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EXECUTIVE PUBLICATION SERIES

FROM REFERRAL RELUCTANCE TO REFERRAL CONFIDENCE

Delivering Accountability, Visibility, Executive Intelligence and Successful Outcomes

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Source Acknowledgement

This publication draws upon authoritative publicly available sources, including legislation, government publications, regulatory guidance, recognised professional standards, peer-reviewed research and other credible publications.

Unless otherwise attributed, the analysis, synthesis, strategic observations and enterprise commentary presented throughout this publication are the original work of the author.

Material quotations, factual assertions, statistics and other significant source material are referenced throughout this publication and supported by a consolidated References section.

Disclaimer

This publication has been prepared to encourage informed executive discussion regarding cross-organisational referral governance and accountability.

It provides an evidence-informed examination of an important enterprise governance challenge for directors, chief executive officers, senior executives and organisation leaders.

The content is provided for general information only and does not constitute legal, regulatory, financial, clinical or other professional advice.

Organisations should consider their own legislative, regulatory, professional and operational obligations when interpreting or applying the matters discussed.

Publication Reference Standard

Each section identifies cited sources by their publication-wide reference numbers, with full bibliographic details provided at the end of the relevant section. A Consolidated References section at the conclusion of the publication provides the complete bibliography of sources cited throughout.

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The HBG Partners Executive Publication Series examines significant organisational and commercial challenges, develops evidence-based cases for change and supports informed executive leadership.

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HBG Partners Philosophy

Enterprise Thinking

Creative Solutions

Commercial Impact

Contents

Executive Brief

External service relationships can extend organisational capability but create a governance challenge when responsibility crosses an institutional boundary.

A referral may be appropriate at the point of decision yet provide insufficient assurance after the handover. Responsibilities may be interpreted differently, essential information may not reach those who need it, emerging issues may remain unidentified and outcomes may be difficult to evaluate. The initial decision may therefore be sound while continuing governance remains incomplete.

This publication examines how Referral Confidence can be established and sustained across that boundary.

An appropriate referral decision is only the starting point. Decision-makers also require proportionate evidence that the referral remains appropriate, agreed responsibilities are being discharged, significant concerns are being addressed and the arrangement continues to serve its intended purpose.

ISO 31000 identifies monitoring, review and continual improvement as elements of effective risk management.[1] Within its jurisdiction, Prudential Standard CPS 230 Operational Risk Management requires APRA-regulated entities to govern material service-provider arrangements across entry, monitoring, substitution and exit.[2] Together, these sources support continuing governance after an external arrangement begins.

Application should be proportionate to the relationship, the interests at stake and the potential consequences of failure. The framework does not prescribe a universal operating or technological model.

EXECUTIVE INSIGHT

An appropriate referral decision establishes the starting point.

Referral Confidence depends on what decision-makers can demonstrate after responsibility transfers.

References

1. International Organization for Standardization. ISO 31000:2018 Risk Management—Guidelines. Geneva: International Organization for Standardization; 2018.
2. Australian Prudential Regulation Authority. Prudential Standard CPS 230 Operational Risk Management. Sydney: Australian Prudential Regulation Authority; July 2026.

The Basis for Referral Confidence

Referral Confidence begins with an informed decision made before responsibility transfers.

Before responsibility transfers, the decision should establish the referral's purpose, the expected service or outcome, the suitability of the pathway and provider, retained and transferred responsibilities, and the principal interests and risks involved.

ISO 31000 integrates risk management with governance and decision-making and supports responses proportionate to the nature and significance of risk.[1] Applied to referrals, assessment depth should reflect the service, affected parties, continuing obligations and potential consequences of failure.

The Commonwealth Procurement Rules similarly require risks to be identified, analysed, allocated and treated, with assessment and documentation proportionate to the procurement's scale, scope and risk.[3] Although procurement-specific, these requirements illustrate the value of proportionate assessment and a demonstrable decision basis.

The resulting disciplines are clear: the decision should be informed by risk, the assessment should be proportionate and its basis should be demonstrable.

Before the referral proceeds, information, communication and escalation expectations should establish how relevant developments will become visible, how concerns will be raised and who will respond.

Provider reputation, an established relationship or encouragement to refer may influence a decision, but none replaces deliberate judgement supported by evidence appropriate to the circumstances.

These conditions establish the decision basis but do not, by themselves, provide continuing assurance during delivery.

