Chapter 12

Enhancing accountability
with Ministerial KPIs

12.1 MKPIs were developed as a method to improve outcomes and enhance accountability

In April 2009, with the appointment of a new Cabinet, the Prime Minister announced a new approach towards a more transparent and accountable government, focused on delivery for the people. Consequently, he introduced a new paradigm for performance and delivering results – through the rigorous use of key results areas and key performance indicators (KPIs). These KPIs focus our efforts on impact, rather than inputs, outcomes rather than outputs and ensure that public services deliver value for money.

In accordance with the PM's long held practice of achieving transformation through performance-based leadership, ministers and senior civil servants are to be held accountable for improvements in their MKRAs and the delivery of Ministerial KPIs (MKPIs) within those areas. All Ministers were instructed to define MKRAs and MKPIs within the first 30 days of their designations. In addition, a new minister within the Prime Minister's Department was appointed – in charge of Unity and Performance Management – to oversee these indicators. Lastly, the PM committed to personally reviewing the progress of all ministers every six months to ensure their performance is on track, and where it is not, work with them and the civil service to ensure that any barriers are removed. The PM will also set his expectations of the minister for the subsequent six-month review period.

To drive the development of MKPIs, a dedicated KPI officer was identified and appointed for each minister. The roles of the KPI officers are to:

• Support their ministers in developing MKPIs, planning for implementation and resolving interdependencies (e.g., between different ministries)

• Track and monitor progress of MKPIs, report the progress to their ministers and support their ministers in PM-Minister reviews

In addition, we established a series of guiding principles and templates to assist the ministers and KPI officers as well as provide some standardisation of quality and output (Figures 12.1 and 12.2).

Figure 12.1

Broad guiding principles for MKPI setting

1 Anchor on national agenda and rakyat priorities, leverage on KSU KPIs

2 Focus on 2 to 4 most critical outcomes

3 Ensure KPIs reflect outcomes and impact, not inputs or activities

4 Make each KPI simple and understandable

5 Ensure KPIs are specific and measurable

6 Establish clear targets, timelines and trajectories for each KPI

7 Establish short-(4-6 months), medium-(9-24 months) and long-(5 years) term outcomes

8 Formulate delivery implementation plan

9 Designate single point of accountability, but collaborate for delivery of outcomes

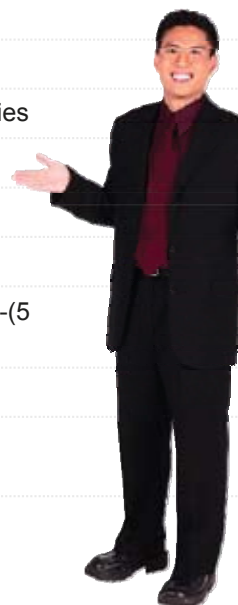**10** Set and manage the right expectations

Figure 12.2

The template applied to capture the MKRAs/MKPIs

Ministry of X	
Minister	…
Vision of ministry	…
Objectives of ministry	…

Key results area (KRA)	Rationale for KRA	KPI			Single point of responsibility (designated point of contact)	Area of support from other Ministry	Which Ministry	Quick wins	Big wins
		KPI	Current	Target Dec 2009					

It is expected that MKRAs and MKPIs are aligned to the national priorities, namely the NKRAs and over time will be cascaded throughout the broader civil service to ensure delivery of outcomes.

All ministers successfully submitted their preliminary MKPIs to the PM by the 30-day deadline of 13 May 2009. Over the course of 2009, these were further refined and improved through

- Cabinet Workshops: These provided opportunities for peer feedback and resolution of inter-dependencies between ministries

- Ministerial Workcamps: These were led by the minister and his/her senior management to finalise the MKRAs, MKPIs and targets.

From November 2009 to January 2010, the PM conducted one-to-one performance reviews with all his ministers. In those reviews, the PM held ministers accountable for their performance on the preliminary MKPIs, provided support to the ministers to help them improve performance and challenged the targets and delivery plans they were developing for 2010.

As a result of the PM-Minister reviews, MKPIs for 2010 have been agreed. Performance against these targets will be reviewed in May/June and November/December of 2010. On a rolling basis, MKPIs and targets will be set for the following year.

In 2010, it is also expected that these MKPIs will be cascaded throughout the civil service. This will build upon previous efforts to establish KPIs for the most senior civil servants – from the KSN through to all KSUs and Director-Generals.

Similar to the NKRAs, these MKRAs and MKPIs are just the beginning and will continue to be refined and improved over time. The initiatives and actions supporting the delivery towards these targets are also an initial set – they will be removed, replaced or enhanced if targets are not met. Ultimately, only delivery of real and tangible outcomes, which can be seen and felt by the public, matter.

12.2 Examples of MKRAs and MKPIs

To illustrate the outcomes and impact that individual ministers (and their ministries) are targeting, following are example MKRAs and MKPIs from two (randomly selected) ministers.

12.2.1 MKRAs and MKPIs for the Minister of Energy, Green Technology and Water (KeTTHA)

The three focus areas of the minister and his ministry are as follows:

- **Increasing the reliability of electricity supply by reducing the duration of electricity supply interruptions:** There is continued room for improvement in the reliability of electricity supply across the country, and in particular in Sabah. The System Average Interruption Duration Index (SAIDI, in minutes) for Sabah is 1,947 (2008) compared to 78 for Peninsular Malaysia and 273 for Sarawak. We target to reduce the SAIDI for Sabah to 700 minutes and for Peninsular Malaysia to 60 minutes by the end of 2010.[45] The targeted SAIDI reduction in Sabah is particularly challenging. To achieve this, installed capacity has been increased

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45 Improvement in Sarawak's SAIDI is not included in this MKRA, as Sarawak's electricity supply is not under the purview of KeTTHA

by 60 MW (mega watts), with additional generators in Melawa, Tanjung Aru, Sandakan and Tawau.

