

# Evidence Bank Annual Insights Report

June 2024

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# Acknowledgement of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history.

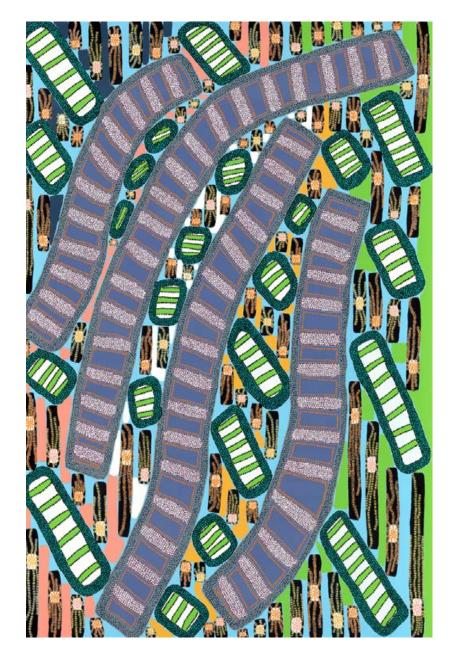
We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

We celebrate the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to Country and acknowledge their continuing custodianship of the land, seas and sky.

We acknowledge the ongoing stewardship of Aboriginal and Torres Strait Islander peoples, and the important contribution they make to our communities and economies.

We reflect on the continuing impact of government policies and practices, and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples, families and communities, towards improved economic, social and cultural outcomes.

Artwork: Regeneration by Josie Rose





### Regeneration

Josie Rose is a Gumbaynggirr woman who expresses her contemporary Gumbaynggirr cultural heritage through art. For Regeneration her chosen medium is acrylic paint on canvas and the design embodies both creative and cultural expression. The inspiration for her artworks comes from a deep place of spiritual connection to her family, community, culture and respect for Mother Earth. Gumbaynggirr Country is beautiful land with both freshwater and saltwater waterways which inspire her holistic connection to the Ancestors.

Josie Rose Artist

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# What is the Evidence Bank?

Testing, learning and adapting is a key part of policy-making. Better evidence helps governments allocate resources efficiently and effectively. It guides agencies in the design and delivery of projects and programs and meets community expectations for accountable and transparent use of public funds. Evidence-informed decisions will, on average, result in more effective policies and programs and will, over time, put downward pressure on government expenditure.



There are opportunities to improve the use of evidence in government decision making:

- The NSW Government Audit Office<sup>1</sup> regularly highlights the need for strengthened evaluation practices, and for stronger links between evaluation evidence and decision making.
- The Australian Productivity Commission<sup>2</sup>
  has recommended governments improve
  the efficacy of public expenditure through
  improved institutional and governance
  arrangements supporting the use of rigorous
  cost-benefit analysis (CBA).
- The Thodey Review<sup>3</sup> recommended a stronger focus on evaluation to demonstrate the value of government investments and support budget prioritisation.

Governments are responding with an increasing focus on evidence-informed decision making. For example, the <u>Australian Centre for Evaluation</u> (ACE) was established in 2023 to broaden the volume, quality, and use of evaluation evidence within Commonwealth departments and agencies. ACE is also championing the use of randomised control trials.

The Evidence Bank is a NSW initiative that supports evidence-informed decision making. It seeks to enhance accountability in the use of evidence, build capability, improve quality and consistency of analysis, and support collaboration and information sharing.

This report provides a snapshot of evidence-informed developments and trends over the past 12 months. It is the first of an annual series of reports and forms part of the broader Evidence Bank project (see Figure 1).

Figure 1: Objectives and activities of the Evidence Bank



### Accountability

Monitoring and reporting on the use of evidence.



### Capability

Developing tools, resources, and training.



## Quality and consistency

Developing a database of quality assured parameters to support development of CBAs and evaluations.



### Collaboration

Facilitating sharing of information within the NSW Government.

# Evidence policy 2023 highlights

### Ongoing review and refresh of the Investment Framework

The NSW Government Investment Framework ensures a transparent, consistent, evidence-informed approach to project and program appraisal. The Centre for Economic Evidence (CEE) within NSW Treasury is progressively updating and aligning NSW Government evidence related policies (see Table 1). The Investment Framework is complemented by <a href="NSW Gateway Policy">NSW Gateway Policy</a> (TPG22-12). Gateway assurance is an independent, risk-based process that provides expert review at key points in the project lifecycle.