EXECUTIVE INSIGHT

Referral Confidence begins with an informed and demonstrable decision—not with the transfer of responsibility.

That decision must establish suitability, risk, responsibilities and continuing governance expectations.

REFERENCES

1. International Organization for Standardization. ISO 31000:2018 Risk Management—Guidelines. Geneva: International Organization for Standardization; 2018.

3. Australian Government Department of Finance. Commonwealth Procurement Rules. Canberra: Australian Government Department of Finance; 17 November 2025.

Defining Referral Confidence

Referral Confidence is not optimism about a provider, reliance on reputation or an assumption that a referral will proceed as intended. It is a governance condition supported by evidence.

HBG Partners defines Referral Confidence as:

Demonstrable assurance that an appropriate referral remains subject to clear accountability, is sufficiently visible and continues to align with its intended purpose after responsibility transfers.

In this publication, the referral event is the point at which a decision is enacted and a person, matter, opportunity or service requirement is directed to an external provider. It identifies the beginning of the relationship without assuming a fixed duration or readily observable endpoint.

Each element of the definition is deliberate.

Demonstrable assurance means confidence supported by reliable evidence—not familiarity, goodwill or the absence of reported concerns.

An appropriate referral is supported by an informed, proportionate and defensible assessment of need, suitability and risk.

Subject to clear accountability means responsibilities remain explicit when delivery moves beyond the referrer's direct control, with relevant parties answerable for their assigned obligations, decisions and actions.

Sufficiently visible means decision-makers receive the information required to understand significant progress, exceptions, risks and outcomes without unrestricted access to another entity's operations or to information beyond what is lawful, ethical and relevant.

Continues to align with its intended purpose means the referral still addresses the need or objective for which it was made. Activity alone does not establish effectiveness.

After responsibility transfers recognises that the need for confidence does not end with the referral event. The period of oversight should reflect the referral's nature, the interests at stake,

continuing obligations and potential consequences of failure, and may continue while the resulting relationship or its consequences remain relevant.

Referral Confidence does not guarantee a particular result. It exists when the decision basis, assigned responsibilities, significant information and continuing alignment with the referral's intended purpose can be demonstrated.

The definition establishes the target state; the next section translates it into a practical governance framework.

EXECUTIVE INSIGHT

The referral event begins the external relationship; it does not end the need for appropriate oversight.

Referral Confidence exists when continuing accountability, visibility and alignment with purpose can be demonstrated.

A Framework for Referral Confidence

Referral Confidence is produced by a coherent governance system—not by an isolated control, individual role or reporting mechanism.

ISO 31000 integrates risk management with governance, strategy, planning, reporting and decision-making.[1] COSO's risk-management framework connects governance and culture, strategy and objective-setting, performance, review and revision, and information, communication and reporting.[5] Together, they support an integrated system rather than separate administrative activities.

The Institute of Internal Auditors' 2026 Statement of Position on the Three Lines Model distinguishes operational responsibility, specialist support and monitoring, and independent assurance while emphasising accountability, transparency and coordination.[4] Its relevance lies in recognising that confidence cannot depend on one function when decisions, responsibilities, information and oversight cross institutional boundaries.

These sources do not prescribe a referral-governance model. The HBG Partners Framework for Referral Confidence is an original synthesis developed specifically for that purpose.

The framework comprises seven connected capabilities.

Referral Qualification

The capacity to determine whether a proposed referral is appropriate before the referral event and before responsibility transfers. Qualification establishes the purpose, suitability, decision basis and initial governance expectations.

Referral Accountability

The capacity to assign and maintain clear responsibility at and after the referral event. Accountability establishes who is answerable for decisions, actions, oversight and response while the arrangement or its consequences remain relevant.

Referral Visibility

The capacity to obtain proportionate and reliable insight after responsibility transfers. Visibility enables decision-makers to understand significant progress, exceptions, risks and outcomes without assuming unrestricted access to, or control over, the external provider's operations.

Executive Intelligence

The capacity to convert relevant information into concise, decision-ready insight. Executive Intelligence enables leaders and governing bodies to recognise significance, establish priorities and determine whether action is required.

Issue Identification and Intervention

The capacity to detect significant concerns, escalate them appropriately and support a timely, proportionate response. This capability prevents relevant information from remaining passive when circumstances require action.

Referral Performance Intelligence

The capacity to evaluate patterns across referral events, providers, pathways, services and outcomes. Performance intelligence extends oversight beyond an individual referral and supports stronger strategic, resourcing and relationship decisions.

