Performance Management Framework

Glossary of Terms

Reference Guide

Contact

For further information or advice, contact:

Introduction

Purpose

This Glossary of Terms establishes a common language for planning, measuring and monitoring performance and public reporting. It also captures terms used in risk management and evaluation.

Application

The glossary is relevant to all Queensland Government departments and statutory bodies.

In most cases, the term 'agency' is used in this glossary to refer to departments and statutory bodies. When necessary, an indication is made if specific sections apply to departments only or statutory bodies only.

Some definitions within the glossary have been taken from Queensland Treasury publications — *A Guide to Risk Management* and the *Queensland Government Program Evaluation Guidelines*. The designation of 'QT' (Guide to Risk Management) and 'QT1' (Evaluation Guidelines) identifies these definitions within the glossary of terms.

Further refinement of definitions of common terms will continue to occur. Agencies are encouraged to use the common terms consistently, for example, in published documents and internal conversations/communications.

accountability	Accountability is the acknowledgment and assumption of responsibility for **governance** and the obligation to report and justify resulting consequences.
	The extent to which individuals or organisations are held responsible for achieving particular results and for the management of **capabilities** used.
	An expansive definition of accountability can be found in the *Public Sector Ethics Act 2004*.
accountable officer	The chief executive of a **department** of government declared under the *Public Service Act 2008*, section 14(1), is the accountable officer of the **department** (*Financial Accountability Act 2009*, section 65). In Queensland Government departments, most accountable officers/chief executives are referred to as a Director-General.
activity	An element of a **service**. It may be a task or a set of tasks to be completed. An activity has a finite duration and will result in one or more deliverables. An activity will generally have cost and resource requirements
agency	Used generically to refer to the various organisational units within Government that deliver **services** or otherwise contribute to the achievement of Government **objectives**. For the purposes of the Performance Management Framework, the term includes **departments** and **statutory bodies**.
agency business direction	An **agency's** strategic direction that aligns with the **whole-of-Government direction**.
agency objective	See **objectives**.
agency service delivery	Agencies deliver **services** to **customers** using products, **engagements**, **capabilities** and processes, and improve service provision through managing **projects** and **programs** to effect changes.
annual report	A published report on the operations of the **agency** during the financial year, as prescribed by the *Financial Accountability Act 2009* (section 63).
Cabinet Budget Review Committee (CBRC)	The CBRC has a primary role of considering matters with financial or budgetary implications for the Government. **Initiatives** or proposals with a material impact on government **services** or resourcing must be directed to CBRC in the first instance for consideration. At the direction of the Premier or Cabinet, CBRC may also consider other issues that require dedicated or longer-term scrutiny or otherwise might best be considered in the committee environment.
	CBRC has a membership of four Ministers, with the Premier and Treasurer as standing members along with two rotational senior Ministers occupying the positions for generally one year.
capabilities	Resources of an **agency** (including human, financial, information, physical assets and ICT) that are used to their maximum potential for efficient and effective **service delivery**.
Chief Executive (CE) Performance Agreement	Departmental chief executives are required to enter into a performance agreement with the relevant Minister at their substantive appointment and annually thereafter. The agreement is the means by which the chief executive is held accountable for the delivery of the **department's strategic plan**.