Table 1: Overview of Investment Framework policies

Policy	Key requirements	Key updates / status
Evaluation Guidelines (TPG22-22)	Initiatives resourced by the NSW Government must be regularly examined to assess their achievement of intended results and net social benefits.  NSW Government agencies are required to coordinate monitoring and periodic evaluation of their initiatives, both ongoing and new. Initiatives of significant size, government priority, and risk should be prioritised.	<ul> <li>Update released February 2023:</li> <li>Strengthened monitoring and evaluation planning during design stage.</li> <li>Simplified what types of evaluations suit different initiatives, including when using CBA is appropriate.</li> <li>Best practice use of logic models.</li> <li>Increased user-friendliness, including a series of evaluation Workbooks and Technical Notes.</li> </ul>
NSW Government Guide to Cost-Benefit Analysis (TPG23-08)	Requires a CBA when producing a business case to support a government funding proposal (i.e., those with an estimated total cost at or above \$10 million) and sets out mandatory requirements when preparing a CBA.	<ul> <li>Update released February 2023:</li> <li>Social discount rate reduced from 7 per cent to 5 per cent.</li> <li>Updated benefit-cost ratio formula to ensure consistent classification of costs and benefits.</li> <li>More detailed guidance on considering risk and uncertainty and distributional analysis.</li> <li>Requires inclusion of carbon costs where likely to materially impact the net present value or benefit-cost ratio.</li> <li>Publication of supplementary guidance on carbon value to be used in CBA.</li> </ul>
Submission of Business Cases (TPG22-04)	Requires strategic and detailed business cases for all initiatives valued over \$10 million and outlines mandatory components of a business case.	<ul> <li>Update released February 2023:</li> <li>Business case threshold raised from \$5 million to \$10 million.</li> <li>Requires a high-level monitoring and evaluation plan to be submitted with a detailed business case.</li> </ul>
NSW Government Business Case Guidelines (TPG18-06)	Provides best practice guidance on development of a robust business case.	Review commenced, update to be released in second half of 2024.
Benefit Realisation Management Framework	Provides best practice guidance on Benefits Realisation Management.	Review commenced, update to be released in second half of 2024.
NSW First Nations Investment Framework	Provides supporting guidance on how to build and use evidence that relates to First Nations people and communities when designing and evaluating initiatives.	Consultation report for the development of a NSW First Nations Investment Framework published. Framework to be released in mid-2024.

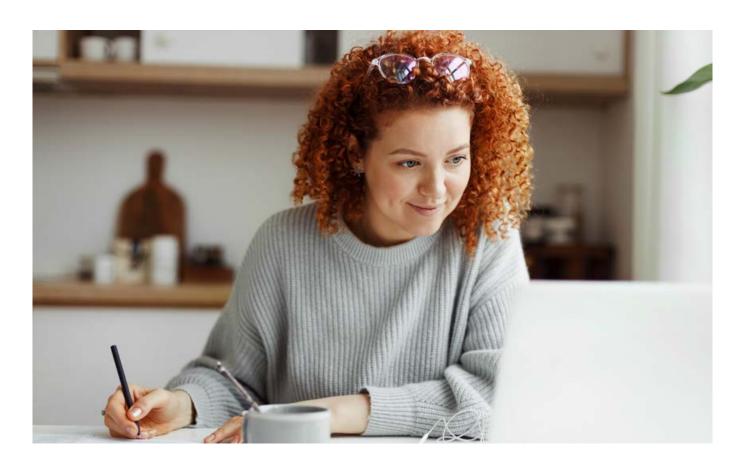
# New and updated sector specific frameworks

- Treasury released the Disaster Cost-Benefit Framework (TPG23-17) in response to a recommendation of the 2022 NSW Flood Inquiry Final Report. It includes guidance about how to consider the risk and uncertainty associated with disasters, a framework to support rapid assessments in emergency circumstances and an excel tool that may be used to develop CBA for flood resilience proposals. For queries and feedback contact cee@treasury.nsw.gov.au.
- Transport for NSW updated its
   <u>Economic Parameter Values</u>. Updates include
   changes to parameters for placemaking and active
   transport and additional vehicle operation costs
   tables. For access contact
   <u>economicadvisory@transport.nsw.gov.au</u>.
- The Department of Planning, Housing and Infrastructure published its <u>Framework for</u> <u>Valuing Green Infrastructure and Public Spaces</u> (refer to Spotlight 2).
- Digital NSW published the <u>ICT and Digital</u>
   <u>Cost-Benefit Analysis Addendum</u>, providing
   additional guidance and commentary to
   support the development of a CBA for ICT
   and digital initiatives.

