ACT Government
Evaluation Policy and Guidelines

December 2010
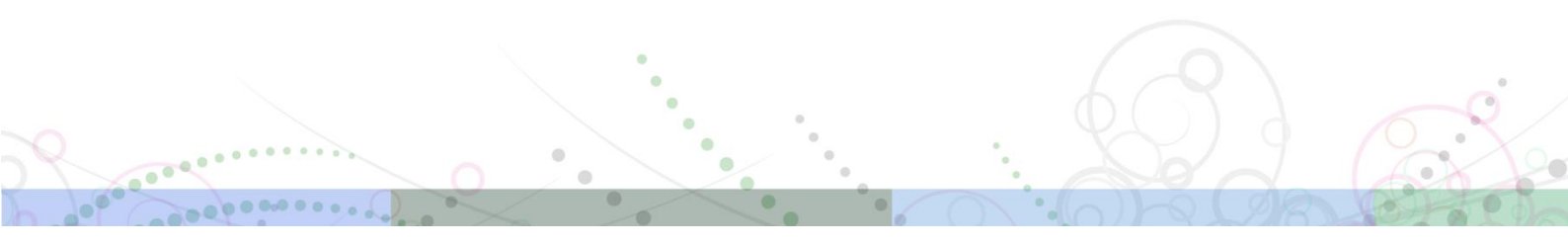
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1. Introduction

Through self-examination comes knowledge and self-improvement — a maxim of personal growth, but one which applies equally to organisations. Indeed, for government, the continual questioning of what is done and why is a critical part of good performance management and accountability.

- Have we achieved what we set out to do?
- Could we have done things better?
- Should we continue to do this or do something else?

These questions provide an understanding of what works and what does not, what is being done well and what is not, what should be pursued and what should not.

By maintaining strengths, celebrating achievements, recognising and remedying mistakes and weaknesses, and readjusting objectives and effort accordingly, agencies can develop internally and enhance the quality of services they provide.

Through clear commitment and deliberate effort, the evaluation, learning and improvement process can become a customary and valuable part of an organisation's culture and operations.

1.1   An evaluation policy for the ACT

The ACT Government is committed to strengthening the manner in which its policies and programs are evaluated to improve performance and accountability in its functions and across the services it provides to the community.

This commitment and the supporting actions necessary to deliver enhanced evaluation across government are outlined in the *ACT Government Evaluation Policy and Guidelines* (the Policy). Rather than introducing new and discrete processes to agency programs, this Policy has been designed to support agencies in planning for and executing evaluations.

Key features of this policy are summarised in Table 1.

1.2   The content of this paper

This Policy paper:

- introduces and summarises the key features of the Policy;
- defines evaluation, outlines its benefits and costs, and describes its place in the policy development cycle;
- sets out the objectives, requirements and guidelines of the ACT Government's Evaluation Policy;
- presents a simple approach to implementing this Policy; and
- outlines a step by step guide to evaluation.

Table 1   Key features of this Policy

Rationale	The *Evaluation Policy and Guidelines* have been developed to support and improve performance and accountability across the ACT Government. The practical benefits of evaluation are attested in both academic literature and public outcomes. In working towards these goals, the Policy identifies the tangible benefits of effective evaluation processes and practical implementation strategies.
Focus	The evaluation of policies and programs after implementation ('ex-post evaluation') and identification of principles that may be used to inform analysis and research during policy development and assessment ('ex-ante evaluation').
Audience	Primarily ACT Government agencies — both decision makers and practitioners — to assist in planning and undertaking evaluations. Members of the Legislative Assembly and the general public, consistent with the Government's commitment to strengthen accountability, may also be interested in this Policy.
Application	All ACT Government agencies.
Policy context	This Policy is a key component of the overarching Performance and Accountability Framework, which sets out the Government's broader performance management, reporting requirements and expectations. By encouraging triple bottom line evaluation, this Policy also supports the Government's sustainability policies.
Primary objective	To strengthen evaluation practices across government so that decision making is more informed, and to improve the efficiency, effectiveness and appropriateness of government services. See Section 3.1 for the full list of objectives for this Policy.
Approach	Rather than adopting a prescriptive approach, this Policy identifies evaluation requirements and guidelines to support and direct evaluation activity. Individual agencies are responsible for implementing this Policy. Implementation is flexible and will be monitored and supported by central agencies. This approach recognises that evaluation requirements and methodologies will differ across government.
Key principle	Evaluation should be strategic. Focus and effort should be prioritised according to an assessment of program materiality, risk, potential benefits and public interest.
Key requirements	Annually all agencies will prepare a brief Agency Evaluation Plan, outlining key strategies and a schedule of activity going forward. Central agencies will guide, review and monitor these Plans, collaborate on significant evaluations and help integrate with the budget process.

2. What is evaluation?

Evaluation refers to the process of measuring and assessing the impacts and merits of government policies, strategies and programs. It is a means of determining the appropriateness, effectiveness and efficiency of government policies and programs, and contributing to policy improvements and innovation.[1]

Evaluation helps to answer questions such as:

- Is the policy producing the intended outcomes or any unintended outcomes?
- Has the policy achieved its stated objectives?
- Are there better ways of achieving these outcomes and objectives?
- Is the policy still aligned with government priorities, particularly in light of changing circumstances?
- Should the current program be expanded, contracted or discontinued?
- Is there a case to establish new programs?
- Can resources be allocated more efficiently by modifying a particular program or the mix of programs?[2]

There are many methods and techniques for evaluating government policies. Typically, however, evaluation will involve:

- some form of analysis, interpretation and judgement;
- comparison between stated objectives, performance indicators and actual results;
- consideration and measurement of impacts;
- assessment relative to other policies (existing or potential);
- a focus on efficiency and effectiveness; and
- an attempt to understand how the policy operates in practice, especially relative to how it operates in theory.[3]

2.1 Evaluation — a key component of the policy cycle

Evaluation is a key component of the policy cycle or the process of conceiving, developing, implementing and modifying public policies.[4] This process of policy development is often organic, iterative and irregular, due to the inherent complexity of public policy problems and the need to address competing interests. The policy development cycle is outlined in Figure 1.