code of conduct	The purpose of a code of conduct is to provide standards of conduct for public service agencies, public sector entities and public officials, consistent with the ethics principles and values.
	A Code of conduct is required under the *Public Sector Ethics Act 1994*. The *Code of Conduct for the Queensland Public Service* applies to all Queensland public service agencies, and can also be supported by an agency-specific Standard of Practice.
compliance	The degree to which an **agency** adheres to (acts in accordance with) legislation, regulation, policy and standards set by government, agency or industry.
cross jurisdictional commitments	Agreements with other governments to deliver or work towards a particular shared **outcome.** Such as, Council of Australian Governments (COAG) agreements.
customer	Person or organisation that receives a **service**. Note that a customer can be internal or external to the organisation.
	Synonyms include: client, consumer, end user, resident, retailer, beneficiary and purchaser.
data dictionary	A tool that is used to document the purpose of a measure, alignment of the measure to agency and whole-of-Government objectives, data collection, calculation methodology and reporting requirements.
department	An administrative arrangement where the entity has been declared to be a department by the Governor in Council as defined by the *Public Service Act 2008* and the *Financial Accountability Act 2009*. A department may also be a body for which an **accountable officer** has been appointed (see also **public service offices**, **agency**).
direction setting	At the whole-of-Government level, it is the mechanism by which the Government decides on its **whole-of-Government direction** through consideration of the **external drivers**. The extent to which the direction is achieved is measured using the **Queensland Government Performance Management Framework**. Government is held accountable for its performance by **customers**, **stakeholders** and the **community**.
	At the agency level, it is the mechanism by which an agency decides on its **agency business direction** through developing objectives which contribute to the **whole-of-Government direction**. The objectives are described in the agency's **strategic plan** and the extent to which the outcomes meet the objectives are measured using **performance indicators**. Accountable officers and statutory bodies are accountable for their agency's performance.
	At the service level, it is the mechanism by which an agency decides on its **service** objectives which contribute to its **agency business direction**. The service objectives are described in agency operational plans and the extent to which the outcomes meet the **service** objectives are measured using **service standards**.
	To be effective, the direction should be collectively understood by governance bodies and ensure buy-in across the entire government or agency through effective communication and engagement.
effectiveness	Effectiveness measures reflect how well the actual **outputs** of a **service** achieves the stated purpose (**objective**) of the **service**.
	Also relates to **service standard**.
efficiency	Efficiency measures reflect how **capabilities** (resources) are used to produce **outputs**.
	Also relates to **service standard**.

ethics principles	See **public sector ethics principles**
evaluation QT1	The systematic, objective post-implementation assessment of the appropriateness, relevancy, process, effectiveness and/or efficiency of a program. Post-implementation evaluation is not disparate to monitoring or assurance. It is likely that monitoring of outputs, processes and outcomes or internal and external assurance functions could either constitute an evaluation or provide valuable input into an evaluation.
external driver	External drivers are factors outside of the government that are likely to influence it or impact on it in some way. These may include customer stakeholder and community expectations and opinions, political commitments and cross-jurisdictional commitments, financial and/or environmental considerations.
fiscal principles	The Government's commitment to maintaining a strong fiscal position for the State, and ensuring the State's asset base supports the current and future **service delivery** needs.
governance	Governance includes how an organisation is managed, its corporate and other structures, its culture, its policies and strategies and the way it deals with its various stakeholders. The concept encompasses the manner in which public sector organisations acquit their responsibilities of stewardship by being transparent, accountable and prudent in **direction setting,** decision making (including **investment decision making**), **performance management**, **risk** management and other compliance activities, in providing advice and in managing and delivering **services**, **programs** and **projects**. The *Financial and Performance Management Standard 2009* (s.7) describes 'Governance' as follows: • incorporates the cultural and operational aspects of an **agency** that are influenced by its actions and decisions • includes the concepts of openness, integrity and accountability; due care; and public defensibility • incorporates the ethics principles for public officials under the *Public Sector Ethics Act 1994*, section 4 • includes establishing a performance management system, a **risk** management system and an internal control structure.
government commitments	A pledge by the Government to deliver a particular **outcome** for its **customers**, **stakeholders** and the **community** (such as, Ministerial charter letter commitments and election commitments).
government targets	Specific, observable and measurable **objectives** for improvement in key policy areas. Achievement of government targets may require collaboration between multiple government **agencies**, business and the community. For example: 'one million rooftops or 3000 megawatts of solar photovoltaics (PV) in Queensland by 2020'.
government's objectives for the community	See **objectives**.
information	Any collection of data that is processed, analysed, interpreted, organised, classified or communicated in order to serve a useful purpose, present facts or represent knowledge in any medium or form. This includes presentation in electronic (digital), print, audio, video, image, graphical (infographic), cartographic, physical sample, textual or numerical form.

