

Session 2

Results Logic, Outputs, Outcomes and Impacts

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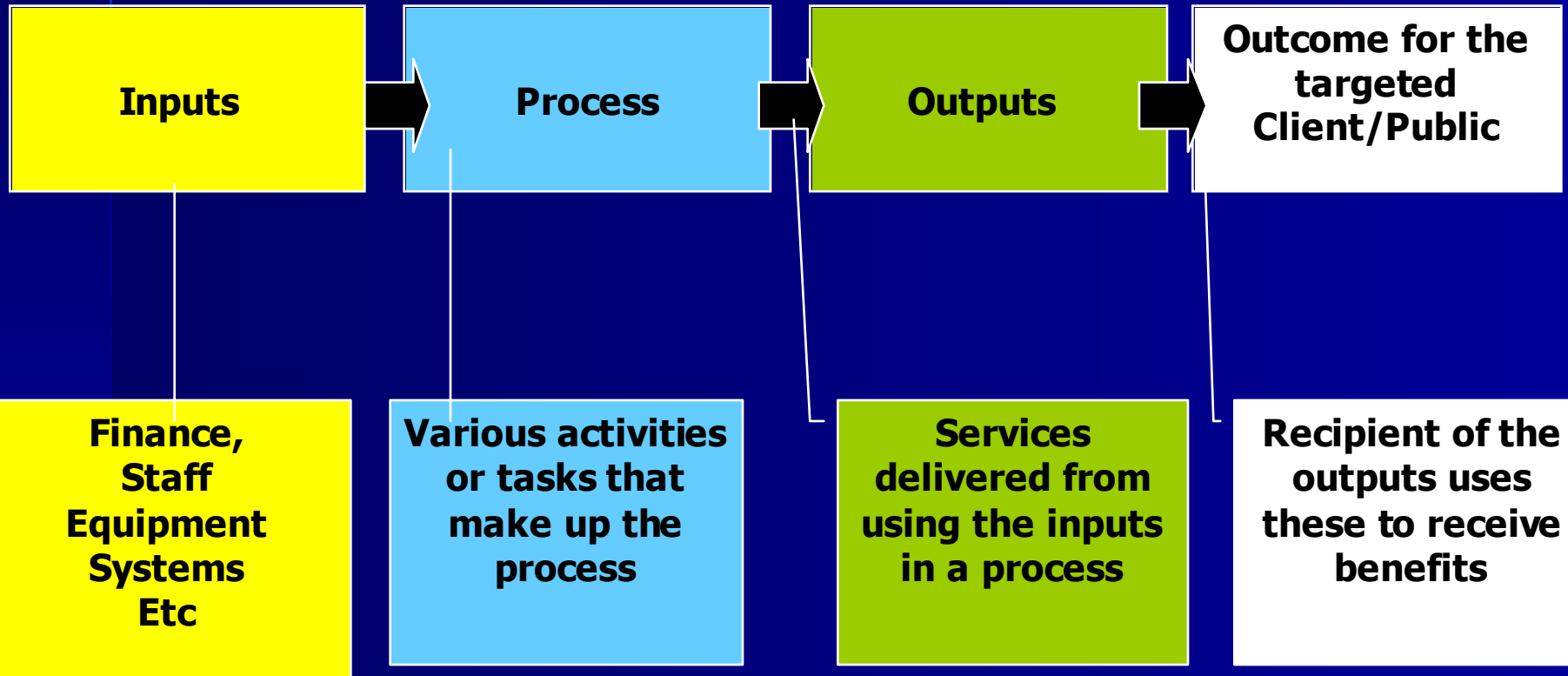
Coverage

1. Defining a 'results' framework in more detail
2. Clarifying the terminology
3. Examples
4. Key issues – Indicators and Conditions
5. Mini cases to confirm understanding
6. Open discussion