Evaluation helps determine the success of earlier steps in the policy development cycle, whether the program had the intended impacts and met its objectives, and whether things can be done better in the future.

Most agencies are currently involved in evaluation activity. This Policy and guidelines do not intend to encourage a process driven approach, but rather to underscore the need for a planned

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[1] See References and Further Reading for alternative definitions of evaluation.
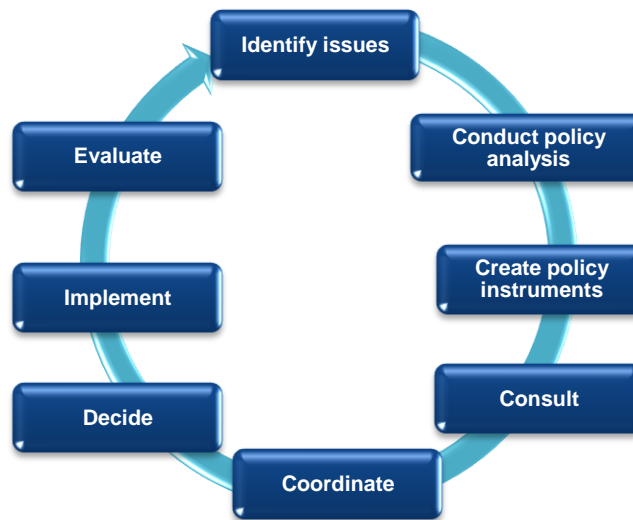
[2] Davis G and Bridgman P 2004, *Australian Policy Handbook,* 3rd edn, Allen & Unwin, Sydney, pp. 130–1.

[3] Office of the Director-General 2000, *The Queensland Policy Handbook,* pp. 7.0–7.1.

[4] Davis G and Bridgman P 2004, *Australian Policy Handbook,* 3rd edn, Allen & Unwin, Sydney, pp. 130–1.

strategic approach to evaluation. They also provide a formal mechanism to incorporate evaluation planning and activity into the policy development process across government.

Figure 1   **The policy development cycle**

Source: Davis G and Bridgeman P 2007, *Australian Policy Handbook*, 4th edn, Allen & Unwin, Sydney.

2.2 Analysis, monitoring, evaluation and internal audit

Evaluation builds on the practice of program monitoring within agencies. Agencies currently employ a range of methods to conduct evaluation activity. However, broad techniques of effective evaluation that are discernable across the spectrum of government functions include:[5]

- examining performance by asking deeper questions and exploring issues in greater detail and breadth;
- using alternative data sources to verify and examine more specific performance dimensions and broader impacts of policies and programs in the community;
- establishing how and why things occurred in program delivery; and
- questioning whether there are better ways of achieving policy or program objectives or, indeed, if these objectives are appropriate.

It is also useful to distinguish evaluation from policy analysis, monitoring and internal audit, recognising that all these processes are related.

Policy analysis examines the impacts, benefits and costs of options to assess the best response to an identified issue.[6] As it occurs prior to implementation, this stage is often called 'ex-ante evaluation'.

Monitoring occurs after implementation, tracking the progress of specific program targets, objectives and milestones. Monitoring largely takes for granted the purpose and merit of the program — its role is to assist daily management and to ensure the best possible performance.

Internal audit is a certain type of evaluation activity. It examines how an organisation does things, particularly its risk management practices and governance processes. It may examine

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[5] Davis G and Bridgeman P 2007, *Australian Policy Handbook*, 4th edn, Allen & Unwin, Sydney.

[6] Ibid.

individual programs, but will focus on how the program was delivered, and whether it achieved its objectives, rather than question its objectives and assess other program options.[7]

2.3   Policy and program evaluation

Policy[8] and program[9] evaluation are not mutually exclusive concepts. However, for practical purposes it is useful to draw a distinction between the two.

Agencies are well placed to, and in many instances already do, undertake program evaluation as part of their core business. This practice helps to ensure that the programs or initiatives they are responsible for deliver good outcomes. It is important to acknowledge that program evaluation also considers the impact that the design of a policy has on the way in which an initiative or program is implemented and can result in a broader policy evaluation process.

Policy evaluation is broader and more strategic in scope and considers the merits and effectiveness of a particular policy adopted by the ACT Government to address an issue. The impetus for such evaluations may vary. For example, Cabinet may seek a strategic evaluation as a high priority or under the auspices of the Expenditure Review and Evaluation Committee.

2.4   Why evaluate? Benefits of evaluation

Evaluation is a valuable activity. Properly planned and executed, it can result in benefits for the government, agencies, public servants and the community. Some examples of these benefits are outlined in Table 2.

Table 2   Benefits of evaluation

Beneficiary	Potential benefits
Government	• More information to assist decision making • Improved ability to achieve government priorities • More efficient resource allocation • Highlights achievements and opportunities to strengthen performance • Encourages greater public trust in government
Agencies	• Stronger basis for informing government priorities and resource allocation • Improved service delivery and client satisfaction • Builds an organisation's reputation for innovation and continuous improvement
Public servants	• Develops new skills and broadens experience • More opportunity to shape public policy • Fosters a more dynamic and creative work environment • Recognises and rewards efforts to improve performance
Community	• Better government services • More informative government reporting • More transparent and accountable government • Public monies used more efficiently • Greater confidence in activities of government

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[7] Davis G and Bridgeman P 2007, *Australian Policy Handbook*, 4th edn, Allen & Unwin, Sydney.

[8] Policy is defined here as the strategic direction agreed by the government to address an identified issue.

[9] A program relates to the initiative designed to implement the policy direction outlined.

2.5 Complexities of evaluation and resourcing

Despite its many benefits, the process of evaluation can be challenging. Different evaluation objectives, methods and evaluators may produce different information and arrive at different conclusions.

Time-lags, data availability and quality, and the complexities of determining causality may produce uncertain or unreliable information. Accordingly, the findings of evaluations can be subject to interpretation, criticism and resistance.[10]

This Policy has been designed to assist agencies to strengthen and further develop a culture of evaluation as part of core business activity. At the program evaluation stage, it is useful to acknowledge that resources may be required to conduct evaluations.[11] Planning and incorporating evaluation activity into the design of initiatives offers a strategy to ameliorate such concerns.