### Capability building

CEE has an ongoing program of work to build capability in the use of evidence. Recent highlights include:

- Establishment of the Evidence Community of Practice to provide a central place for information sharing, collaboration and capability building between agencies. The first meeting was held in December 2023, with quarterly meetings planned for 2024.
- Delivery of 20 presentations and training sessions on the Investment Framework during 2023, with an average of 65 attendees per session. This included a series of evaluation training sessions available across the NSW Government.
   To access recordings or request additional training, CEE can be contacted at cee@treasury.nsw.gov.au.
- Publication of a series of Evaluation Technical Notes.
- Publication of a <u>Rapid CBA Tool and User Guide</u> to assist agencies with generating CBA results without the need for a bespoke model.



# Evidence spotlight





### Spotlight 1:

# Evaluation in New South Wales

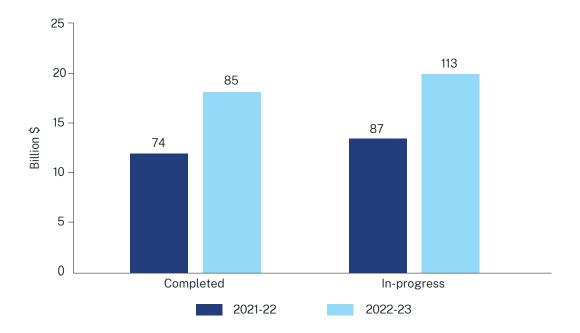
NSW Government agencies are required to regularly evaluate initiatives to ensure they are achieving intended results and delivering a net social benefit to the people of New South Wales. There are three types of evaluation:

- Process evaluation examines project and program implementation and how delivery could be improved.
- Outcome evaluation examines if, to what extent, and how an initiative is achieving its intended outcomes.

 Economic evaluation identifies and measures the benefits of an initiative relative to its costs.
 It provides comparable assessments of value for money or net social benefits (usually with a benefit-cost ratio) and is recommended for initiatives valued over \$50 million.

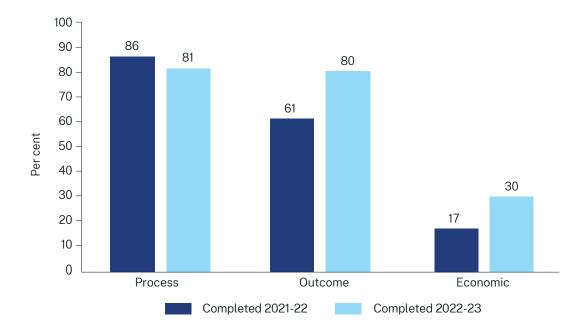
From July 2022 to August 2023, 85 evaluations of initiatives with a combined value of \$18.1 billion were completed across the NSW Government. A further 113 evaluations of initiatives with a combined value of \$19.8 billion<sup>4</sup> were in-progress.

Figure 2: Total value of initiatives being evaluated, completed and in-progress<sup>5, 6</sup>



The share of completed evaluations that included a process evaluation declined from 86 per cent in 2021-22, to 81 per cent in 2022-23.<sup>7</sup> In the same period the share of evaluations that included an outcome evaluation increased from 61 per cent to 80 per cent, and the share those containing an economic evaluation increased from 17 per cent to 30 per cent.<sup>8</sup>

Figure 3: Whole-of-government completed evaluations by type



Capability to conduct evaluations is an ongoing challenge for the sector. During 2023 the CEE delivered a series of roadshows with training on how to undertake evaluations, with an average of 94 attendees at each of the seven sessions. A high percentage of respondents reported via a feedback survey that the sessions increased their understanding of evaluation concepts and that the sessions were useful and structured.

