

# Performance measurement frameworks

## What is a performance measurement framework?

A performance measurement framework (PMF) is a tool used in monitoring and evaluation that links objectives, performance indicators, measures and data sources together. It can be used for programs, policies and agency performance management systems (which are broader than measurement).

Under the *Financial and Performance Management Standard 2019*, agencies need to demonstrate how they are achieving their objectives efficiently, effectively and economically. A PMF that contains both financial and non-financial performance information, can help to provide a structure to meet this need.

## When can you use a PMF in a program's lifecycle?

**Planning:** At the planning phase, a PMF can help clarify what data will be needed for ongoing and periodic reporting, and how it will be sourced.

**Implementation:** Routine monitoring of performance data or stakeholder feedback can identify where improvements need to be made to a program's implementation.

**Evaluation:** PMFs can assist evaluators to determine the achievement of intended outputs and outcomes, particularly from a quantitative perspective.

A list of common components of a PMF, with examples, is presented below.

Components	Examples
<b>Program objectives or evaluation questions</b> Evaluators will often add evaluation questions alongside the stated program objectives to help focus the evaluation and measurement choices.	<b>Program objective:</b> Increase the number of jobs in Regional Queensland. <b>Evaluation question:</b> To what extent was the program effective in contributing to an increase in regional employment?
<b>Indicators and measures</b> Indicators are variables that, when measured, provides an indication of performance. Measures explain how an indicator will be quantified or calculated. Indicators and measures can be developed for inputs, outputs and/or outcomes. Indicators may have more than one measure.	<b>Output Indicator:</b> Attendance by prospective jobseekers at program events aimed at increasing job opportunities. <b>Output Measure:</b> Number of people attending program events by type of event and month. <b>Outcome Indicator:</b> Employment in Regional Queensland. <b>Outcome Measure:</b> Number and proportion of people aged 15 years and over who are employed in Regional Queensland.
<b>Benchmarks, targets or baseline</b> It is common for a PMF to include points of reference to assess performance against, such as a standard (benchmark), desired future result (target) or comparison to current or past result (baseline).	<b>Benchmark:</b> 5.0% or greater annual employment growth since 2020; Queensland. <b>Target:</b> 5.0% or greater annual employment growth. <b>Baseline:</b> 4.8% annual employment growth; Regional Queensland as at April 2022.
<b>Data breakdowns or disaggregation</b> Where required and available, some measures may be reported by selected sub-groups of the population.	Regional employment by Indigenous status, gender or age.
<b>Data source</b>	ABS, Labour Force, Australia, Detailed.
<b>Frequency or timeframe of reporting</b>	Released monthly, with one-month lag from reference period. Employment growth reported as a 12-month average.
<b>Data quality</b> Data quality can be described qualitatively or quantitatively (e.g. confidence intervals, standard error).	Regional estimates may be subject to different biases (such as sampling error). Caution should be used when reporting and interpreting findings.

**Note:** Not all components will be suitable for all types of programs or PMFs.

Although similar, a Performance Indicator Framework typically contains less detailed information than a PMF. It will list key indicators and link to program objectives, but often doesn't include specific measures or detailed data considerations.

## How to improve the usefulness of a PMF

A well-designed PMF will be fit-for-purpose, appropriately scaled for the project and reflect the time and budget available. PMFs should:

- be unique to a program and reflect its objectives, key evaluation questions and program logic
- capture multiple types of evidence about a program's design, delivery and results
- have a manageable set of clear and focused indicators, with quantitative measures from primary and secondary data sources (where practicable)
- include qualitative data (where appropriate) when quantitative data are not available or of sufficient quality.

A PMF's scope and focus can vary during program implementation in response to changes made to the program over time. PMFs can also provide a useful structure for reporting program or evaluation results. A PMF should be reviewed regularly and improved, if necessary, to align the PMF to measurement needs and reporting expectations.

Measuring program performance (e.g. using a PMF) complements evaluative activities but it is not a substitute for evaluation itself. Although performance measurement may indicate program achievement, program evaluation can explain why measured results are observed.

## Top tips when developing a PMF

1	<b>Conduct an evaluability (readiness) assessment</b> Ensure developing a PMF is possible and necessary.
2	<b>Check to see what others have done</b> Avoid reinventing the wheel and try to tailor your PMF's measurement and reporting to your program.
3	<b>Develop a program logic</b> Conceptualise the program's pathways and assumptions from inputs to outputs and outcomes.
4	<b>Engage with key stakeholders</b> Understand the context and facilitate stakeholder support to ensure information needs are met.
5	<b>Agree on selected indicators</b> Select indicators that matter most and group them by evaluation question or program objective/theme.
6	<b>Determine what data can be gathered from existing sources</b> Accessing and using fit-for-purpose secondary data is usually more cost-effective than undertaking primary data collection
7	<b>Determine what data may be gathered through primary data collection</b> To fill evidence gaps, select appropriate methodologies and gather data within timeframes and budget.
8	<b>Develop appropriate measures</b> Measures should be specific, measurable, agreed, relevant, and time bound. Include a rationale for each.

**Example:** Conceptual diagram showing examples of indicators and measures that can be used in a PMF to assess the appropriateness, efficiency and effectiveness of an education and training program.