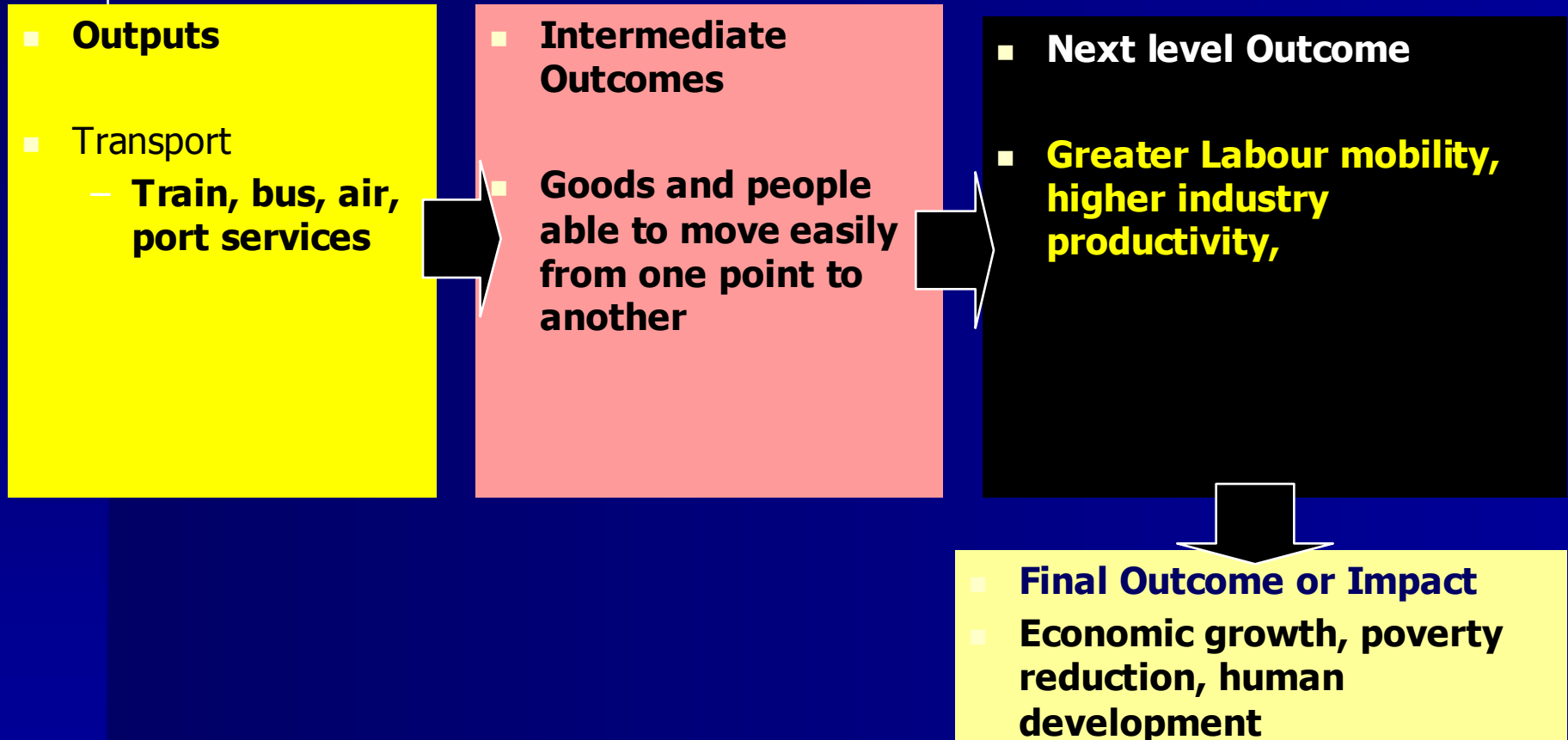
Results

- We can agree that we should achieve results....
- but unless we share a common understanding of what we mean by 'results' there is a distinct risk of not achieving them