Whole-of-government data sets, coupled with standardised methods of evaluation, are one promising trend that may boost capability and capacity to complete evaluations. The Standardised Evaluation Analysis (see Spotlight 5) model developed by the Department of Communities and Justice is one example of this emerging sector trend.

Evaluations completed during 2022-23 have provided a range of insights that will inform policy development and resource allocation (see Box 1).

#### Box 1: Evaluations completed during 2022-23

#### Example 1: Permanency Support Program

- The outcome, process, and economic (i.e. CBA) evaluation of the Permanency Support Program measured outcomes for a significant reform of the NSW child protection and out-of-home care systems. The evaluation includes a specific focus on the experiences and perceptions of First Nations communities. It found little evidence that the program substantially improved children's safety, permanency, stability, and wellbeing. The evaluation also provided important systemic insights, including the need to direct additional resources to the front end of the system to prevent children from entering the system in the first place.
- For more information on the published report, visit Permanency Support Program.

## Example 2: Combined evaluation of Bushfire Initiatives

- The process evaluation of the Bushfire Industry Recovery Package Stream 2 and Bushfire Local Economy Recovery Package Stage 2 provided insights and recommendations about the design, assessment, administration, and communication of grants. It found that both programs were over-subscribed and clearer guidelines may have reduced the number of ineligible or unsuccessful applications, particularly if more information was provided to applicants on how funding decisions would be made.
- For more information on the published report, visit Bushfire Industry Recovery Package.

#### Example 3: Cost of Living Program

- The 2018 NSW Government Cost of Living Program (also known as the savings finder) aimed to raise awareness and uptake of NSW Government savings and rebates through one point of contact at Service NSW. The objective to ease the cost of living sits within the broader Service NSW objective to improve customer care. Despite the challenges of managing competing priorities (e.g. natural disasters), the evaluation demonstrated that the program did deliver savings to NSW residents. The program had a customer satisfaction rating of 97.2 per cent. The evaluation also identified opportunities to build upon the program's success.
- For more information on the published report, visit Cost of Living Evaluation.

#### Example 4: Aboriginal Home Buyer Saver Program

The process, outcome and economic
 (i.e. cost-effectiveness analysis) evaluation
 on the Aboriginal Home Buyer Saver Program
 found that by June 2022, 82 home buyers were
 supported into their homes. The evaluation
 found that slow delivery during COVID-19
 and data quality challenges were effectively
 managed by the project team and made
 21 recommendations to support
 continuous improvement.

### Spotlight 2:

# Framework for Valuing Green Infrastructure and Public Spaces

The Department of Planning and Environment published the Framework for Valuing Green Infrastructure and Public Spaces and its related technical appendices, in October 2023. The Framework provides an evidence-based, consistent approach to quantifying the costs and benefits of green infrastructure and public spaces. It has been endorsed by NSW Treasury and serves as a supplementary resource to the NSW Government Guide to Cost-Benefit Analysis (TPG23-08).

The Framework identifies benefits and costs of green infrastructure and public spaces and recommends valuation approaches. It provides estimates that allow for different values to be applied to public spaces based on their distinctive features. For example, values are provided for public spaces if they vary by size, their accessibility to parking or if they are surrounded by businesses.

Table 2: Framework overview

#### Framework coverage



# Green infrastructure

#### **Definition**

A network of green spaces, natural systems, and semi-natural systems that supports sustainable communities.

- waterways
- tree canopies

#### **Public spaces**

#### Definition

Publicly owned or of public use and are accessible free of charge.

#### Open space

- parks
- playgrounds
- public beaches
- outdoor playing fields and courts

#### Public facilities

- libraries
- community centres
- galleries
- museums
- showgrounds
- indoor sport facilities

#### **Streets**

- avenues
- streets
- boulevards
- squares and plazas
- pavements
- passages and lanes
- bicycle paths

#### Valuation approaches



- Use value (recreational benefits)
- Use value (health benefits)
- Active transport benefits
- Air quality

- Biodiversity
- Greenhouse gas impacts
- Urban cooling benefits

Choice modelling studies were conducted to inform parameter values in the Framework. These included studies focused on the willingness to pay (WTP) for green infrastructure and public spaces (e.g. parks, playgrounds) as well as studies focused on the WTP for public facilities (e.g. libraries, museums) (see example in Box 2).