In general, the need for such resources should be framed in the context of existing budgets and factored in during the policy development process to plan for any evaluation requirements at an early stage. This strategy not only ensures that the number of resources required to conduct evaluations is reduced, but also allows for better integration of this work into agencies' core business.

The cost of evaluation must also be considered in terms of opportunity cost. That is, allocating scarce public resources to a particular evaluation activity will either:

- reduce the resources allocated to the program itself or across government; or
- reduce capacity to conduct another potentially more useful evaluation.

These challenges are not a case for doing nothing. Rather, it indicates the need for careful planning of evaluation activities to ensure it produces credible, timely and relevant information.

Policy evaluation is broader in scope and often involves a higher degree of risk as it relates to assessing fundamental rationale underpinning programs and strategic decisions. Such work may be outside the scope of the core business of agencies and resource intensive and therefore requires, or is driven by, engagement at the Executive level.

It is also acknowledged that agencies and authorities may be subject to statutory evaluation and reporting arrangements. This Policy is not intended to conflict with such arrangements. All agencies and authorities are encouraged to evaluate and consider the effectiveness of internal processes. Where feasible and appropriate this activity may be completed as part of statutory requirements. It is not the intention of this Policy to result in a duplication of processes but instead to facilitate a coordinated, considered and well informed approach to evaluation across government.

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[10] The Queensland Government 2000, *The Queensland Policy Handbook: Governing Queensland*, Office of the Director-General, Department of Premier and Cabinet, Brisbane.

[11] Victorian Government Department of Planning and Community Development (DPCD) 2008, *Evaluation Step by Step Guide*.

3. ACT Government Evaluation Policy

3.1 Policy objectives

The ACT Evaluation Policy is designed to improve the efficiency, effectiveness and appropriateness of government services and build evaluation maturity across government.

This hierarchy of policy objectives are presented in Table 3.

Table 3   Policy objectives

Focus	Objective	Indicative performance measures
Outcomes	Higher quality government services (that is, improve efficiency, effectiveness and appropriateness of government activities) Improve satisfaction with government services and public trust in government	Budget efficiencies realised as identified through evaluation Percentage of programs with improved performance after evaluation
Direct results	More informed government decision making More responsive, performance-oriented government More informed engagement with the community about shared goals and how to achieve them	Government decisions supported by evaluations Percentage of managers who regularly seek and use evaluation information Percentage of evaluation recommendations implemented
Outputs	Increase the number, breadth, relevance and quality of evaluations Improve the quality of government performance reporting	Evaluations meeting quality standards
Inputs and activities	Increase government evaluation capability	Percentage of agencies with evaluation plans
Organisational behaviour	Build a culture of enquiry, learning and continuous improvement	Percentage of staff who perceive evaluation as an opportunity

This Policy will itself be the subject of evaluation within five years of its release. The performance measures noted above give an indication of the type of information that will be used to help assess its success, its ongoing value and how it might be improved. Actual performance measures may differ depending on data availability, the pace of implementation and available resources.

3.2 Policy requirements

To foster and strengthen a culture of evaluation across government, all agencies are required to:

- prepare an annual Agency Evaluation Plan; and
- align evaluation with the funding cycle.

Prepare an Agency Evaluation Plan

Agency Evaluation Plans are brief documents prepared annually that outline the strategies to improve evaluation practices over time. The Agency Evaluation Plan includes the evaluation priorities of the agency and is to be submitted to the Expenditure Review and Evaluation Committee no later than 31 July each year.

Agency Evaluation Plans are designed to complement core business activity and facilitate improved planning to integrate evaluation into agency work programs.

Details on preparing an Agency Evaluation Plan are contained in Appendix A. Further advice and guidance will also be made available to agencies through the Chief Minister's Department.

Align evaluation with the funding cycle

Evaluation activity should be aligned with the annual budget process. This includes:

- supporting budget initiatives with an evaluation of existing funding, particularly proposals to extend or expand base funding;

- outlining the proposed approach for evaluating any initiatives submitted for consideration as part of the budget process — the evaluation approach outlined should be appropriately designed to reflect the size, risk and priority of the proposed initiative;

- identifying appropriate resourcing requirements where specific strategic evaluation is deemed necessary or given a high priority by the government; and

- incorporating the evaluation of newly funded initiatives into the Agency Evaluation Plan.

3.3 Policy guidelines

Developing evaluation maturity in agencies requires:[12]

- fostering a culture of evaluation;

- building evaluation capability;

- planning to evaluate by embedding evaluation into policies and programs, and coordinating evaluation activity;

- evaluating strategically by prioritising and scaling evaluation activity in accordance with an assessment of materiality, risk and complexity;

- conducting evaluations to a high standard, from an overall perspective of sustainability; and

- making evaluation count by communicating results and acting on recommendations.

Agencies may use these guidelines to help inform their evaluation objectives and strategies, as outlined in the Agency Evaluation Plan.

1. Fostering a culture of evaluation

The importance of a strong evaluation culture

Organisational culture significantly influences the success of evaluation activity. A supportive culture encourages self-reflection and evidence-based decision making, values results and

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[12] Service Delivery and Performance Commission 2007, Performance Management Review Framework

innovation, always looks for better ways of doing things, shares knowledge and learns from mistakes.

Without such a culture, evaluation is likely to be resisted, perceived as a threat rather than an opportunity and treated as a compliance exercise. Efforts to strengthen evaluation activity will be undermined in such an environment.

How to foster a culture of evaluation

Senior managers, particularly chief executives, play a significant role in shaping and nurturing organisational culture.[13] To help develop a culture of evaluation, it is necessary to:

- lead by:
  o setting a clear vision for evaluation and championing continuous improvement;
  o requiring regular and high quality performance and evaluation information; and
  o incorporating evaluation into decision making processes and basing decisions on this information.