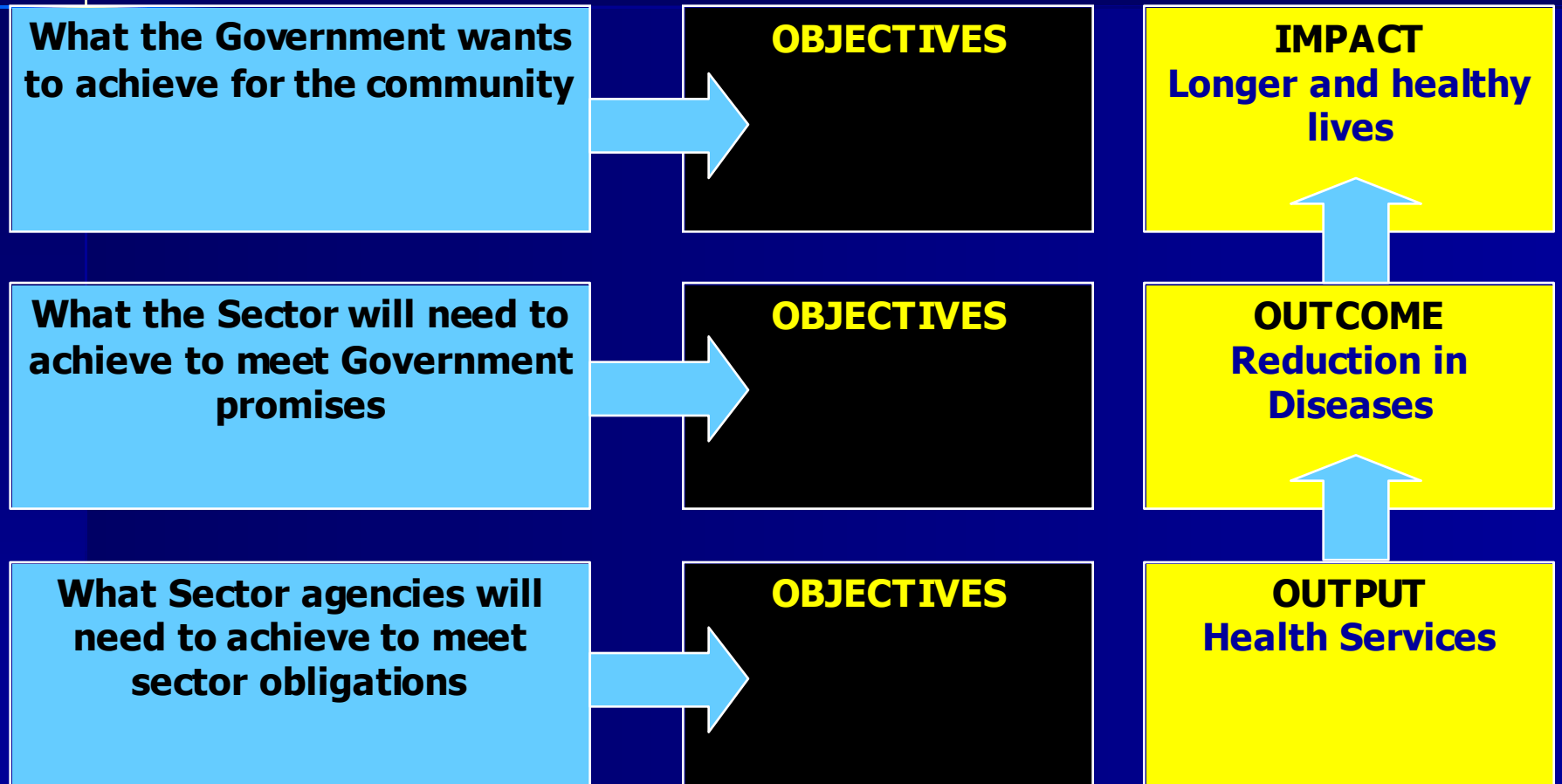
Basic Building Block