Organisational Learning and Continuous Improvement

The capacity to convert experience, evidence and outcomes into stronger future decisions and practices. Learning completes the framework by ensuring that accumulated insight produces improvement rather than remaining historical information.

These capabilities are mutually reinforcing. Qualification without visibility provides only initial assurance; visibility without accountability may reveal concerns without establishing who must respond; information without executive interpretation may not lead to a decision; intervention without analysis may resolve one matter without addressing a recurring weakness; and learning without implementation does not improve future practice.

The framework is not a sequential checklist. Some capabilities operate before the referral event, while others apply at or after it. Their duration and intensity should reflect the referral's nature, the interests at stake, continuing obligations and potential consequences of failure.

Existing governance, risk, service-management and reporting arrangements may provide part of the required capability. Leaders must determine whether they operate together to produce demonstrable Referral Confidence.

EXECUTIVE INSIGHT

Referral Confidence is an integrated governance capability.

Its strength depends on whether the components operate together to support informed oversight, timely action and continuing improvement.

REFERENCES

1. International Organization for Standardization. ISO 31000:2018 Risk Management—Guidelines. Geneva: International Organization for Standardization; 2018.
4. The Institute of Internal Auditors. Assurance and Advice in Support of Effective Governance: Three Lines Model—Statement of Position. Lake Mary, Florida: The Institute of Internal Auditors; 2026.
5. Committee of Sponsoring Organizations of the Treadway Commission. Enterprise Risk Management—Integrating with Strategy and Performance: Executive Summary. New York: Committee of Sponsoring Organizations of the Treadway Commission; June 2017.

Referral Qualification

Referral Qualification converts the basis for Referral Confidence into a disciplined decision process.

Referral Qualification establishes, before responsibility transfers, whether the proposed referral has a defensible basis and appropriate governance conditions.

Within its jurisdiction, Prudential Standard CPS 230 Operational Risk Management requires an APRA-regulated entity to undertake due diligence before entering into or materially modifying a material service-provider arrangement. The assessment includes provider selection, ongoing delivery capacity and the financial and non-financial risks of reliance.[2] This reinforces the need to test suitability and capability before external reliance begins.

Accordingly, the HBG Partners Referral Qualification discipline should establish:

- the need or objective giving rise to the referral;
- the service, assistance or outcome required;
- the suitability of the proposed referral pathway;
- the capability and relevant standing of the prospective provider;
- the significant risks associated with the referral and the external relationship;
- the interests, vulnerabilities and circumstances that require consideration;
- the responsibilities that will transfer and those that will remain with the referrer;
- the information, communication and escalation expectations applying after the referral event;
- any legal, regulatory, professional, ethical or contractual requirements requiring specialist consideration; and
- the authority and documented basis for the decision to proceed.

The depth of inquiry should be proportionate. A routine, low-consequence referral may require a concise assessment against established criteria. A referral involving vulnerable parties, critical services, sensitive information, substantial value or significant operational, legal or reputational exposure may require more extensive examination and formal approval.

Qualification should identify assumptions on which the decision depends. Assumptions about provider capability, service availability, eligibility, response time or information exchange may significantly affect suitability and should be assessed rather than treated as established facts.

A positive qualification decision does not certify the provider or guarantee performance. It confirms that the referral has a defensible basis and that the conditions required for it to proceed responsibly have been considered.

If those conditions are not satisfied, the referral may be deferred, supported by further information or safeguards, redirected to another pathway or declined.

The qualification decision becomes the reference point for subsequent accountability, visibility and evaluation. Without a clear decision basis, it is difficult to determine whether the referral remains appropriate or whether a later development departs significantly from what was intended.

EXECUTIVE INSIGHT

Referral Qualification is a decision discipline—not an administrative gateway.

It establishes why the referral should proceed, on what evidence and under which governance conditions.

REFERENCES

2. Australian Prudential Regulation Authority. Prudential Standard CPS 230 Operational Risk Management. Sydney: Australian Prudential Regulation Authority; July 2026.

Referral Accountability

Referral Accountability establishes who is answerable after the referral event.

Referral Accountability preserves the distinction between the provider's operational responsibility and the referrer's continuing oversight. The transfer of service responsibility must not leave significant obligations, decisions or responses without clear ownership.