- empower staff by:
  o establishing clear evaluation responsibilities and expectations;
  o providing appropriate training and guidance material;
  o encouraging wide participation in evaluation activity; and
  o allowing autonomy to respond to evaluation findings.

- encourage learning by:
  o supporting and encouraging knowledge sharing both within and outside the agency;
  o tolerating mistakes so that they may be used as an opportunity for learning and improving performance;
  o seeking information that highlights what has been learned, not just progress or achievements; and
  o rewarding and showcasing efforts to evaluate and improve performance.

- build trust by:
  o supporting the outcomes of robust evaluation;
  o welcoming the identification of problems and weaknesses;
  o routinely acting on the findings of evaluation; and
  o not using evaluation to blame or punish.

2. *Building evaluation capability*

Capability complements and reinforces culture

A culture of enquiry recognises and values the opportunities evaluation presents as an activity. However, for such a culture to flourish, the skills and capacity to undertake such an activity must be present.

Expertise, experience, systems, structures and processes are necessary to facilitate effective evaluation.[14] In most instances these resources already exist within agencies, although these may not have been identified as explicit for the purpose of evaluation.

Harnessing and consolidating these skills and resources within agencies through planned and sustained effort not only ensures effective evaluation but builds capability for such activity. Building evaluation capability is an iterative process that will occur over time.

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[13] Treasury Board of Canada Secretariat 2009, *Policy on Evaluation,* http://www.tbs-sct.gc.ca/cee/index-eng.asp.

[14] Ibid.

General principles for building evaluation capability

This Policy is based on a decentralised approach in which each agency is responsible for developing its own evaluation capability with centralised monitoring and coordination of overall effort. Evaluation activity undertaken by agencies will align with the budget process and provide an opportunity for agencies to engage proactively as part of whole-of-government review processes such as under the auspices of the Expenditure Review and Evaluation Committee.

The Chief Minister's Department will also provide advice and support for agencies to plan and integrate evaluation activity into their core business activity. The extent of available support will be subject to the availability of resources.

General principles to guide this evaluation capability development include:

- scaling and targeting evaluation capability in accordance with agency size, activities and risk profile;

- leveraging existing capability, particularly information management systems and staff skills; and

- sharing relevant evaluation expertise and experience internally and with other agencies.

Developing evaluation capability

A range of components contribute to the overall capacity of an agency to undertake effective evaluations. The elements and key considerations outlined following are intended to assist agencies when considering options for developing evaluation capability. Agencies are best placed to assess the appropriateness of these levers or mechanisms in enhancing evaluation capacity.

Contributors to evaluation capability include:

- staff:[15]
    - informing staff of the agency's evaluation vision, general expectations and opportunities;
    - targeted evaluation training to increase technical skills for appropriate staff;
    - facilitating wide participation in evaluation to develop experience;
    - regular presentations on completed evaluation activity, both the process and outcomes to leverage expertise and experience.

- structures and processes:
    - each agency should establish or identify existing structures and processes to support the level and scope of its evaluation activity;
    - there should be clear channels for communicating evaluation requirements and reporting outcomes; and
    - consideration should be given to the relative merit of diffuse or centralised evaluation activity across the agencies, as well as potential linkages to the internal audit team.

- guidance material:
    - agency evaluation objectives, requirements, supporting structures and protocols are developed and clearly expressed in internal guidelines; and
    - some agencies may also benefit from developing supporting toolkits that deal with more technical aspects of evaluation.

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[15] Treasury Board of Canada Secretariat 2009, *Policy on Evaluation*, http://www.tbs-sct.gc.ca/cee/index-eng.asp.

- information systems:
  - should be reviewed to assess how they may be used, adapted or improved to support evaluation objectives;
  - all agency information systems should be identified and listed in evaluation guidance material to ensure they are used;
  - where possible, agencies should share information; and
  - new information systems should seek to address identified evidence gaps in their design and development.

3. Planning to evaluate

Embedding evaluation in individual policies and programs

Evaluation should be embedded within agency practices.[16] It is not a discrete, disconnected activity, but an essential component of an integrated policy cycle.[17] Evaluation helps determine how effective the earlier stages of policy development, implementation and management were.[18] The absence of evaluation can weaken the entire policy cycle and result in discontinuity across a range of services and initiatives.

Accordingly, evaluation should be considered and planned early in the policy development cycle and embedded into all policies. At the very least, this should involve:

- ensuring policies have clearly specified performance objectives, targets, milestones and program logic[19] to provide the baseline for future monitoring and evaluation;

- developing indicators to measure performance against these objectives and simple systems to capture relevant information; and

- identifying a preliminary evaluation strategy that is appropriate for the size, risk and priority of the policy.

Early planning of evaluation

The resourcing requirements and challenges of evaluation have already been noted in Section 2.5. However, it is often the case that these costs and challenges are amplified without early consideration and planning of evaluation.

It is difficult to evaluate a program without clearly specified objectives. Similarly it is harder to evaluate a program that was implemented without any means of tracking and measuring performance. In both instances, opportunities to collect useful data are likely to have been lost.

Coordinating evaluation activity — preparing an Agency Evaluation Plan

Agency evaluation activity should be coordinated and prioritised by senior management. This planning should be concisely expressed in an Agency Evaluation Plan.

The required content of this plan of is outlined at Appendix A.

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[16]The Queensland Government 2000, *The Queensland Policy Handbook: Governing Queensland*, Office of the Director-General, Department of Premier and Cabinet, Brisbane.

[17] Davis G and Bridgeman P 2007, *Australian Policy Handbook*, 4th edn, Allen & Unwin, Sydney.

[18] Ibid.

[19] See Appendix B for an example of program logic.

4. Evaluating strategically

Evaluation should be universal, not uniform

All policies and programs should be evaluated at some point. Critical review is the cornerstone of learning, improved performance and accountability.

In practice, evaluation is not uniform. As policies differ, careful consideration needs to be given to the appropriate level, form, frequency and scope of evaluation. This is underscored by the fact that resources and time are required to undertake evaluations.

As a general principle, evaluation should be tailored to each particular program and scaled in accordance with its size, risk, prominence and public expectations.[20] For many programs, evaluation can be cursory, specific and infrequent. For other programs, evaluation requires a more formal and detailed approach.