- **Increasing usage of renewable energy based on green technology applications:** The use of renewable energy will not only help reduce the rate of CO_2 emissions from power generation (our environmental objectives under the Energy Policy), but also serve as an alternative source of electricity for areas without access to conventional electricity supply networks (e.g., island communities). We have started to increase the generation of electricity from renewable energy sources – mini hydro (e.g., in Kundasang and Hulu Langat), biomass (e.g., in Semenyih and Sandakan), biogas (e.g., in Seri Kembangan) and solar sources (under the Suria 100 programme). On some islands, we are implementing hybrid systems where solar power is used as a supporting source to existing diesel generators. The impact from the solar hybrid project is a 24-hour continuous supply of electricity, compared to the current 8 hours derived from running diesel generators. Examples of such projects can be seen on islands off the coast of Johor (e.g., Pulau Besar, Pulau Pemanggil). Our target is that by 2010, 65 MW of electricity will be generated from renewable sources and 2,013 kW from solar sources.

- **Improving treated water supply and expanding sewerage services in urban areas:** Today, in Malaysia, 96.5% of urban areas have access to treated water and a compliance to water-standards of 95% (according to Ministry of Health Standards, in turn based on World Health Organisation guidelines), which we target to maintain.[46] Coverage of regionalised sewerage services, however, is still insufficient – only 5.6 million PE (population equivalent) Peninsular Malaysians have access to a sewerage service. We have increased the current coverage of regional sewage treatment plants to reach our 6.0 million PE target by completion of sewerage projects in Sungai Nyior and Juru in Penang and Damansara in Kuala Lumpur.

Table 12.1: MKPIs and targets for the Ministry of Energy, Green Technology and Water		
MKRA	MKPI	2010 target
Increase in reliability of electricity supply; reduction in duration of electricity supply interruptions	• SAIDI – System Average Interruption Duration Index, i.e., number of minutes of disruption per customer per year	• 60 minutes (Peninsular Malaysia) • 700 minutes (Sabah)
Increase in usage of renewable energy based on green technology applications	• Generation of electricity from renewable energy sources (e.g., mini hydro, biomass and biogas) • Generation of electricity from solar sources	• 65 MW • 2,013 kW

Table 12.1: MKPIs and targets for the Ministry of Energy, Green Technology and Water		
MKRA	**MKPI**	**2010 target**
Efficient use of electricity (EE) in government buildings	• All new government-owned offices will be designed and equipped with EE features	• All new government-owned buildings built in 2009 will be able to save 30% of electricity consumption expenditure
Improvement in treated water supply and sewerage services	• Treated water supply coverage by state water authority in urban areas	• 97%
	• Compliance to Water Quality Standards by Ministry of Health	• 95%
	• Population receiving regional sewerage systems in Peninsular Malaysia	• 6 million

12.2.2 MKRAs and MKPIs for the Minister of Housing and Local Government (KPKT)

The ministry was established with a clear focus to plan, coordinate and implement the social agenda and housing for urban people through housing programmes, urban planning, landscape planning, city services and fire rescue services. Therefore, the three focus areas of the minister – and his ministry – are the following:

• **Increasing the number of homes for low-income households in urban areas**: To increase access to adequate, affordable and quality housing, by 2010 we will provide for rental an additional 3,056 units under the People's Housing Programme (Program Perumahan Rakyat)

• **Supporting the revival of existing licensed abandoned private residential projects**: As of December 2009, a total of 148 private projects were abandoned, involving 49,913 units and 31,824 buyers. Nearly a third of the projects involve low- and medium-cost housing, and we are concerned about the hardship faced by buyers of abandoned housing projects. Therefore, we will engage the existing developers to help them overcome problems they may be facing, or designate new developers, to ensure that 35 projects are revived in 2010

• **Increasing the efficiency of service delivery of Local Authorities (PBT)**: We will endeavour to:

– Speed up approvals for land, planning permissions and building plans such that 90% are approved within the timeframe stipulated in our Client Charter. This will be achieved by further refining procedures implemented under the One-Stop Centre, which was introduced in 2007.

– Enhance customer service and convenience when interacting with PBTs. This will be realised by having an additional 11 PBTs in 2010 adopt the online ePBT

(e-Pihak Berkuasa Tempatan) system, over which the rakyat can make payments to the PBT (e.g., PBT taxes, quit rent) and provide feedback or complaints

– Raise the star-ratings of PBTs. The PBT Star Rating System was introduced by KPKT in 2008, to facilitate the ministry's monitoring and tracking of a PBT's performance, and to encourage PBTs to strive for better organisational management and service delivery. We will provide support to PBTs so that an additional 10 PBTs achieve a better rating in 2010 than they did in 2009.

Table 12.2: MKPIs and targets for the Ministry of Housing and Local Government

MKRA	MKPI	2010 target
Home rental for lower-income category	• Additional homes available to be rented out to lower-income families and squatters via Program Perumahan Rakyat (PPR)	• 3,056 units
Recovery of licensed abandoned private residential projects	• Revival of licensed abandoned private residential projects	• 35
Efficiency of Local Authorities (PBT)	Percentage of planning permissions and building plans processed and approved within the time frame stipulated in the client charter: • 120 days for fast-lane projects, e.g., high impact, foreign investments, government development projects • 180 days for other projects	• 90%
	• Additional number of Local Authorities (PBT) in Peninsular Malaysia administering e-Pihak Berkuasa Tempatan (ePBT)	• 11
	• Number of PBT upgraded from their current ratings under the PBT Star Rating System	• 10 additional from 2009