reporting and administrative requirements.

ii) Evidence of the effectiveness of programs

RESPONSE

For effective oversight and comparability, the definition, purpose, structure, and governance of programs will need to be formalised and standardised as this is currently not the case.

- A system and process will be required to provide a capability to monitor both the financial and non-financial performance of programs and maintain an evidence bank.
- Establishing this strengthened core process will need to be facilitated within Government organisations. They will need learning and development support to embrace and create the full value from the improved processes with systems in place to embed it into their strategic planning and budgeting cycles.

iii) Transparency of performance

RESPONSE

Transparency is a critical success factor for this new framework however current practise for strategic planning, program planning, alignment, measurement, deployment, execution and reporting is not.

- Once components such as strategic initiatives, programs, outcomes, wellbeing themes, and inter-governmental connections are defined, appropriate indicators must be established to proactively manage and report performance. These measures should include a mix of input, output, and efficiency indicators with the appropriate levels of granularity to enable the ability to independently interrogate and assemble data on multi-dimensional basis e.g. ability to view and analyse data by department, agency and whole of government:
 - Program execution and delivery status
 - Measures and indicators by type and status
 - Progress and performance to time and expenditure

- Incorporating outcome and program performance information, alongside wellbeing themes, into annual reporting will enhance transparency and accountability.
- Clear lines of accountability for performance expectations, resource allocations, and activities is crucial, both within government organisations and across departments, to enable alignment, co-ordination, collaboration and resource optimisation.

iv) How services are delivered and the outcomes achieved by Government

RESPONSE

Optimal service delivery requires the right capabilities working together on the right things at the right time and enacting this new framework as a means of oversight and direction to support service delivery will need support to enable and embed.

- The ability to identify, prioritise, and remediate initiatives and programs in a timely manner is crucial. This implies the need for cross-government planning and execution, supported by appropriate governance and organisational structures.
- It is important to note that while there may not always be a direct correlation between service delivery and outcomes, there must be a connection. Key to this is having the right framework and delivery structures in place, monitored to support accountability, actions, and success.

b. Opportunities, processes, and governance arrangements to improve:

i) The quality of performance information that aligns with targeted, meaningful outcomes for the people of NSW, to better inform government decision-making.

RESPONSE:

The quality of performance information depends on having the right mix of indicators that truly reflect the strategic focus and priorities of government organisations. These indicators should be actionable and materially impact overall outcomes.

- Currently, much of the reporting is based on available information rather than required performance. Over a transition period, it will be necessary to test, recertify, and embed processes that drive continuous improvement in these measures.
- There is a significant opportunity to streamline and simplify the reporting process in this area across government, reducing the layers of disjointed reporting and associated data production. Reporting on programs and strategic plans is currently compiled to be a 'best fit' reporting requirement as distinct from offering performance insights to decision making.

- Streamlining and improving program and strategic plan reporting would be an unexpected and direct benefit to those servicing the planning and reporting processes.
- An additional element of this framework is integrating and aligning the various strategic plans created by each department in addition to their program planning and deployment. This will also form part of the resource and execution priorities for the organisation and require a mechanism to achieve integration and alignment or risk the continuation of parallel processes and incomplete perspectives on performance and decision making.

ii) Data collection and reporting to inform government decision-making, enhance inter-departmental collaboration, and ensure accountability for cross-sector outcomes.

RESPONSE:

Government strategies and delivery aspects, such as programs, must be able to connect across departments, potentially even at the outcome level, as many outcomes may need to come together to support a wellbeing outcome. Additionally, there should be the capability to assess performance based on ethical, inclusion, and fairness focuses, as well as environmental, social, and governance impacts.

- New systems and processes will be essential to capture this additional granularity and use it to drive informed decision-making.
- Change management will be key to shifting mindsets and behaviours of leaders who are well entrenched in operating and delivering down straight organisational lines.
- The ability to adopt an outcomes mindset and support agile, self-managed or cross-department or cross-government project teams is not an established cultural fit and this will need support to translate to new ways of leading. This will also need to translate to practical organisational practises that touch on policies, levels of authority, approvals, people and performance mechanisms.
- The importance of cultural change to support outcomes planning and delivery of integrated whole of government outcomes has been raised and spoken of as a priority but remained unattended to as part of the transition to outcomes planning.

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'.

REPOSE:

We agree with the proposed measures and are confident they have been derived from solid research and will be validated by the consultation and submission processes

- The measures will be a strong starting position which we believe will evolve as they devolve across and down through government e.g., the 'Healthy' theme could require contributions from housing and transport outcomes.

In wrapping up our submission, we would like to leave you with a depiction of future state that could be co-designed and implemented immediately in partnership with government:

- A digital system that provides the top 50 to 100 of each department with clarity of their individual and collective contribution to the states outcomes including how they support the wellbeing of the people of NSW.
- A system that provides visibility of the interconnected lines of accountability that come together to deliver on the government's agenda. Providing access to program and strategic plan status, measures, performance, team engagement levels and an evidence bank of delivery and achievements.
- A change management and leadership development program that will bring the teams into a new way of working where they get to contribute and operate in ways they have not been able to in the past
- A replicable process that can be embedded and leveraged for many years to come