initiative	An introductory act or step; a leading action; projects, programs or a recommended course of action collated for analysis and possible incorporation into a forward work plan or portfolio for the organisation (as defined by the Queensland Government Chief Information Office Glossary of terms on the website at www.qgcio.qld.gov.au/products/glossary).
	Also see **project** and **program**.
investment decision-making	The mechanism by which, at the whole-of-Government or **agency** level, **capabilities** are prioritised in order to deliver **services** which maximise the **value** to **customers**, **stakeholders** and the **community**.
Machinery-of-Government (MOG) change	Changes to responsibilities of Ministers set out in Administrative Arrangements and/or changes to departmental functions and responsibilities made by the Premier and set out in Department Arrangement notices.
materiality	The threshold at which omission or misstatement of performance information could influence decision making.
measure	The act or process of gauging performance by ascertaining the extent, dimensions, quantity, etc., of something, especially by comparison with a standard. There are various types of measures employed by agencies to quantify their core business:
	Activity – measure the number of **service** instances, **service** recipients, or other activities for the **service**. They demonstrate the volume of work being undertaken. They are generally measures of busyness. While not generally demonstrating the achievement of **service** objectives, activity measures provide a basis for judging whether an agency is contributing to the desired social change of the **service** being delivered. For example, number of **services** provided, number of patients screened.
	Cost – cost of **outputs**/**service**s produced (direct and/or fully absorbed). Ideally, the outputs are uniform and the cost per unit of output provides an obvious benchmark for measuring performance both over time and between like service providers. However, such uniformity is not always possible. For example, average cost of school per student, average cost of processing application.
	Equity – measures how well a **service** is meeting the needs of particular groups that have special needs or difficulties in accessing government services. For example, measures disaggregated by sex, disability status, ethnicity, income and so on. Equity measures focus on any gap in performance between special needs groups and the general population.
	Equity indicators may reflect equity of access – all Australians are expected to have appropriate access to services; and equity to outcome – all Australians are expected to achieve appropriate outcomes from service use (Report on Government Services, 2016, p 1.14).
	Input – measures the resources consumed in delivering a **service**, either as an absolute figure or as a percentage of total resources. Input measures demonstrate what it costs to deliver a service. Input measures can often be converted to **efficiency** measures by combining them with activity measures to show the unit cost of the activity. For example, number of inputs, resources, FTEs used to deliver a service.
	Location – measures relate to where the **service** is delivered. This is usually as a measure of access and equity for customers in rural remote or targeted locations. For example, percentage of customers in rural areas.

Process – measure throughput, or the means by which the **agency** delivers the **service**, rather than the service itself. They demonstrate how the agency delivers services, rather than how effectively services are delivered. For example, average time for screening service, compliance with medical protocols.

Quality – measures of whether **service** is fit for purpose, for example, extent to which **outputs** conform to specifications. Quality itself is one dimension of **effectiveness**, but does not necessarily fully represent how effective a service is (for example, a service could be high quality, but still not effective, and vice versa – a low quality service could be highly effective). The quality of a service can be measured in various ways – timeliness, accuracy, completeness, accessibility and equity of access, continuity of supply, and/or customer satisfaction. For example, average waiting time (accessibility), percentage population screened (market penetration), percentage of premises inspected and deemed complete and compliant.