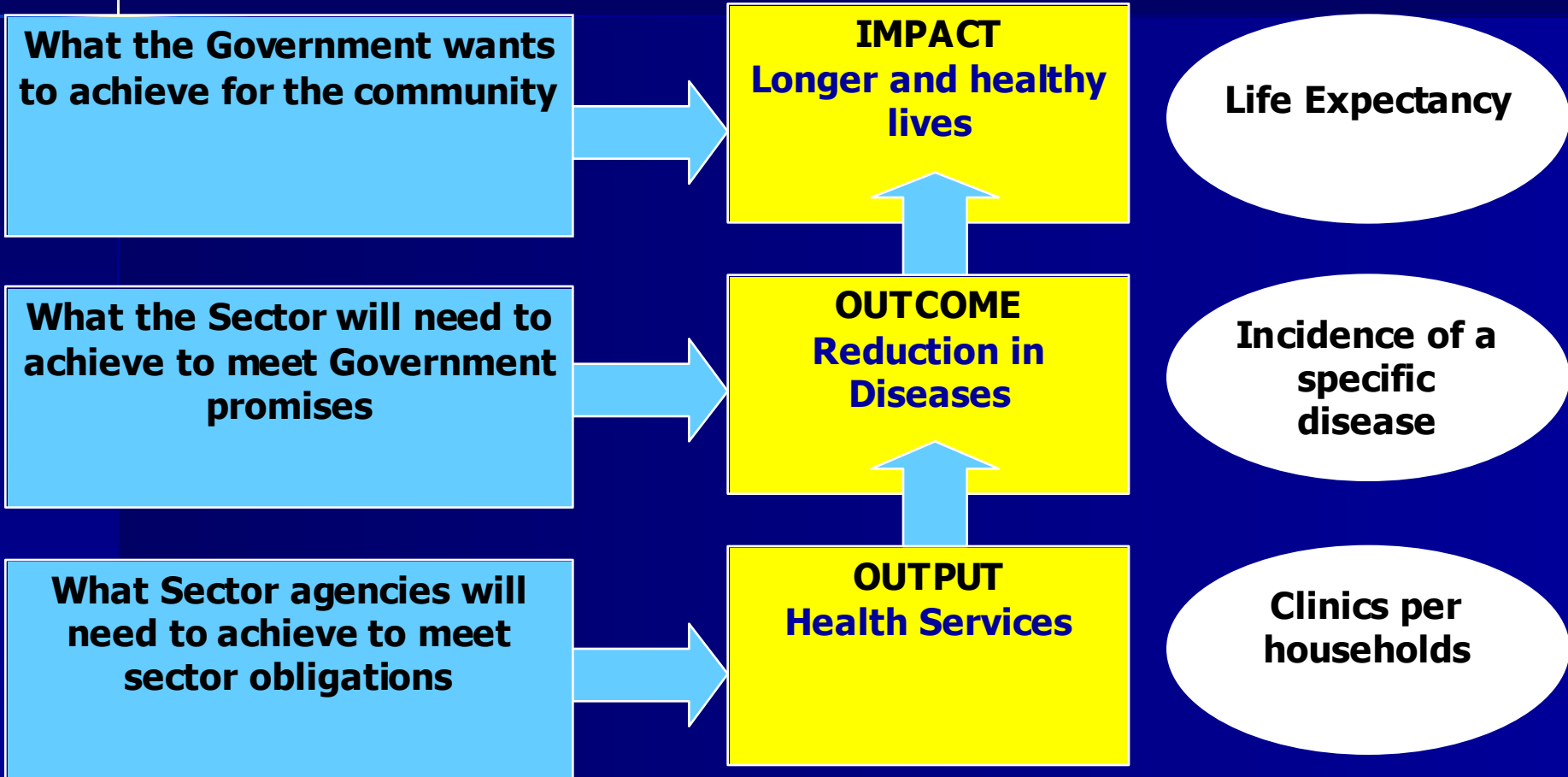
First result leads to further results – Result Logic