Benefits transfer was also applied to draw valuations from existing studies. This approach was applied to improvements to water quality that enable blue spaces (swimmable waterways), national parks and other protected areas, and beaches. Existing parameter values from other frameworks were also applied.

As the evidence base increases and technical understanding improves over time from project or program evaluations, the Framework will need to be reviewed to ensure the evidence retains currency and remains fit for purpose.

For queries and feedback contact vgipsframework@dpie.nsw.gov.au.

#### Box 2: Choice modelling

The Framework provides estimates of households' WTP for additional facilities at both urban parks and sports fields (Table 3). These estimates apply to all households in the 'nearest catchment,' which means all households for which the proposed new facility is closer than an existing one. For example,

the table below indicates that the average household (within the catchment) would be willing make a one-off payment of \$29 for use of a picnic shelter and barbecue facilities at a new local urban park.

Table 3: Household WTP by characteristic at urban park or sports field9

Characteristic	Urban park (\$/household)	Sports field (\$/household)
Picnic shelter and BBQ facilities	29.0	34.1
Play space (standard) <sup>10</sup>	29.3	30.0
Cycling or walking track	23.0	N/A <sup>11</sup>
Lighting	12.5	N/A
Outdoor fitness area	16.5	25.0
Skatepark	9.4	16.6
Event space	12.5	N/A
Dog off-leash area	29.3	N/A
Basketball and netball court	N/A	20.2
Bike tracks	N/A	23.3
Basketball court	N/A	8.7
Cricket nets	N/A	6.0

# Spotlight 3:



# Amenity benefits in the public realm

Amenity benefits from improved public realm are increasingly important to transport project development. The <u>Future Transport Strategy</u> highlights the importance of ensuring transport infrastructure makes a tangible improvement to the places it serves or through which it passes.

In 2023, Sydney Metro engaged Deloitte to update existing values for amenity benefits from improved public realm in Greater Sydney. The existing values were outdated and developed in the United Kingdom in 2006. The parameters produced replace existing values in the <a href="Transport for NSW Cost-Benefit">Transport for NSW Cost-Benefit</a> Analysis Guide.

A WTP survey was designed to understand how much people are willing to pay for improvement in each of the six themes of the Value Assessment System of Place (VASP) framework developed by Transport for NSW, and whether the WTP values vary by user groups such as rail, and non-rail, users.

#### The VASP themes included:

- Moving in the space a coherent and accessible movement network e.g., width of a footpath or lack of obstructions.
- Interpreting the space clear and easy to understand routes and spaces e.g., clear signage.
- Personal safety all users feel safe e.g., provision of lighting and physical and surveillance.
- Feeling comfortable creates streets and spaces for everyone e.g., provision of shelter and seating.
- Sense of place getting the details right e.g., aesthetic and features or quality materials.
- Opportunity for activity create active and passive spaces e.g., evidence of social interaction or diversity for different users.

To assess each of the VASP themes, independent reviewers assess the investment proposal and provide a score for each theme. The assessment considers quantitative and qualitative aspects to score each of the themes using a scale from -3 'Very Poor' to +3 'Very Good.'



The survey was run in two phases: a small-scale pilot to test the methodology and survey tool, followed by a larger main survey. The survey was administered across 10 station precincts in Greater Sydney and collected over 400 valid responses. The sample size used was sufficient to produce reliable WTP estimates.

The study estimated benefits of improved station precinct design from a range of -3 to +3 across all VASP themes. The study revealed that rail users were, on average, willing to pay an additional \$2.3 per trip for improved precinct design. Comfort and safety were the most highly valued qualities. A sense of place, characterised by the aesthetic or quality of materials including heritage features, was least valued.

For non-rail users, the value of improvements in safety was more than double that of any other design element. Sense of place was least valued and the only theme not statistically different from zero.



### Spotlight 4:

### Justice Impact Assessments

Law reforms generally require little, or no, upfront investment but have large downstream implications. For example, changes to laws may impact the volume of applications to courts or tribunals, prison populations, legal assistance services. Such regulatory changes often require no upfront investment and hence fall outside of the evidence framework for funding proposals.