Timeliness – relates to the time taken to produce an **output** and provide an indication of the processing or **service** speed. Measures of timeliness provide parameters for 'how often' or 'within what time frame' outputs are to be produced. For example, licences are supplied to clients within two working days.

objectives	The effects or impacts that an entity seeks to have on its **customers**, **stakeholders** and the community. • **agency objectives** – should deliver the **agency business direction** and contribute to the **whole-of-Government direction** and, collectively, agencies' objectives should deliver the **whole-of-Government direction**. • **Government's objectives for the community** – the effects and impacts that the Government wishes to have on the community. The Government is required to prepare and table a statement of the Government's broad **objectives** for the community, including details of arrangements for regular reporting to the community about the outcomes the Government has achieved against these objectives for the community (*Financial and Accountability Act 2009*, section 10).
objectives for the community	See **objectives**
operational plan	Sets out how the **agency** plans to deliver its **services** over the relevant year. It also includes **service standards** and other **measures** that allow the **agency** to assess progress in delivering services in an effective and efficient manner to the standards as set out in the plan (*Financial and Performance Management Standard 2009*, section 9).
operational risk QT	Those **risks** that arise in day to day operations, and require specific and detailed response and monitoring regimes. If not treated and monitored, operational **risks** could potentially result in major adverse consequences for the **agency**.
outcome	• **agency outcomes** – those outcomes for which a single agency has direct influence and control on delivery. • **whole-of-Government outcomes** – those on which a collaborative effort by several agencies must be exerted to achieve the desired result. While no single agency can control the outcome, lack of input from a single agency can affect the success of the resulting outcome.
output	Products delivered as part of a **service**.

performance	A generic term referring to the execution, by an individual, agency or government, of duties, actions or **activities** for the achievement of stated **objectives**, which can be measured and reported.
performance audit	A performance audit is an independent examination by the Queensland Auditor-General of all or any particular **activities** of a public sector entity, to determine whether its **objectives** are being achieved economically, efficiently and effectively and in compliance with all relevant laws. The intent of a performance audit is to provide assurance to Parliament and to act as a catalyst for adding **value** to the quality of public administration by assisting entities in the discharge of their **governance** obligations.
performance indicator	Indicates the extent to which the **outcomes** achieved by an **agency** are meeting their **objectives** in its **strategic plan**.
performance management	The management and **evaluation** of information on the efficiency and effectiveness of **whole-of-Government direction**, **agency business direction** and **agency service delivery** to improve **accountability** of government, to inform policy development and implementation and to create **value** to **customers**, **stakeholders** and the **community**.
policy QT1	A statement of Government intent in relation to an **issue**, which can be implemented through the use of policy instruments, such as laws, advocacy, monetary flows and direct actions. The development and implementation of **programs** is one way that Government can act in response to a policy decision.
Portfolio Contact Officer (PCO)	Officer of the Policy Division within the Department of the Premier and Cabinet. PCO responsibilities include working closely with **departments** and briefing the Premier on Cabinet and **CBRC** submissions to ensure that they are consistent with the **whole-of-Government direction**.
program QT1	A structure (such as an intervention, **initiative**, **strategy** or **service**) created to coordinate, direct and oversee the implementation of a set of related **projects** and activities, in order to deliver value for the **agency** and/or its **stakeholders** (including customers) in response to an identified need and policy position.
program logic QT1	A method to assist **program** design. It depicts the logic or pathways through which the programs processes (inputs, activities and outputs) are intended to achieve the desired **outcomes**. Logic models can assist in understanding how the **program** is intended to work, what it is trying to achieve and why. Program logic is also commonly referred to as program theory or **service** logic.
project	A finite **initiative** to improve **service delivery**. Projects that require significant resources or involve major change should apply the processes to be found on the Queensland Government Chief Information Office website at https://www.qgcio.qld.gov.au/products/qgea-documents/547-business/2487-portfolio-program-and- project-management.
Project Assessment Framework (PAF)	Overseen by Queensland Treasury, the PAF provides tools and techniques to assess **projects** throughout the project lifecycle. PAF is applied according to strict guidelines of financial value for each project and where PAF is not applied, **agencies** must have regard for the PAF as required by the FPMS.