Establishing evaluation priorities

Agencies need to take a strategic approach to evaluation that prioritises and focuses evaluation effort on those programs that are new, large or potentially involve a high level of risk.

Key factors that prioritisation should take into account include:

- materiality or the size of the program;
- risk to clients, stakeholders and the agency;
- alignment with agency and government priorities;
- complexity of delivery or uncertainty about program outcomes;
- evaluation options and their expected benefits and costs;
- external requirements for review;
- past evaluation findings; and
- sensitivities.

While prioritisation is ultimately a matter of judgement, agencies may wish to develop a risk index to assist this process.

Significant evaluation activity, as identified by prioritisation, should be listed in the Agency Evaluation Plan.

Scaling evaluation activities

Table 4 illustrates how evaluation may be scaled depending on the assessed priority of a particular program.

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[20] The Queensland Government 2000, *The Queensland Policy Handbook: Governing Queensland*, Office of the Director-General, Department of Premier and Cabinet, Brisbane.

Table 4   Scaling of evaluation

Scaling of evaluation			
Characteristics of policy or program	‣ Low risk ‣ Limited resource requirements ‣ Similar to previous successful and favourably reviewed projects ‣ Not widely publicised ‣ Low strategic priority	‣ New and untried project ‣ Not recently reviewed ‣ Requires resources for testing, research and external stakeholder involvement	‣ High risk ‣ Resource intensive ‣ Controversial project ‣ High public profile and expectations ‣ Politically significant
Likely characteristics of evaluation	‣ Informal process ‣ Limited data requirement, analysis of issues and reporting ‣ Low resource allocation ‣ Less evaluations required of fewer aspects of policy or program ‣ Can be completed internally	‣ Greater level of data collection and analysis ‣ Frequent throughout development and implementation ‣ Regular progress reporting ‣ Can be undertaken by practitioners during development and implementation	‣ Formal process ‣ Detailed ‣ High resource allocation ‣ Comprehensive reporting and wide public release and involvement ‣ May involve external evaluators or central agencies

To give a more specific example, for a small, low risk grants program, an appropriate evaluation strategy may simply be an annual review of grants administration (that is, how much is being disbursed, to whom and for what purpose). This could be expanded, as deemed necessary, to include informal consultation with grant applicants and recipients to determine accessibility and appropriateness.

5. Conducting high standard evaluations

Standards of evaluation
The standard of an evaluation is a key determinant of its ability to reveal, inform, influence and drive change and improvement.[21] The following considerations may assist in gauging the quality of an evaluation:

- utility — the evaluation serves the needs of its intended users;

- feasibility — the evaluation is realistic, prudent and cost effective;

- propriety — the evaluation is conducted legally, ethically and with due regard to stakeholder welfare; and

- accuracy — the evaluation's assessment of program worth and merit is technically adequate.

Sustainability
High quality evaluations will consider whether the program or policy being evaluated is sustainable from a social, environmental and economic perspective. Specifically, this Policy emphasises that, wherever relevant and feasible, evaluations should:

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[21] Victorian Government Department of Planning and Community Development (DPCD) 2008, *Evaluation Step by Step Guide*.

- consider economic, environmental and social impacts;

- recognise the interdependence of these dimensions of sustainability; and

- acknowledge that decision making will often involve a trade-off between these three dimensions.

This standard reflects the Government's sustainability policy *People, Place, Prosperity,* which commits to decision making and reporting on a triple bottom line basis.[22]

A triple bottom line framework is currently under development and will assist agencies with this approach to evaluation further.

6. Making evaluation count — communicating and acting

Evaluation is an investment, one which should yield more efficient and effective government services. A good return on investment requires that evaluation findings are communicated widely, particularly to inform decision makers, with resulting recommendations acted upon routinely.

Communicating

Communication is a critical element of successful evaluation.[23] Engagement and collaboration before and during the evaluation process strengthens the rigour and credibility of its findings and reduces future defensiveness and uncertainty. Communication of evaluation results helps disseminate key lessons and experience, informs decision making and promotes transparency and accountability.

General principles to guide communication include:

- two-way communication — decision makers should clearly communicate information requirements and evaluators should respond in a timely manner;

- engaging early with stakeholders and maintaining a collaborative approach to evaluation;

- developing a communication strategy consistent with the priority and risk of the evaluation — for example, for a large, high profile program, ministers, central agencies and clients should be kept well informed throughout any evaluation process;

- presenting clear, logical and focused evaluation results and recommendations;

- sharing evaluation findings within agencies and across government; and

- making the results of significant evaluations publically available.

Informing decision making

The aim of communication is to inform decision making. This depends on providing the right information to the right decision makers at the right time.

Seeking direction from decision makers about program requirements and available information, and performing high standard evaluations will ensure quality and useful outcomes from the process.

The appropriate decision maker will depend on the priority of the evaluation and the required authority for initiating such activity. This may range from program managers, statutory office holders or chief executives to Cabinet. Within agencies, chief executives should delegate, and

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[22] The ACT Government's Sustainability Policy can be accessed at:
http://www.cmd.act.gov.au/__data/assets/pdf_file/0003/119730/people_place_prosperity.pdf

[23] Treasury Board of Canada Secretariat 2009, *Policy on Evaluation*, http://www.tbs-sct.gc.ca/cee/index-eng.asp.

clearly communicate, decision making authority consistent with the significance of the evaluation and its recommendations.

Evaluation should be aligned with decision making cycles. This may include the annual budget both for the ACT Government or internal budgeting purposes, corporate planning, Cabinet meetings and external decision making processes, particularly of the Australian Government.

Acting on evaluation

Evaluation has many benefits. It can build employee skills, forge new relationships and improve reporting. However, the ultimate aim of evaluation is to act as a fillip to improve the quality, effectiveness, efficiency and impact that government services have on producing positive outcomes in the community. That is, it should drive positive change that protects strengths, addresses weaknesses, and adjusts objectives and activities to promote improved overall performance.[24]

High standard evaluation information, conveyed to the right decision maker at the right time, will increase the probability of evaluation resulting in positive change. It will also depend on the experience, attitudes, incentives and preferences of decision makers themselves.

