



Measuring service performance

Performance information is a tool for service management and improvement. It supports informed decision making and is an early warning system that enables managers to take preventative action.

Reporting on a range of performance measures to external stakeholders can demonstrate that an entity is using its resources appropriately and delivering valuable services. Monitoring both effectiveness and efficiency provides a balanced assessment of performance and ensures that any changes in one are not at the expense of the other.

Fact sheet

Principles

The Queensland Government's performance management framework identifies general principles for organisations to consider when developing performance measures. A performance measure should be:

- **relevant** – reflect what the entity is trying to achieve, not simply what is easy to measure
- **comparable** – with either past periods or similar services in other entities (for example, councils) in Queensland and nationally
- **well-defined** – with a clear, unambiguous definition so that data can be collected, and easy to understand and use with minimal explanation
- **prevent unintended consequences** – not encourage unwanted or wasteful behaviour
- **reliable and verifiable** – able to produce accurate data for its intended use, able to be measured consistently, and be responsive to change
- **achievable** – stretching and reflecting the entity's ambitions for improved standards of public services
- **cost-effective** – in terms of gathering and processing the data.

Monitoring performance is a process of continuous improvement. Performance measures are not set-and-forget, but require continuous monitoring and improvement to inform and drive decision making about the business.

Measuring effectiveness of services

Effectiveness measures monitor the progress of objectives and the outcomes an entity wants its services to achieve. Users of services can include individual residents, businesses, or community groups. Effectiveness measures show the impact of the service on the environment, public safety, traffic congestion, and, in some cases, community health outcomes. Effectiveness measures, when considered across all services, can provide an overview of the entity's progress in achieving its operational and corporate plan.

Developing effectiveness measures relies on establishing clear objectives for the service and determining what success would look like. It is helpful to:

- specify what the service intends to achieve (the objective)
- define the target population or client base for the service
- identify the main impacts to users (the outcomes)
- benchmark operations against similar organisations or the private sector (where appropriate).

Effectiveness measures focus on the results achieved, rather than the activities completed or money spent. They can be short term or longer term. Examples of effectiveness measures include:

- participation rates in sports/fitness programs (short term)
- fitness levels of participants in sport/fitness programs (medium term)
- proportion of participants in respite services reporting improved health outcomes (long term)
- number of accidents per kilometre of road, by road type (medium term).

Measuring efficiency of services

Efficiency measures monitor the cost of delivering a service. They provide information about the production of a service with a given level of resources. They are useful in demonstrating an entity's relative efficiency in service delivery when compared with benchmarks such as:

- previous results
- internally established goals and targets
- compliance with legislative standards
- generally accepted norms or standards
- results achieved by similar entities.

Efficiency measures focus on the cost of the resources used in dollars per unit. Examples of efficiency indicators include:

- average cost per inspection – \$250 per inspection
- average annual cost per site – \$150 of expenses per site
- average cost per patron (for example, swimming pool, library or airport) – \$15 per entry to the pool, \$28 per passenger trip, \$35 per member per year
- cost per licence issued – \$50 per licence
- cost per day (for example, of childcare) – \$110 per day per child.

Note, the figures are indicative only and not based on benchmarks.

Reporting performance

There are different audiences for performance reporting, with different needs, interests, and obligations. Contemporary tools allow users to generate dynamic reports covering a wide range of information.

When developing static reports for different audiences, it is important to consider the types of decisions or interventions they need to make. This will help determine the level of information they need; too much information can be as detrimental to decision making as not enough.

Internal reports to management

Heads of business units and senior management need to make tactical decisions about service levels, responsiveness, and budget issues. The types of measures best suited include:

- **activity measures** – service instances, number of service recipients, or other activities for the service; these measures demonstrate the volume of work undertaken and have direct links to the service budget
- **cost measures** – the cost of outputs/services produced compared to the budgeted costs or other benchmarks
- **process measures** – throughput, or the means by which the entity delivers the activity or service, rather than the service itself (for example, the number of development applications approved); these measures demonstrate how busy the team or business unit is, rather than the effectiveness of the services
- **input measures** – the resources consumed in delivering a service, either as an absolute figure or as a percentage of total resources; these measures may include the funding, number of employees, person days, equipment, and supplies
- **quality measures** – how well a service is fit for its purpose, for example the extent to which outputs conform to specifications; these measures could include timeliness, accuracy, completeness, accessibility and equity, continuity of supply, and/or seeking feedback on one of these criteria through customer satisfaction or experience surveys.



Internal reports to councillors

Councillors have several responsibilities under the *Local Government Act 2009* (the Act), including ensuring the council discharges its responsibilities, achieves its corporate plan, and objectives, and complies with all laws that apply to local governments.

Councils have a range of financial reporting obligations under legislation. They also need to provide non-financial reports to councillors to allow them to make strategic decisions on the council's performance for the community they represent. The types of measures to help them make these decisions focus on:

- **effectiveness** – achieving key outcomes and benefits of council's services
- **efficiency** – using the lowest level of council resources necessary to deliver services
- **economy** – using resources prudently; considering overall efficient use of resources to deliver effective services will also measure economy.

External reports to the community

Publicly reporting performance information is essential for accountability and transparency. It drives continuous improvement and builds trust and confidence in local government service delivery.

The types of measures that help the community hold council accountable are high-level strategic measures linked to the corporate plan, focused on the services they receive from council. The measures should focus on the outcome for the end users of services where possible and include:

- **effectiveness** – achieving key outcomes and benefits of council's services
- **efficiency** – using the lowest level of council resources necessary to deliver services
- **economy** – using resources prudently; considering overall efficient use of resources to deliver effective services will also measure economy.

Resources

There are a range of resources available to public sector entities to support the development of performance management frameworks and examples of specific measures of service performance, including:

- The Queensland Government's *Performance Management Framework* policy and guidance materials: www.forgov.qld.gov.au/manage-government-performance
- The Victorian Government's local government performance reporting framework: www.localgovernment.vic.gov.au/strengthening-councils/performance-reporting



© The State of Queensland (Queensland Audit Office) 2025.

The Queensland Government supports and encourages the dissemination of its information. The copyright in this publication is licensed under a Creative Commons Attribution (CC BY) 4.0 International licence.

To view the licence visit <https://creativecommons.org/licenses/by/4.0/>



Under this licence, you are free to copy, communicate and adapt this tool, as long as you attribute the work to the State of Queensland (Queensland Audit Office).

Content from this work should be attributed as: The State of Queensland (Queensland Audit Office) *Measuring service performance*, available under CC BY 4.0 International.



qao.qld.gov.au/reports-resources/fact-sheets

qao.qld.gov.au/reports-resources/reports-parliament

T: (07) 3149 6000
E: qao@qao.qld.gov.au
W: qao.qld.gov.au
53 Albert Street, Brisbane Qld 4000