Results tie into the accountability structure

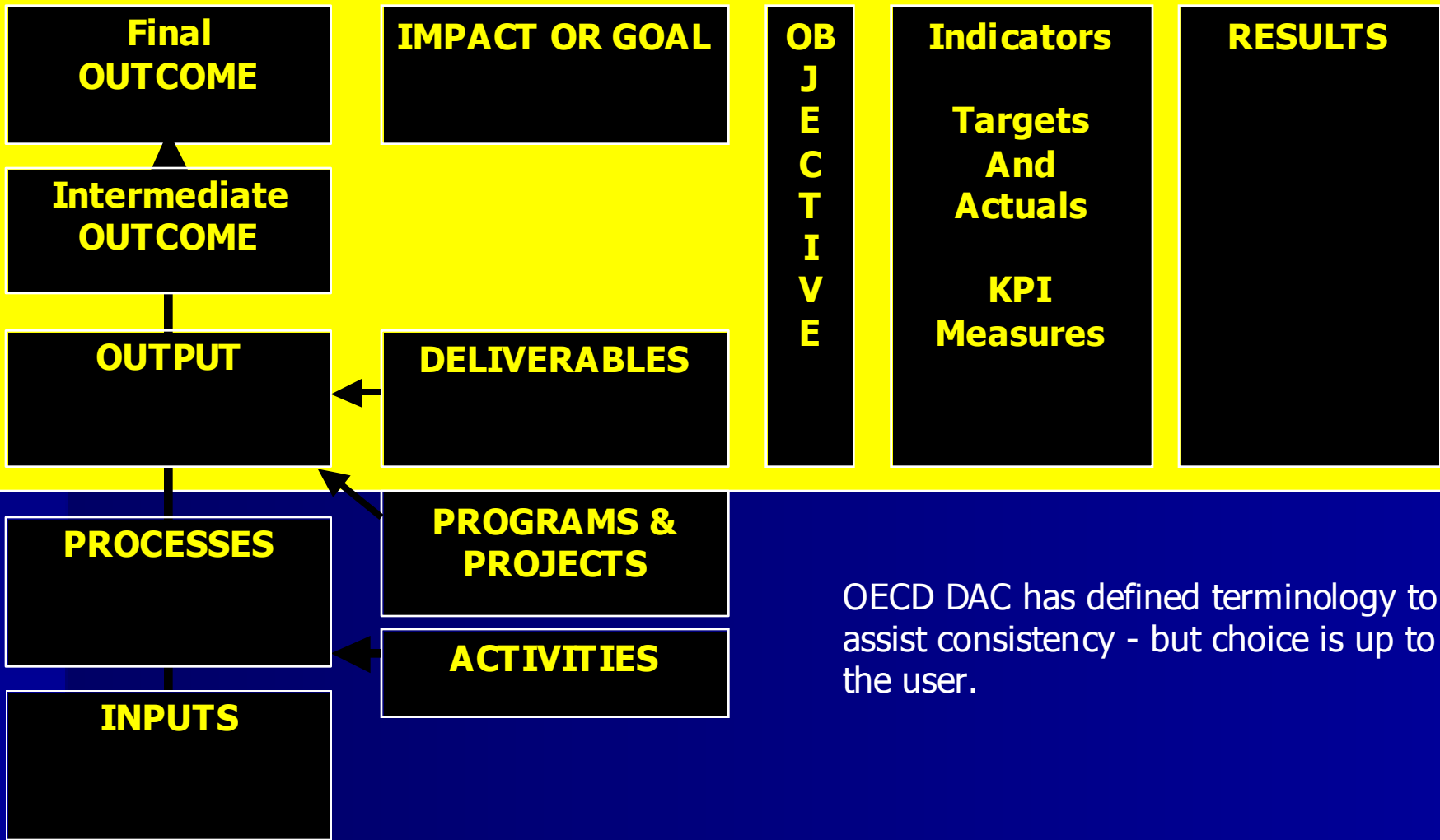


Results Framework means setting targets and monitoring



Requires more than just an indicator description

2: Clarifying the terminology



OECD DAC has defined terminology to assist consistency - but choice is up to the user.