The Justice Impact Assessments (JIA) service is a multidisciplinary team within the NSW Bureau of Crime Statistics and Research (BOCSAR). The team offers a range of data analysis services and in-house advice to agencies across the NSW Government, Legal Aid NSW and the NSW Police Force. Its main services include:

- Providing specialist in-house advice on the potential downstream impacts of proposed legislative or policy reforms on the NSW criminal justice system. This may include the estimated impact(s) of the proposal on demand for Court services and/or Corrective Services, and associated costs.
- Supporting the policy life cycle by offering bespoke analyses that informs policy development and monitoring.

Providing financial and economic analysis in collaboration with the Corporate Services team from NSW Department of Communities and Justice.

A JIA assesses the potential downstream impacts of any NSW government policy proposal, legislative reform, or funding submission on the criminal justice system. Using historical data, modelling, and expert advice, a JIA models the impact of a policy change in the volume of demand for Court services and associated agencies, as well as Corrective Services.

Once complete, a JIA report is provided to stakeholders that summarises the anticipated impacts. Typically, the report will accompany a submission to Cabinet, a policy proposal, or a business case. A JIA will assist in decision making and highlights any potential unintended impacts of a policy proposal.

A JIA can also be used as a benchmark to monitor the pre and post implementation changes in the volume of demand for Court services and Corrective Services. Consequently, a JIA is helpful in assessing whether a policy was successfully implemented and is achieving its stated aims.

For queries and feedback contact bocsar.insights@dcj.nsw.gov.au.





### Spotlight 5:

## Standardised Evaluation Analysis

The Investment Plan for Human Services in NSW seeks to expand the use of evidence-based approaches to early intervention to improve long term outcomes. To support this, a systematic and consistent approach to evaluation, the Standardised Evaluation Analysis (StEvAn) has been developed.

StEvAn applies a quasi-experimental approach using administrative data from the Human Services Dataset (HSDS). The HSDS is a detailed longitudinal dataset containing individual's interactions with NSW Government agencies. It follows their outcomes and life events, including interactions with juvenile correction services, adolescent mental health services and out of home care. The richness of the HSDS

allows StEvAn to rely on natural variation within the data to construct its Propensity Score Matching (PSM) counterfactual design. Individuals undergoing treatment are 'matched' against individuals with matching characteristics such as NAPLAN results or medical history but who have not received any treatments. With careful design, PSM can be an effective method to support comparison between the outcomes of individuals receiving support and those who do not.

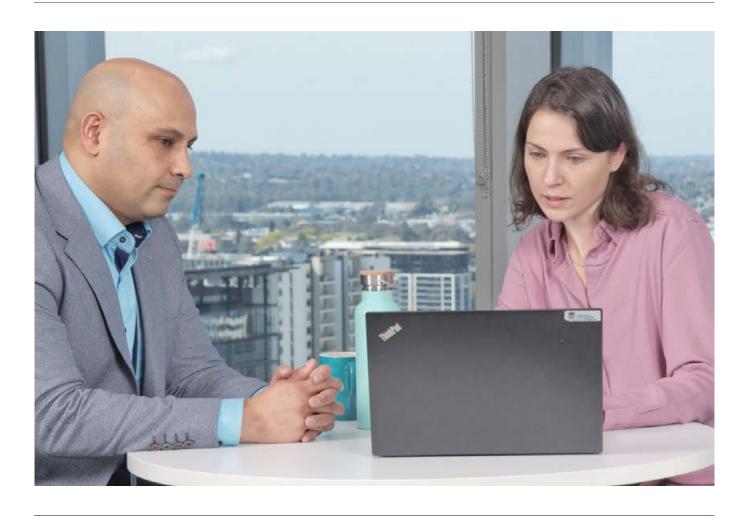
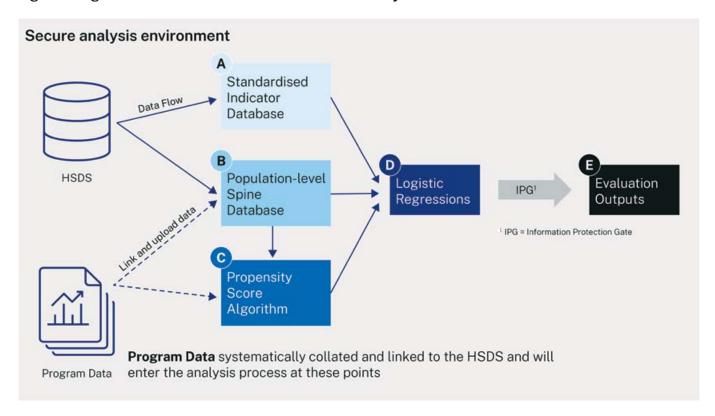