Ideally, decision makers should:

- be familiar with the purpose, principles, standards, value and limitations of evaluation;
- consistently seek robust information and evidence on which to base decisions;
- be encouraged to use evaluation information and be accountable for how they use it;
- support positive and negative evaluation findings and be willing to act on both; and
- recognise that change has its risks, but can be defended by robust evidence, and is probably less risky than the alternative.

Organisational culture can influence how decision makers perceive and use evaluation information — however, the manner in which evaluations are received and responded to also helps to shape a culture of evaluation.

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[24] See also The Queensland Government 2000, *The Queensland Policy Handbook: Governing Queensland*, Office of the Director-General, Department of Premier and Cabinet, Brisbane.

4. Policy implementation — developing evaluation maturity

The appropriate approach for implementing this Policy will depend on the nature of agency activities, current organisational maturity, specific evaluation objectives and the manner in which resources are employed.

4.1   Evaluation maturity

While implementation approaches will differ, the result of each agency should be an improvement, over time, in evaluation maturity.

Table 5 provides an example of different levels of evaluation maturity. It describes four levels of maturity, from beginning to leading, for the six elements of evaluation emphasised in this Policy.[25]

This Policy recognises that developing and maintaining evaluation maturity is an ongoing process and that it must be balanced with other organisational objectives. Accordingly, there is no policy requirement to reach a particular level of maturity in a specified time.

4.2   Implementation

A simple four-step approach to implementing this Policy, and to developing evaluation maturity, is outlined below.

1. Assess current evaluation maturity

Before implementing this Policy, agencies should assess their current evaluation maturity. This will establish a baseline for further development and identify weaknesses, strengths and priorities for improvement.

Key questions may include:

- How is evaluation generally perceived in the agency?
- What evaluation capacity does the agency have?
- What is the current scale, breadth and quality of evaluation activity?
- Is evaluation activity prioritised and, if yes, how?
- Are evaluations having any impact?

2. Develop an evaluation strategy

Once a baseline has been established, an evaluation strategy (which reflects this Policy, can be prepared. This will involve:

- setting evaluation objectives, targets, milestones, indicators and timing;
- identifying and prioritising actions to achieve these objectives; and
- allocating responsibility for implementation.

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[25] See also Queensland Government Service Delivery and Performance Commission 2007, *Performance Management Review Framework Assessment Criteria.*

The agreed evaluation strategy should be incorporated in the Agency Evaluation Plan, which will also list the schedule of specific evaluations.

Table 5   Evaluation maturity[26]

Element	Maturity level			
	Beginning	Developing	Embedded	Leading
Culture	Evaluation awareness is low and is as a response to identified problems.	Widespread awareness of the benefits of evaluation.	Evaluation perceived as an integral component of sound performance management.	Demonstrated commitment to continuous learning and improvement throughout the agency.
Capacity	Evaluation skills are limited. No formal evaluation procedures and structures are in place.	Targeted training and recruitment is used to develop staff skills. Formal evaluation policies and structures are in place.	General evaluation skills are widespread. Relevant staff have higher order skills and experience, which is leveraged by the agency. Evaluation systems, structures and procedures are robust, integrated and of proven effectiveness.	The agency is recognised for its evaluation expertise and innovative procedures and systems.
Planning	Evaluation planning occurs for some programs/policies, mainly after implementation. No, or very basic, Agency Evaluation Plan.	Policies/programs have well defined objectives and performance indicators as a baseline for future evaluation. Evaluation activity is coordinated and an Evaluation Plan is in place.	Evaluation planning is an integral component of policy development.	Evaluation plans are in place for most policies and programs.
Strategy	Programs with identified problems are prioritised.	Large and risky programs are prioritised.	Guidelines for prioritising and scaling evaluation activity are used.	Sophisticated risk index and guidance material are used to prioritise and scale evaluation.
Conducting	Evaluation occurs but is infrequent and ad hoc.	Priority programs are evaluated.	Evaluation of policies is widespread and conforms to agency quality standards.	Evaluation is almost universal and conforms to recognised standards of quality.
Using	Evaluation findings disseminated within the agency. Significant recommendations are implemented.	Evaluation findings routinely inform decision making and are often disseminated outside the agency.	Evaluation findings are widely disseminated, and used to drive better performance.	Findings are used to optimise service delivery and have influence outside the agency.

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[26] See also Queensland Government Service Delivery and Performance Commission 2007, *Performance Management Review Framework Assessment Criteria.*

3. Monitor and report implementation progress

Implementation of the evaluation strategy should be tracked using agreed milestones and performance indicators. Depending on the evaluation objectives of an agency, these may include:

- change in staff perception of evaluations;
- development of an agency evaluation risk index;
- percentage of staff attending evaluation training sessions;
- percentage increase in evaluation activity; and
- percentage of evaluation recommendations implemented.

Progress should be reported in the Agency Evaluation Plan. Significant evaluation milestones and initiatives should also be reported in annual reports.

4. Review and refine the evaluation strategy

Periodically, perhaps every two to three years, the evaluation strategy should be reviewed to determine if the strategy is working, if it can be improved or if it needs to be adjusted.

Questions which may be posed include:

- Are the agency's evaluation objectives still relevant and appropriate?
- What changes to the agency's operating environment have occurred? How do these changes affect the evaluation strategy?
- Has evaluation maturity improved? Can these improvements be maintained?
- Are the current evaluation actions and initiatives efficient and effective? Can these actions be improved? Are other actions more appropriate?
- What can be learned from other agencies and other jurisdictions?

5. Evaluation in practice — a step by step guide

There are many ways of evaluating and each process will differ depending on the subject, priority and purpose of the evaluation. This Policy presents a simple and generalised 10-step method as a guide to the practical considerations of planning, conducting, using and reviewing an evaluation.[27]

5.1   Planning

As with any project, good planning is the key to successful evaluation. It is desirable for a draft evaluation plan to be developed as part of policy or program design. Such a plan can be prepared by working through steps 1–7 below.

