



**Department of Treasury and Finance**

**GUIDELINES FOR THE DEFINITION, COSTING AND  
REPORTING OF POLICY ADVICE OUTPUTS**

**Department of Treasury and Finance  
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## 1. Background

The purpose of these guidelines is to provide agencies with a consistent framework for defining policy advice services, the costing of policy advice Outputs and reporting performance of such Outputs.

These guidelines apply from the 1998-99 Budget.

## 2. Strategic and Operational Policy Advice

For the purposes of the Tasmanian Output Methodology, policy advice is to be divided into two types - **strategic policy advice** and **operational policy advice**.

**Strategic policy advice** means advice relating to the Government's objectives over the longer term (*Community Outcomes*) and to agency level Outcomes (*Government Outcomes*). Such policy assists the Government to determine, and achieve, Outcomes which have broad, cross sector relevance. Such policy advice also assists Government to determine Outcomes that are relevant to an individual agency's area of responsibility and the strategies for achieving those Outcomes. Strategic policy advice may also include policy advice in relation to an agency's Outputs or other agency level issues.

Examples of strategic policy advice are:

- advice on new revenue raising proposals for the State;
- future directions for the development of disability services in Tasmania; and
- the effect of National Competition Policy on the activities of the Department of Primary Industry and Fisheries with respect to irrigation.

**Operational policy advice** means policy advice relating to the technical and operational issues associated with the administration of agency Outputs and the implementation of approved strategic policy recommendations.

Operational policy advice involves the development of policies relating to general management issues, including procedural matters. For example, the administration of State taxes would involve the development of policies in relation to the imposition of penalties and the appropriate methods of collecting revenue.

### Policy advice as an Output

Only activities associated with the development of new or the review of existing strategic policy are to be included in policy advice Outputs.

As a guide for agencies, strategic policy advice and operational policy advice will generally include the following types of activities:

<b>Strategic Policy Advice</b>	<b>Operational Policy Advice</b>
<ul style="list-style-type: none"> <li>• developing;</li> <li>• reviewing;</li> <li>• researching;</li> <li>• formulating and analysing options;</li> <li>• formulating recommendations;</li> <li>• preparing reports and discussion papers;</li> <li>• providing briefing material on the policies being developed or reviewed;</li> <li>• preparing submissions to inquiries and intergovernmental and national policy making committees;</li> <li>• providing advice about the implementation of recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>• implementing approved recommendations;</li> <li>• commentary;</li> <li>• ministerial correspondence;</li> <li>• advising on the interpretation of existing policy;</li> <li>• advising on the application of existing policy.</li> <li>• general support services for Ministers;</li> <li>• preparing Question Time Briefs, briefing papers, answers to Parliamentary questions; and</li> <li>• 'case work' policy.</li> </ul>

These lists are not exhaustive and are to be regarded by agencies as a guide only.

### **3. Policy Outputs and Output Groups**

In order that the full cost of policy advice being purchased by Government is apparent, strategic policy advice is to be identified as a separate Output or Output Group by all agencies.

Agencies may create specific Output Groups for policy advice or include one or more specific policy advice Outputs within operational Output Groups.

Only strategic policy advice activities are to be included in policy advice Outputs or Output Groups.

#### **4. Ministerial services**

Ministerial services include the answering of Ministerial correspondence, Parliamentary questions, preparing Question Time Briefs and Ministerial support services such as secretariat services and costs of Ministerial offices which are met by the agency.

Ministerial services may be costed to either an operational Output or as a corporate overhead.

Ministerial service activities which relate to an operational Output should be costed to that Output. For example, the answering of Ministerial correspondence in relation to hospital services would be included in the Hospital and Ambulance Services Output of the Department of Community and Health Services.

Ministerial support services such as secretariat services should be costed as a corporate overhead and distributed across all Outputs of an agency.

#### **5. Costing**

Once the decision is reached that policy advice activity is at such a material level as to require treating as a separate Output or Output Group, such Outputs are to be costed in accordance with the costing practices of the agency.

Treasury has issued *Guidelines for the Costing of Outputs* which provide a framework for the costing of Outputs and a staged development from costing to the management of costs. All Outputs, including policy advice Outputs, should be costed in accordance with agency costing practices which comply with the Guidelines. Those Guidelines address materiality issues in relation to costing and, in particular, provide guidance in relation to the distribution of costs across Outputs.

Specific guidelines for the costing of policy advice Outputs will not be issued as the *Guidelines for the Costing of Outputs* provide sufficient guidance for agencies.

#### **6. Performance Information**

Although an agency may develop other performance measures in relation to policy advice, as a minimum the following information is to be reported:

- Quality  
Quality should be assessed in relation to coverage, purpose, logic, accuracy, options, consultation, presentation and practicality.

- Cost  
Cost should be a compliance measure in relation to the appropriated funding for the Output/Output Group.

The quality may be assessed through a survey to ascertain the level of satisfaction of the Minister, or other stakeholder, with the quality of the policy advice, having regard to the following characteristics:

- Purpose           The aim of the policy advice is clearly stated and answers any questions set.
- Logic             The assumptions behind the policy advice are explicit and the argument is logical and supported by facts.
- Accuracy         The facts are accurate and all material facts are included and clearly highlight the range of uncertainty and/or risk.
- Options           An adequate range of options is presented and the benefits, costs and consequences of each option to both the Government and the community are assessed.
- Consultation     Adequate consultation has been carried out with other government agencies and affected parties and possible objections to proposals are identified.
- Presentation     The format meets with prescribed standards, and the material is concisely and clearly presented.
- Practicality      The problems of implementation, technical feasibility, timing and consistency with other policies have been considered.
- Timeliness       Specified reporting deadlines are met.

Each Agency should carry out a satisfaction survey with relevant stakeholders, particularly the Portfolio Minister, at a mutually convenient frequency, but as a minimum such a survey should be completed annually.

An example of a client satisfaction survey is attached.

In addition, agencies may report on measures of quantity such as the number of priority projects and other workload measures.

<b>CLIENT SATISFACTION SURVEY</b>
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Target Group:	
Venue Surveyed:	

This survey is to provide feed back to <agency> on strategic policy advice.

1. When dealing with .... How would you rate the following? (Rate 1 to 10: 1 being low and 10 being high). Please add any comments if you desire.

Quality of policy advice with respect to:		
Purpose	/10	
Logic	/10	
Accuracy	/10	
Options	/10	
Consultation	/10	
Presentation	/10	
Practicality	/10	
Timeliness	/10	
Professional approach	/10	
Is the advice influential - does it help you make a decision	/10	
Are staff helpful	/10	
Are staff a credible source of advice	/10	
Staff are accessible		

2. Can you give an example when the Branch/Department has exceeded your expectations of service in relation to policy advice?
3. Can you give an example when the Branch/Department has performed poorly in relation to policy advice?