Figure 4: High-level schematic of the SteEvAn data and analysis flow



StEvAn has recently had a major refit, including a greater set of indicator and program outcomes and a refined approach to PSM. Previous iterations yielded constructive and actionable insights into better data collection management, program implementation approach and shortcomings in external validity.

The application of StEvAn to family preservation policy has provided the groundwork for possible extensions into new areas such as health, education and homelessness. The advantages of StEvAn are its replicability into new areas of research and program design and the scalability of evaluated outcomes.

This corresponds with an investment approach to human services which is central to achieving measurable improved outcomes and quantified CBA to government. The investment approach in the family preservation domain marks the first major milestone in the implementation of a whole-of-government investment approach for human services. More information can be found at <a href="Forecasting Future">Forecasting Future</a> Outcomes.

For queries and feedback contact facsiar@facs.nsw.gov.au.



# Horizon scanning

A snapshot of trends and reports over the past 12 months



#### Wellbeing frameworks gaining momentum in Australia

The Commonwealth released the <u>Measuring What Matters Statement</u>, the first iteration of Australia's first national wellbeing framework.

NSW Treasury is in the process of developing a NSW Performance and Wellbeing Framework. The phased development of the framework will consider the broad impacts of government policies and investments on people's quality of life.

#### Improving the evidence base for First Nations policy

The Productivity Commission released its <u>Review of the National Agreement on Closing</u> <u>the Gap</u>. It found that progress implementing the agreement has been weak and noted a lack of published evaluations of policies and programs affecting First Nations people.

In New South Wales, initiatives to improve the First Nations evidence base include:

- The <u>First Nations Women's Economic Participation Review</u>, which identifies and prioritises reform that improves women's economic security through increased economic participation.
- The <u>Comprehensive Indigenous Expenditure Report</u>, which identifies targeted and non-targeted government expenditure for First Nations people and programs, helping drive accountability and transparency in where and how government funding is being used to improve outcomes for First Nations people.
- The <u>2022-24 NSW Implementation Plan for Closing the Gap</u> committed to producing an Aboriginal-specific forward evaluation schedule. In 2023, NSW Government agencies were for the first time required to outline the pathway to evaluating all Aboriginal-specific programs by 2031.
- The <u>Valuing First Nations Cultures in CBA</u> research paper explores how the value of First Nations culture has been captured in CBA, and challenges and opportunities to improve current practice and build the evidence base. The report will inform development of a First Nations Investment Framework.

#### **Carbon cost**

Infrastructure Australia (IA) published a <u>Valuing Emissions for Economic Analysis</u> <u>Modelling Report and Guidance Note</u> that provides Australian economy wide emissions values for use in economic appraisals. The valuation method, a target consistent approach, is in line with the approach taken by several other jurisdictions. This includes the United Kingdom, which published the policy paper <u>Valuation of greenhouse gas</u> <u>emissions</u> which includes a revised valuation approach and set of values for policy appraisal in September 2021.

The target consistent approach estimates the value of emissions that is consistent with meeting a specific emissions reduction target and pathway. IA's published values align with the Australian Government's legislated emissions targets and estimates an emissions reduction pathway to achieve the targets.

#### New resources for infrastructure project development

The <u>National Freight Data Hub</u> (NFDH), launched mid-2023, provides access to standardised high frequency and open-source data across road, rail and maritime services across state and federal jurisdictions. The NFDH overcomes limitations created by data inconsistency or the absence of data sharing agreements. It has already informed decisions aimed at alleviating freight vehicle congestion. For example, telematics data, which tracks the movement of vehicles, has been used to understand how congestion has evolved before and after COVID-19.

IA released the <u>2023 Infrastructure Market Capacity Report</u>. The report finds that market capacity constraints are inhibiting on time and on budget project delivery, including skills shortages, local materials supply, and stagnating construction sector productivity.

