



Service Performance Reporting in New Zealand

Presentation to Financial Reporting Advisory Board (UK)

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Service Performance Reporting Framework

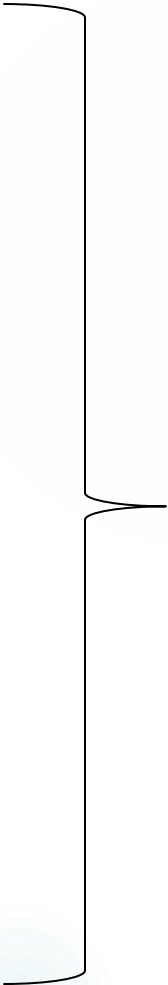
- All government departments
- Crown Entities
- Local Councils

Legislation
Who needs to report



Accounting Standards
What to report and how to present

Auditing Standards
Assurance over systems and appropriateness



Central government expectations

- Auditor-General
- The Treasury
- Public Service Commission

Best practice and guidance

What is Service Performance Information?

Service performance in the public sector can often be a blurry, elusive concept

Broad understanding

Non-financial information about how an entity has performed – quality, efficiency, effectiveness, timeliness

PFM perspective

How well public organisations have used public money and resources to achieve intended outcomes.

Auditor-General

Information about the difference an entity has made on the lives of New Zealanders.

NZ Accounting Standards

Information about what the entity has done during the reporting period in working towards its broader aims and objectives.

New Zealand Legislation

Information about what an entity intended to achieve and an assessment of what was achieved

IPSASB

Information on the services that the entity provides, an entity's service performance objectives, and the extent of its achievement of those objectives

PBE FRS 48 – Service Performance Reporting

Effective for accounting periods commencing on or after 1 January 2022

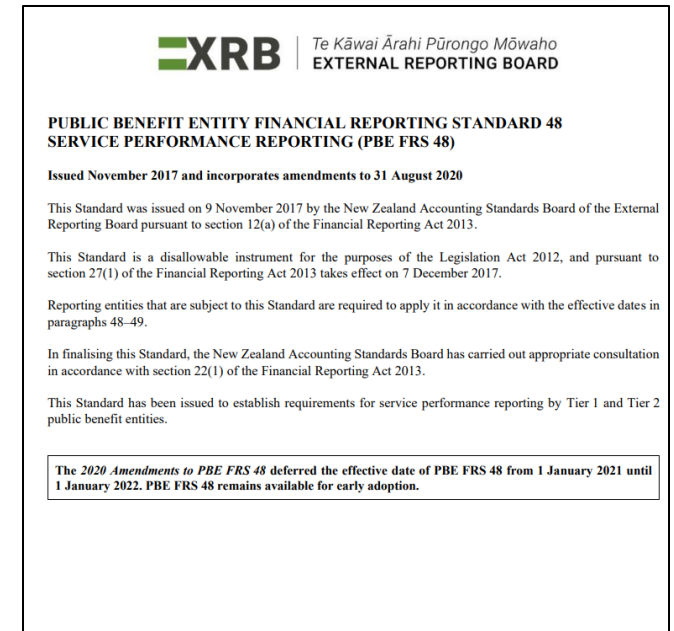
Requires an entity to disclose as part of general purpose financial reports:

- (a) Information about why the entity exists,
- (b) What it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- (c) What the entity has done during the reporting period in working towards its broader aims and objectives.

Performance measures

In reporting on what an entity has done during the reporting period an entity shall provide users with an appropriate and meaningful mix of performance measures and/or descriptions for the reporting period.

Removed language such as **outputs**, **outcomes**, and **impacts**



PBE FRS 48 – Service Performance Reporting

Selection of appropriate and meaningful performance measures

Required to apply the qualitative characteristics of information and the pervasive constraints on information.