3: Examples of Frameworks

Government Outcomes [Political decisions]

Valuing and investing in lifelong education
Building cohesive communities and reducing inequalities

Safe streets, houses and working places

Promoting rights and respecting diversity

High quality, accessible health and community services

More jobs and thriving innovative industries across the State

Protecting the environment for future generations

Sound financial management

Each Government Agency has to

- **define its outputs**
- **show how they support a Government Outcome**
- **have indicators with targets**
- **have a budget**

Examples of Results Framework

Water Resources Sector Outcomes

- Sustainable water resources
- Farmers have sufficient water for their crops
- Everyone has enough potable water for daily living

Ministry

Intermediate Outcome:

- Population conserve water
- More informed water management decisions

Outputs

- Policy
- Plans
- Investment approvals
- Management report

Regulatory Board

Intermediate Outcome:

- Ensure water standards are met and water is priced appropriately

Outputs

- Published standards
- Published pricing
- Monitoring report

Water Urban Distribution Authority

Intermediate Outcome

- Be self financing and sustainable
- Meet customer demand efficiently and affordably
- Educate customers use of water

Outputs

Water distribution service

Projects and programs can be initiated and linked into sector level or agency level outputs and outcomes.

4: Key Issues

- How to state 'results'
- How to specify indicators and targets
- Identifying the needed 'conditions' to achieve results
- Some highly qualitative Government functions may be more difficult to apply results logic and indicators to

Form of Expression

- Output – has to be a tangible statement - services delivered

**Water services
Transport services
Customs services
Education services
Health services**

- Outcome – can be a change statement or a statement of desired status

**'Reduced disease
incidence'**

'Safe streets'

Specifying Performance Indicators

- Millennium Development
- Macro Economic
- Sector Specific
- Thematic Specific

- Weaker aspect of Government
- Generally lacking for services

Specific?
Measurable?
Achievable?
Relevant?
Timely?

Performance Indicators

Transport Authority:

Output:

On time, efficient bus services that match community's affordability and demand pattern.

Indicator and Targets:

90% of timetabled services have less than 5 minute variation from scheduled timetable

Customer survey satisfaction rating is at least 80%

Test for being

**Specific?
Measurable?
Achievable?
Relevant?
Timely?**

Conditions for Results

- In setting out results and performance targets – there are **assumptions** made and **risks** being faced – in agencies, in programs, in projects
- **Need to be explicit** so there is an understanding about the practicality of planned results
- Assumptions and risks may be used as the 'excuse' clause rather than triggers for action

Definitions and examples of Assumptions and Risks

- Assumptions – factors that need to hold true to achieve results [outputs, outcomes]
- Risks – factors that must not occur – if they do they threaten achieving targeted results

Types of Conditions

- **Financial and economic**
- **Environmental**
- **Political**
- **Operational**
- **Technical**
- **Security**
- **Social**

A and R examples

Water Resources Sector Outcomes

- Sustainable water resources
- Farmers have sufficient water for their crops
- Everyone has enough potable water for daily living

Water Urban Distribution Authority

Outcome

- Be self financing and sustainable
- Meet customer demand efficiently and affordably
- Customers conserve water

Outputs

Water distribution service
Education of customers

Assumptions

Required tariffs
will be approved
by regulator

Risks

Community will
not apply water
conservation
practices

Summary to this point

- Results framework covers
 - Results logic – sequence going from inputs to outputs to outcomes to impacts
 - Terminology - need to be consistent
 - Expressions - outputs as tangible results and outcomes as either change or desired status
 - Indicators – need to meet SMART criteria
 - Conditions – be explicit as put context to results