# Artificial intelligence

Practitioners are starting to explore how Artificial Intelligence (AI) can improve the use of data in evaluation, CBA and service delivery. Timely access to data is a key constraint across agencies, due to the large upfront costs associated with data collection.

Early examples include use of dashboard mounted cameras in street cleaning vehicles which use AI and machine learning to collect data on damaged street signage, rutting, and faded line markings. This is combined with weather data to better forecast and target road maintenance. For more information, visit **An intelligent solution to improving local road maintenance**.

# Evaluating COVID-19 programs

JobKeeper was a key component of the Australian Government's response to COVID-19, which ensured employees received financial support and stayed connected to business throughout the pandemic.

A recent <u>Evaluation of JobKeeper</u> by the Commonwealth Treasury found that JobKeeper helped to stabilise the economy and delivered significant social benefits. Value for money was assessed qualitatively due to difficulties quantifying the risks associated with the pandemic and macroeconomic impacts. The evaluation highlighted lessons that could improve similar schemes in the future, including an adaptable policy design, tiered payments, and enhanced transparency requirements.

An independent evaluation, supported by NSW Treasury, on the NSW Government 2021 COVID-19 Business Support Program including the Jobsaver payment is being conducted in 2024.

#### Evidence Institutes gaining momentum internationally

In the United States, the <u>Results First Clearinghouse Database</u> is being used by state governments to inform their policy and budget processes. The database compiles evidence about program outcomes and effectiveness from policy areas such as health, crime, and education. Randomised control trials and quasi-experimental designs make up a significant proportion of evidence.

In the United Kingdom, the <u>Crime Reduction Toolkit</u> is a database of research and interventions directed at reducing crime. Interventions can be filtered by target population and focus area with information including effect, mechanism, moderators, implementation, and economic cost.

In New Zealand, the <u>Evidence Based Policing Centre</u> combines police training and knowledge with academic research to better inform the allocation of police resources. This has helped reform police strategy and practices within the community and deliver safer outcomes during police confrontations.

# Novel approaches to valuing utility

CBA traditionally weights the benefits equally across individuals. But in reality, different groups may value costs and benefits differently not least because of the principle of declining marginal utility (i.e. those on lower incomes may value an additional dollar more highly). A revised version of United States guidance on how to conduct regulatory and cost benefit analysis (Circular A-4) was released in early 2023, including guidance on how to weight the benefits and costs accruing to subgroups of the population. Households below the median household income receive higher weights compared to those above the median. This approach, while an interesting contemporary development, is not reflected in NSW Government Guide to Cost-Benefit Analysis (TPG23-08). Instead, it maintains decision makers discretion over equity assessments through the presentation of distributional analysis.

# **Endnotes**

- 1 See e.g. <u>Audit Insights 2018-22</u> and the <u>2016 Implementation of the NSW Government's</u> program evaluation initiative.
- 2 See recommendation 5.8 in the 5-year Productivity Inquiry Report.
- 3 See recommendation 26 in the Independent Review of the Australian Public Service Final Report.
- 4 Typographical error corrected in April 2025. The correct value is \$19.8 billion (previously reported as \$13.8 billion).
- 5 Numbers on top of columns refer to the absolute number of evaluations within that category.
- 6 Scaling for the Y-axis corrected in April 2025.
- 7 2022-23 evaluation statistics includes evaluations completed from July 2022 to August 2023 because of an off-season budget.
- 8 Numbers do not sum to 100 per cent as a single evaluation may include multiple types of evaluation e.g. process and outcome. 2021-22 evaluation statistics include evaluations completed from July 2021 to June 2022. 2022-23 evaluation statistics includes evaluations completed from July 2022 to August 2023 because of an off-season budget.
- 9 Community and Patient Preference Research (CaPPRe), 2022, Willingness to pay for green infrastructure and public spaces in NSW, Final Report prepared for the Department of Planning and Environment.
- 10 It is recommended this value be applied to play spaces that are of a standard quality. The description for play space provided in the Discrete Choice Experiment was 'play spaces for difference age groups and abilities, including shade, access and seating'.
- 11 N/A values entered where facilities are not applicable to the type of public space.



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