Portfolio, Project and Program Management	Part of the Queensland Government Enterprise Architecture suite of documents on Queensland Government Chief Information Office website, this is a **policy** which seeks to ensure a structured, effective and consistent approach for portfolio, program and project management is adopted across the Queensland Government. The establishment of consistent processes supports the conditions that enable successful governance to improve **program** and **project** delivery and **services** across the Queensland Government. See the website at https://www.qgcio.qld.gov.au/products/qgea-documents/547-business/2487-portfolio-program-and-project-management.
public sector ethics principles	The principles established in the *Public Sector Ethics Act 1994*.
public service office	An entity, or part of an entity, designated to be a public service office under the *Public Service Act 2008*, or subject to section 23, another designated entity, or part of a designated entity, declared under a regulation to be a public service office.
public service values	The five values to guide Queensland public servants' behaviours and the way the Queensland Government conducts business. The values are: Customers first; Ideas into action; Unleash potential; Be courageous; and Empower people.
purpose (of the agency)	A statement that specifies the overall aim of the **agency**. An **agency** articulates its purpose in its **strategic plan**.
Queensland Government Performance Management Framework (PMF)	The PMF is designed to improve the analysis and application of **performance information** to support **accountability**, inform policy development and implementation, and deliver **value** to **stakeholders**. The PMF ensures a clear line of sight between planning, measuring and **monitoring** performance and public reporting.
residual risk QT	**Risk** remaining after additional controls or treatments are taken into account.
risk QT	The chance of something happening that will have an impact on the achievement of the **agency's objectives**. **Risk** is measured in terms of consequences and likelihood, and covers threats and opportunities.
risk acceptance QT	An informed decision by the **risk** owner to accept the consequences and the likelihood of a particular risk.
risk analysis QT	A systematic process to determine the nature of **risk** and the magnitude of consequences.
risk appetite QT	The amount of **risk** that the **agency** is prepared to accept or be exposed to at any point in time.
risk assessment QT	The overall process of **risk** identification, analysis and **evaluation**.
risk avoidance QT	An informed decision not to become involved in, or to withdraw from, a **risk** situation.
risk evaluation QT	The process used to determine risk management priorities by comparing the level of **risk** against predetermined standards, target risk levels or other criteria.
risk management framework QT	An **agency's** policies, procedures, systems and processes concerned with managing **risk**.

risk management process QT	The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating **risk**.
risk profile QT	The documented and prioritised overall assessment of a range of specific **risks** faced by the **agency**.
risk rating QT	The rating resulting from the application of the agency's **risk** assessment matrix on the likelihood and consequence of a **risk** occurring.
risk retention QT	Intentionally or unintentionally retaining the responsibility for loss, or financial burden of loss within the **agency**. **Risk** sharing with another party the burden of loss, or benefit of gain from a particular **risk**.
risk tolerance QT	The variation from the pre-determined **risk appetite** an **agency** is prepared to accept.
risk transfer QT	Shifting the responsibility or burden for loss to another party through legislation, contract, insurance or other means.
Senior Executive (SE) Performance Agreement	Senior Executive Service (SES) are required to enter into a performance agreement with departmental chief executives at their substantive appointment and annually thereafter. Collectively, the SES performance agreements for a **department** will assist the chief executive to deliver all aspects of their performance agreement.
services	The actions or activities, including **policy** development, of an **agency** which contribute to the achievement of the **agency's objectives**.
service area	Related **services** grouped into a high level service area for communicating the broad types of services delivered by an **agency**. Service areas for each agency are detailed in the **Service Delivery Statements**.
service delivery	**Services** provided to **customers** by **agencies**. Service delivery is changed or improved through **projects** and **programs**.
Service Delivery Statements (SDS)	Published annually as part of the **State Budget**, the SDS provides budgeted financial and non-financial information for the financial year. The non-financial component of the SDS sets out the **service areas** each **agency** will deliver and the standards to which these will be delivered.
service standard	Define a level of performance that is expected to be achieved appropriate for the **service area** or **service** and must be a measure of **efficiency** or **effectiveness**.
stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or **activity**. Stakeholders include business or the community. Note, a decision maker can be a stakeholder. Stakeholders who are direct or potential **service** recipients are referred to as **customers**.
standards of conduct	Standards that reflect and support the values and principles underlying good public administration are contained within codes of conduct, which must be complied with by public service employees.