Encourage to consider what is the entity accountable/responsible for:

- Delivery of specific services or goods;
- Achievement of specific social, environment , or economic outcomes; or
- Both

- Relevance
- Faithful Representation
- Understandability
- Timeliness:
- Comparability
- Verifiability
- Materiality
- Cost/benefit

Example: Ministry for the Environment

NZ IAS 1 – The Audit of Service Performance Information

Effective for Accounting Periods beginning on or after 1 January 2024

The auditor is required to assess whether the service performance information is appropriate and meaningful, including whether it:

- Fairly reflects the auditor's understanding of the entity's performance;
- Provides information about an entity's core purpose, functions or objectives;
- Will meet user needs to enable an informed assessment of the entity's service performance;
- There is likely to be sufficient appropriate evidence to support the performance measures;
- Is capable of measurement or evaluation in a consistent manner from period to period; and
- It is presented in a way that is easy to follow, concise, and logical

Condition of audit: The measurement bases or evaluation methods used by the entity to assess the performance measures must be either disclosed or made available to intended users.

Improving service performance information

Does the information provide the reader with an understanding of:

- Why the entity exists and what outcomes they are seeking to achieve;
- The entity's strategic priorities over the short-to-medium term;
- What the entity has done in the period to advance its objectives?

Does the performance measures provide an understanding of:

- How well the entity has performed – from an effectiveness and efficiency perspective;
- The extent to which progress has been made against its strategic priorities; and
- The impact of the entity's outputs, activities and/or achievements on improving the lives of New Zealanders?

Challenges:




- Accountability/Responsibility
- Attribution
- Short-term focus
- Data collection
- Stakeholder expectations
- Costs

Research:

- Within 1 year - 30% of measures either new or changed
- Within 2 years – 50% of measures either new or changed

Ngā kāinga utu-ngāwari ki ngā reanga katoa

Affordable homes for every generation

What we expect to see when the system is working well	Measures	Commentary	Trend
People are able to rent or buy appropriate housing for their changing needs.	Increase in rental housing affordability.	<p>At June 2020, 44.7 percent of renter households were spending 30 percent or more of their household disposable income on housing costs.²¹</p> <p>At June 2019, 42.7 percent of renter households were spending 30 percent or more of their household disposable income on housing costs.²²</p> <p>At June 2018, 44.6 percent of renter households were spending more than 30 percent of their household disposable income on housing costs.²³</p> <p><i>Note: These results are not directly comparable with results that were provided in the 2019/20 Annual Report, which were taken from the Experimental Housing Percentage Measure. Latest results are from the Household Income and Housing Cost Statistics: Year ended June 2020.</i></p>	
	Decrease in the time to house people from the public housing register.	<p>In the year to June 2021, the median time to house people on the housing register was 168 days.²⁴</p> <p>In the year to June 2020, the median time to house people on the housing register was 126 days.</p> <p>In the year to June 2019, the median time to house people on the housing register was 101 days.</p>	
	Increase in home ownership.	<p>In 2020, 63.2 percent of people were living in owner-occupied dwellings. For Māori, this was 45.1 percent and for Pacific peoples 30.9 percent.²⁵</p> <p>In 2019, 62.6 percent of people were living in owner-occupied dwellings. For Māori, this was 45.7 percent and for Pacific peoples 31.6 percent.</p> <p><i>Note: These results are not directly comparable with results that were provided in the 2019/20 Annual Report, which were taken from Census data. Latest results are from the 2019/20 Household Economic Survey.</i></p>	

Our work to ensure people are able to rent or buy appropriate housing for their changing needs is included on pages 41 to 44. We are enabling an increase in the supply of affordable housing through the establishment of the Housing Acceleration Fund. The Land for Housing programme is purchasing underused Crown and private land to onsell for housing development. The Progressive Home Ownership Fund is enabling families who have been priced out of home ownership to buy a home.

Example: Good service performance reporting

[GOOD-PRACTICE-PERFORMANCE.PDF](#)

What we achieved

Performance measure	Target 2023/24	Result 2022/23	Result 2023/24	Achieved
The Prime Minister is satisfied with the services and support provided by the Department of t [REDACTED]	4	4.50	4.25	✓
The Governor-General is satisfied with the services and support provided by the Department of t [REDACTED]	4	4.46	4.21	✓

Managing Climate Change in New Zealand

Climate Adaptation Act development and delivery

Performance measure	2022/23 performance	2023/24 target	2023/24 performance
Cabinet has agreed the scope for the adaptation framework	New measure	By 30 June 2024	Achieved

Example: Not so good service performance reporting