5: Mini Cases

Opportunity to discuss and clarify specific aspects of RBM

Identify issues that warrant further comment or explanations upon

No one 'right' answer

Cases drawn from real life circumstances

Mini Case 1:

Outputs, Outcomes, Impacts

Victoria 2010: A Vision for Victoria

The Government's vision for Victoria is that, by 2010, we will be a State where:

- Innovation leads to thriving industries generating high quality jobs.
- Protecting the environment for future generations is built into everything we do.
- We have caring, safe communities in which opportunities are fairly shared.
- All Victorians have access to the highest quality health and education services all through their lives.

Mini Case 2 :

Assumptions and Risks

Outcome	Output:	Activities
a) All urban dwellers receive 24/7 quality water services b) Agency financial self sufficiency	Efficient quality water services availability	a) Rehabilitate water system b) Operate the water system

Mini Case 3: Indicators and Targets

OUTPUT PERFORMANCE

OUTPUT DESCRIPTION AND MEASURES

OUTPUT: COUNTRY BUS SERVICES

Manage the contractual arrangements with private operators for the delivery of bus services in accordance with the contractual service standards and implement initiatives for new rural bus services, air-conditioning and lowering rural student fares to a Statewide standard of 50 per cent of the adult fare.

PERFORMANCE MEASURES	UNIT OF MEASURE	2000-01 TARGET	2000-01 ACTUAL
Quantity			
Total kilometres timetabled	million	17	17
Quality			
Timetabled bus services delivered	per cent	99	99.9
Passengers carried	million	11.5	11.5
New air-conditioned buses in service	number	30	10*
Timeliness			
Services within five minutes of timetable	per cent	95	99.2
Cost			
Total output cost:	\$ million	49.5	38.5

*Delays in signing contracts with bus operators have delayed this year's program.

OUTPUT: SCHOOL BUS SERVICES

Manage the contractual arrangements with private operators for the delivery of bus services in accordance with the contract service standards and implement approved initiatives for school bus services, including two-way emergency communication, air-conditioning on bus replacements, flashing lights, and first-aid kits and training.

PERFORMANCE MEASURES	UNIT OF MEASURE	2000-01 TARGET	2000-01 ACTUAL
Quantity			
Kilometres scheduled	million	33.4	33.4
Quality			
Timetabled bus services delivered	per cent	99	100
New air-conditioned school buses in service	number	70	70
School bus safety program delivered	per cent	30	48
Timeliness			
Services within five minutes of timetable	per cent	95	100
Cost			
Total output cost:	\$ million	120.1	120.5

Mini Case 4:

Objectives and Results

- All Departments and Ministries have effective internal audit services;
- Whole of Government complies with financial and audit act provisions;.
- Ministries: Beneficial use of internal audit services
- Parliament: Confidence in the quality of government's financial management
- Public: Awareness of the financial management performance of the Government.
- Number of compliance audits conducted;
- Level of demand for the Authority's other services
- A high satisfaction rating from a survey of members of Parliament about the Authority's work and
- Good press coverage of the Authority's annual report on government compliance.

Open Forum

Investing in Our Schools, an Australian Government Initiative

The \$1 billion Investing in Our Schools Programme was announced by the Prime Minister, the Hon John Howard MP, during the election campaign in 2004. The investment adds significantly to the \$1.5 billion already committed by the Australian Government for capital works in schools across Australia over the next four years.

Source: Department of Education, Science and Training, Australia. 2005. Available:
http://www.dest.gov.au/sectors/school_education/programmes_funding/general_funding/capital_grants/ios/

Politicians love to tell you that they are spending more money – but are much more reluctant to commit to what will be the subsequent results

RBM shifts focus from inputs to results of using inputs

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This is what you can expect from our government

Sufficient well equipped classrooms for your children
No over crowding in classrooms
Opportunities for recreation by school children etc