When commencing the actual evaluation process, the plan should be reviewed and revised, revisiting steps 1–7 before completing steps 8–10.

5.2   The 10 steps

1. Define the subject of evaluation

Key question: What are we evaluating?

To evaluate effectively, there must be a well defined subject. A good definition should:

- identify and describe the policy, program or set of actions to be evaluated;
- outline program objectives, targets and milestones;
- the logic of how the program links to long-term outcomes;[28]
- list related policies and programs, and linkages to agency and government priorities; and
- describe program performance to date, including any problems and opportunities for improvement.

Most of this information should have been defined during program design.

A well defined subject helps keep the evaluation manageable and on track, provides a clear basis for evaluation and makes it easier to assess the priority of evaluation.

2. Assess the priority of evaluation

Key question: Is this a priority for evaluation given other possible evaluation activity?

All evaluation activity needs to be seen in the broader context. Once a program has been defined, it must be determined if this particular program, given all other agency programs, is a priority for evaluation.

Factors that should be taken into account when prioritising are discussed in Section 3.3. It is desirable to develop agency specific risk indices to ensure consistent prioritisation of evaluation

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[27] See also Victorian Department of Planning and Community Development (DPCD) 2008, *Evaluation Step by Step Guide,* http://www.dpcd.vic.gov.au/communitydevelopment/community-sector/evaluation

[28] This relates to Program Logic, explored in Appendix B

activity. The level of effort that goes into planning and conducting an evaluation should be scaled in accordance with its relative priority.

3. Identify key stakeholders

Key questions: Who does this evaluation affect? What are their needs?

Stakeholders should be identified early. The experience of clients, the informational requirements of decision makers and, where appropriate, Ministerial direction should help shape the objectives, timing and approach of the evaluation.

Key stakeholders may include:

- the clientele of the program;
- Ministers and Cabinet;
- Chief Executives and other decision makers;
- program managers and partners;
- client managers and program administrators;
- academics, the policy community and specialists;
- the wider community;
- other agencies; and
- external peak bodies.

Stakeholders may also be able to provide insight and expertise that can be used in the evaluation process. Engaging stakeholders early will help avoid unforseen hurdles and encourage acceptance of the final evaluation outcomes.

4. Set objectives and scope

Key questions: Why are we evaluating? What questions do we want answered?

There are many reasons to evaluate and there are many aspects of any program that can be evaluated. The objective and scope of an evaluation should be clearly defined so that the evaluation is focused and effective.

Objectives and purpose
There are two broad objectives of evaluation. These are to:

- assess the impacts and achievements of the program (a summative evaluation[29]); and
- determine ways of improving the program (a formative evaluation[30]).

Quite often, an evaluation will aim to address both these objectives.

Once the broad intent of an evaluation is agreed, the objective should be further specified, taking into account:

- achievements to be assessed;

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[29] UK Cabinet Office 2003, The Magenta Book: Guidance Notes for Policy Evaluation and Analysis, http://www.nationalschool.gov.uk/policyhub/evaluating_policy/magenta_book/index.asp.

[30] Ibid.

- aspects of the program to be improved; and

- the manner in which information will be reported to and how it will be used.

Scope

Once the purpose of the evaluation has been agreed, the scope can then be determined. That is, what questions should be asked or what aspects of the program should be examined?

Questions might include:[31]

- Access — Are the target clients aware of the policy and able to access it?

- Administration — Is the policy simple to administer?

- Complexity — Do clients and policy officers understand the policy? Is it too complex?

- Cost and benefits — What are the costs and benefits of the policy and how are they distributed?

- Consistency — Is the policy consistent with other government policies and priorities?

- Equity — How are benefits and burdens shared by various client groups? Are differences appropriate?

- Delivery — Who can best deliver the policy? The government, the private sector or both in partnership?

- Acceptability — Is the policy acceptable to the community and government?[32]

All these questions are commonly classified into three types of evaluation.
The *efficiency* of a policy or program — Is the program value for money? How well are inputs and processes used to obtain outputs?

The *effectiveness* of a policy or program — Is the program meeting its objectives and producing worthwhile outputs?

The *appropriateness* of a policy or program — Does the program align with government priorities and meet community needs? Is it producing valuable outcomes?

5. Identify requirements and constraints

Key questions: How do we achieve our objectives? What are the requirements and constraints?

Evaluation objectives and scope should be set and refined in the context of the practical considerations. These include:

- Resources — What funding (if any) and staff are available to evaluate?

- Timing — What are the triggers (for example, budget pressures, signs of problems, etc.) for evaluating? What reporting and decision making cycles do the evaluations need to align with? How much time is required or available to answer the evaluation questions adequately?

- Information — What relevant information is currently available? What additional information is required or desirable? How long will it take to collect and interpret information?

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[31] See also The Queensland Government 2000, *The Queensland Policy Handbook: Governing Queensland*, Office of the Director-General, Department of Premier and Cabinet, Brisbane.

[32] The Queensland Government 2009, *A Guide to the Queensland Government Performance Management Framework*, Brisbane, section 7.4.

- Expertise — What experience and expertise is required to achieve evaluation objectives? Does the agency have access to such expertise?

- Audience — Who requires, will use, or will be interested in the evaluation? This may include one or a number of the following: program officers, senior management, Ministers, the general public, the Assembly and non-government partners.

- Output — What is the best way to present the evaluation findings and communicate with the target audience? Options include internal briefs, formal or summary reports, research papers, presentations, cabinet submissions, media releases or websites.

- Risks — What are the risks of evaluation and how can they be managed?

6. Choose the evaluator

Key question: Who should evaluate?

There are many possible evaluators, both internal to the agency, external, or in partnership. These include:[33]

- program or policy staff;

- specialist evaluation units within the agency;

- external evaluators (for example, consultants) commissioned by the relevant agency;

- panels of independent experts;

- specialist evaluators with an internal steering group or counterpart;

- external agencies, particularly central agencies; and

- government or legislative bodies such as an Expenditure Review Committee or Parliamentary Committee.

