



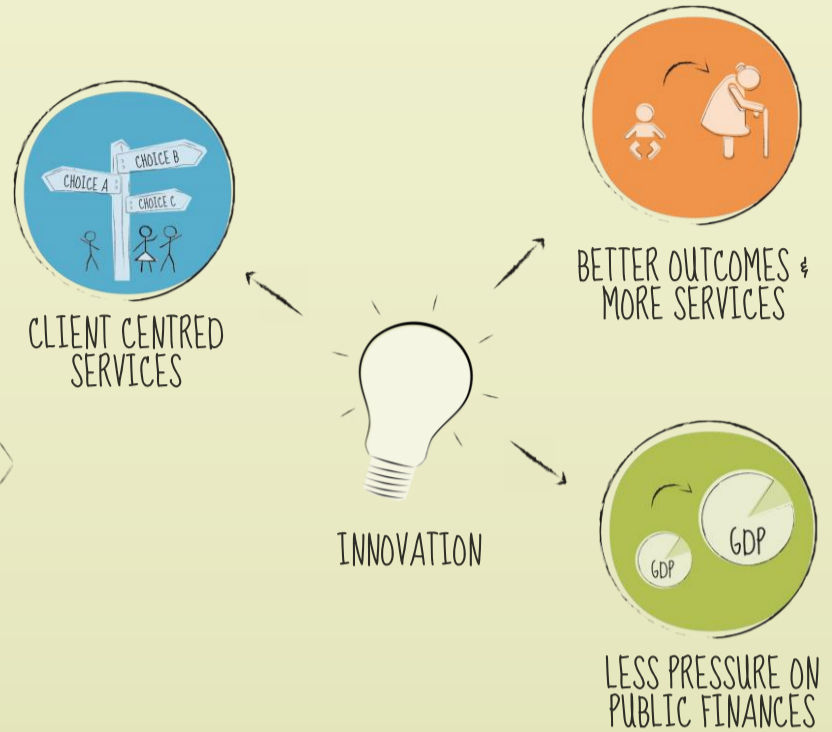
Measuring and improving state sector productivity



The Productivity Commission was asked to conduct an inquiry to consider ways to both measure and improve the productivity of public services.



HIGHER STATE SECTOR PRODUCTIVITY WOULD GENERATE BENEFITS FOR INDIVIDUALS AND COMMUNITIES



WHAT DID THE INQUIRY FIND?

- State sector productivity isn't regularly measured because there is little demand from state sector leaders for measurement, therefore little effort is put into building the capability to measure
- Budget and performance management processes don't reward productivity improvement
- There are some promising developments, particularly in the use of data and evidence to better understand the effectiveness of programmes
- Innovation is the key to improving productivity but state sector organisations often lack the characteristics that encourage innovation

WHAT NEEDS TO BE DONE NOW?

- Treasury, State Services Commission, ministers and government agency chief executives all have roles to play in:
 - setting clearer expectations for productivity gain
 - building capability to measure
 - reporting on core public service efficiency
 - raising the bar on the quality of new spending proposals in the budget
 - funding results and outcomes rather than inputs
- The state sector needs to build agencies' capability to measure productivity

“IMPROVING THE PRODUCTIVITY OF THE STATE SECTOR WILL TAKE SOME EFFORT. BUT THERE ARE OPPORTUNITIES AND REWARDS FOR DOING SO...”

WHAT RESOURCES ARE AVAILABLE FROM THE INQUIRY?



Measuring state sector productivity
Guidance to help agencies measure productivity



Improving state sector productivity
Advice for ministers, central government agencies and other government officials

Performance management research

Measurement case studies

Innovation research

Staff & leader perspectives