State Budget	Tabled in Parliament annually, the State Budget is an outline of the Government's priorities and plans for the coming year, expressed in terms of financial and non-financial **performance information**. The State Budget papers consist of the Treasurer's Budget Speech, Budget Strategy and Outlook, Capital Statement; Budget Measures, **Service Delivery Statements**, and Regional Budget Statements.

State Budget submission **Agencies** prepare submissions to the **Cabinet Budget Review Committee** (CBRC) each year highlighting how they plan to apply their budget and, where necessary, seeking **CBRC's** consideration of changes to their budget allocation to address new or emerging demands.

statistic A value that has been produced from a data collection, such as a summary **measure**, an estimate or projection. Statistical information is data that has been organised to serve a useful purpose.

statutory body An entity established by legislation for a specific purpose, which can operate either inside or outside the general government sector.

As defined in the *Financial Accountability Act 2009* (section 9), a statutory body:

- is established under an act (that is, its enabling legislation)

- has control of its funds (that is, can make decisions about how funds are expended)

- includes, or its governing body includes, at least one member who is appointed under an act by the Governor in Council, or a Minister, or whose appointment is confirmed by the Governor in Council or a Minister.

strategic plan A concise document used by an **agency** to describe its **vision**, **purpose**, **objectives** and **performance indicators**. The **agency business direction** must align with the **whole-of-Government direction**.

Each **accountable officer** and **statutory body** must develop a strategic plan for the **agency** to cover a period of at least four years (*Financial and Performance Management Standard 2009*, section 9).

strategic risk QT **Risks** that may affect the **agency's** ability to meet its strategic **objectives** and require oversight by senior executives.

strategy The way in which the Government or an **agency** intends to pursue its **objectives** and deliver its **services**.

Strategies included in an **agency's strategic plan** would generally be longer term 'strategic' strategies that are pursued over a number of years.

Strategies included in an **agency's operational plan**(s) would generally be shorter term 'operational' strategies that are pursued over a year or less timeframe.

(see also **whole-of-Government strategies**)

Treasury Analyst (TA) Officer within the business branches in Queensland Treasury with responsibilities, including briefing the Treasurer on an **agency's** Cabinet and **CBRC** submissions to inform an assessment of **value for money** and ensure that they reflect sound fiscal management.

value The **benefits** received by **customers**, **stakeholders**, the **community**, or the **agency** from **services**. Value is determined by the perception of the usefulness and importance of the **benefits**, whether those benefits are received individually or on a communal basis, received as a member of the public, a member of the legislature or the public service.

value for money	A measure used for determining the best return and/or performance of money spent based on the relationship between value and total cost.
variance	The difference between planned and actual performance. There is no quantitative threshold that will uniformly determine if a variance is considered material for each agency.
vision (of the agency)	Indicates what the **agency** aspires to be and/or achieve for Queensland by reflecting on how it wishes to be perceived by its **customers**, **stakeholders** and the **community** and/or what it is working towards achieving for Queensland. This statement takes into account the current status of the **agency** and outlines its future direction.
whole-of-Government direction	The **Government's objectives for the community, whole-of-Government priorities** and **whole-of-Government strategies** to address current and future challenges and opportunities for the Government.
whole-of-Government measures	Apply across multiple services and **departments** and **outputs** to achieve an outcome that one department or service area alone cannot achieve –generally outside the control of one agency, requiring action on the part of several agencies. For example, crime rates and road toll.
whole-of-Government priorities	Focus areas that support the **whole-of-Government direction**. The whole-of-Government priorities are informed by the **external drivers**. For example, building regions and protecting the Great Barrier Reef.
whole-of-Government strategies	Strategies which describe the way the Government intends to achieve its **objectives for the community** and **whole-of-Government priorities**. For example, *Domestic and Family Violence Prevention Strategy*.