The appropriate evaluator will depend on the priority, objectives, budget, audience, technical requirements and timing of the evaluation.
Internal evaluators are likely to have a better understanding of the policy or program and Government processes. External evaluators may be more objective and have required technical expertise.

When engaging an evaluator it is important to establish and agree on objectives, scope, and roles and responsibilities at the outset of the evaluation.

7. Develop methodology

Key questions: What information is required? How do we get it?

A successful evaluation depends on good information — that is, information that can help answer the agreed evaluation questions.

Evaluation methodology is the way in which information requirements are identified and relevant data is collected, managed and interpreted. Data can be both qualitative (associated with open

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[33] See also The Queensland Government 2000, *The Queensland Policy Handbook: Governing Queensland*, Office of the Director-General, Department of Premier and Cabinet, Brisbane.

ended exploratory questions) or quantitative (relating to specific performance measures and indicators).[34]

Possible evaluation methods, grouped by purpose, include:

- efficiency evaluation — examining accounts and invoices, benchmarking, gap analysis, compliance audits;

- effectiveness evaluation — interview with participants and clients, surveys, focus groups, calls for submissions, performance indicators; and

- appropriateness evaluation — cost–benefit analysis, longitudinal research studies, external policy reviews, long-term testing against performance objectives.

When developing a methodology, consider what data sources are already available, whether new data sources needs to be created and any associated costs.

Where possible, data collection should be embedded into the policy or program during its development. This will broaden opportunities for future evaluation.

8. Conduct the evaluation

Key question: How do we manage the evaluation process?

A successful evaluation depends as much on a good plan (developed through the previous seven steps) as its implementation.[35]

Key principles to guide the conduct of an evaluation include:

- maintaining integrity and impartiality throughout the process;

- ongoing consultation and collaboration with stakeholders; and

- a focus on delivering a logical, comprehensible and action-oriented final report.

Evaluating collaboratively and with integrity will strengthen the credibility and acceptability of the findings and help overcome resistance and criticism.

Producing logical, high quality outputs ensures that the evaluation will be used.

9. Use the evaluation — communicate and act

Key question: How do we ensure the evaluation makes a difference?

As discussed in Section 3.3, the ultimate aim of evaluation is action and positive change. A proactive approach will help drive such change. This includes:

- disseminating findings widely, particularly to key decision makers;

- aligning reporting with decision making cycles;

- tailoring the presentation of findings to the needs of each audience;

- allocating responsibility for implementing agreed recommendations; and

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[34] Ibid.

[35] Victorian Department of Planning and Community Development (DPCD) 2008, *Evaluation Step by Step Guide,* http://www.dpcd.vic.gov.au/communitydevelopment/community-sector/evaluation.

- generalising findings and applying them to other policies as appropriate.

10. Evaluate the evaluation

Key questions: Did we achieve our evaluation objectives? Could the process be improved?

Once completed, the evaluation process itself may be evaluated. Questions worth considering include:

- Were the objectives and scope reasonable?

- Was the stated purpose of the evaluation too broad?

- Were stakeholders adequately engaged?

- Was the right evaluator chosen?

- Were resources adequate and used efficiently?

- Did the level of evaluation reflect the risk involved with the policy or program? Were risks avoided?

- Were all interested parties able to access the information?

- Were research participants satisfied with the process?

- Was the data reliable and interpreted fairly?

- Was the information from the evaluation useful? Were recommendations implemented?

- Have lessons been learned that can contribute to improved decision making? If not, why not?

Critically analysing the effectiveness and appropriateness of completed evaluations will help improve future evaluations and contribute to better government policies and programs.

References and further reading

Althaus C, Bridgman P and Davis G 2007, *The Australian Policy Handbook*, 4th edn, Allen & Unwin, Sydney.

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Appendix A - Preparing an Agency Evaluation Plan

An Agency Evaluation Plan is a brief document comprising around three pages. It is designed to assist agencies in planning evaluation activity as part of the agency work program and identifying desired outcomes from this effort.

An Agency Evaluation Plan should include the following.

- A short strategy to improve evaluation practices over time, taking into account the policy guidelines outlined in Section 3.3. The strategy should include ways to:
    - foster a culture of evaluation;
    - build evaluation capability;
    - plan to evaluate by embedding evaluation into policies and programs, and coordinating evaluation activity;
    - evaluate strategically by prioritising and scaling evaluation activity in accordance with an assessment of materiality, risk and complexity;
    - conduct evaluations to a high standard, and from an overall sustainability perspective; and
    - make evaluation count by communicating results and acting on recommendations.
- A schedule of planned evaluations over the next four years. The schedule should:
    - be strategically focused, noting only significant evaluation activity as determined by an assessment of materiality, risk and complexity;
    - cover the range of agency objectives and policies, and include both existing and new initiatives; and
    - note the expected resourcing requirements of these evaluations and how evaluation activity was prioritised.
- An overview of evaluation achievements in the preceding year. This overview should include:
    - progress in implementing the agency evaluation strategy; and
    - key findings and outcomes of completed evaluations.

The Agency Evaluation Plan should be:

- informed by the strategic evaluation priorities of the government as identified by the Expenditure Review and Evaluation Committee;
- developed in consultation with the Chief Minister's Department and Treasury; and
- agreed to by the Chief Executive and submitted to the Expenditure Review and Evaluation Committee no later than 31 July each year.

Appendix B - The Program Logic Model

The Program Logic Model describes the story behind a program's expected performance and establishes a logical sequence of the way desired objectives will be reached. The Program Logic Model is not intended to demonstrate how a program will be implemented. Instead, it reflects how a program will work at the conceptual level.

The Program Logic Model serves as a 'roadmap', showing the chain of results connecting activities undertaken by a program to the final long-term outcomes desired by government. The Program Logic Model may have been completed as part of ex-ante evaluation. If not, it needs to be completed in order to guide process and ex-post evaluation. Agencies can use the table below to apply the model during evaluation.

Within agency control						Agency can influence	
Objective	*Resource inputs*	*Activities*	*Outputs*	*Beneficiaries and target groups*	*Performance measures*	*Short-term outcomes*	*Long-term outcomes*