The Institute of Internal Auditors' 2026 Statement of Position on the Three Lines Model identifies clearly defined board and senior-management roles as fundamental to accountability. It also states that outsourcing an activity does not remove the governing body's accountability for ensuring that the activity is effective, appropriately directed and independent where required.[4] This principle is relevant when work crosses an institutional boundary.

The G20/OECD Principles of Corporate Governance 2023 identify effective monitoring, board accountability and clear lines of responsibility as central to sound governance.[6] These principles reinforce the distinction between assigning work and retaining appropriate oversight.

Within its jurisdiction, Prudential Standard CPS 230 Operational Risk Management assigns an APRA-regulated entity's board ultimate accountability for operational-risk oversight, including material service-provider arrangements, and requires clearly defined senior-management responsibilities.[2] This illustrates accountability continuing when services are delivered externally.

Drawing on these principles, the HBG Partners Referral Accountability discipline should establish:

- who is authorised to approve the referral;
- who is responsible for the accuracy and sufficiency of the information supporting the decision;
- which responsibilities transfer to the external provider;
- which obligations remain with the referrer;
- who maintains appropriate oversight after the referral event;
- who is responsible for receiving and assessing significant information;
- who must respond when an issue, exception or changed circumstance arises;

- which matters require escalation and to whom;
- who is authorised to decide whether the arrangement should continue, change or cease; and
- who reports significant matters to executive or governing-body level.

Responsibilities may be distributed among several parties, but their allocation must be explicit, understood and supported by appropriate authority.

Across the institutional boundary, the provider should understand the expected service, information and escalation requirements and any agreed limitations on its role. The referrer should understand what evidence it can reasonably expect and what action remains available if expectations are not met.

Accountability does not transfer the provider's obligations to the referrer or create authority where none exists. Arrangements must reflect the applicable legal, regulatory, professional, ethical and contractual context.

A task, service or decision may be delegated while responsibility for maintaining appropriate governance attention remains elsewhere.

Accountability should continue while the relationship, a retained obligation or the referral's consequences remain relevant. The referral date alone does not determine when that accountability ends.

Clear accountability enables visibility to produce action. Without it, information may remain unassessed, concerns un-escalated and decisions deferred because no party is clearly answerable.

EXECUTIVE INSIGHT

A referral can transfer service responsibility without eliminating governance accountability.

Referral Confidence requires clarity about who must decide, oversee, respond and report after responsibility transfers.

REFERENCES

2. Australian Prudential Regulation Authority. Prudential Standard CPS 230 Operational Risk Management. Sydney: Australian Prudential Regulation Authority; July 2026.
4. The Institute of Internal Auditors. Assurance and Advice in Support of Effective Governance: Three Lines Model—Statement of Position. Lake Mary, Florida: The Institute of Internal Auditors; 2026.
6. OECD. G20/OECD Principles of Corporate Governance 2023. Paris: OECD Publishing; 2023.

Referral Visibility

Referral Visibility is the capacity to obtain proportionate and reliable insight after the referral event.

Referral Visibility gives decision-makers the proportionate information needed to determine whether the referral remains appropriate, significant concerns have emerged and action is required. It does not require continuous surveillance, unrestricted access to the provider's operations or collection of every available detail.

The Institute of Internal Auditors' 2026 Statement of Position on the Three Lines Model identifies reliable and balanced information about performance, risks and controls as essential to effective oversight and recognises that its depth should reflect decision-makers' needs.[4]

Within its jurisdiction, Prudential Standard CPS 230 Operational Risk Management requires an APRA-regulated entity to monitor material service-provider arrangements, assess performance against agreed service levels, evaluate control effectiveness and compliance, and provide reporting proportionate to the nature and use of the service.[2]

The Australian Government Contract Management Guide recommends agreement on what supplier performance will be measured, how frequently and by whom, and states that the supporting information should be accurate, fair and complete.[7] Although contract-specific, these disciplines illustrate the value of defined reporting expectations.

Drawing on these principles, the HBG Partners Referral Visibility discipline should provide insight into matters such as:

- whether the referral was received and accepted;
- whether the intended service or response commenced;
- significant progress against the referral's purpose;
- significant delay, interruption or non-delivery;
- significant changes affecting suitability, capacity or risk;
- concerns raised by the recipient, provider, referrer or another relevant party;

- action taken in response to an identified issue;
- significant departures from agreed expectations;
- available outcomes or indicators of effectiveness; and
- whether the relationship or its consequences remain relevant.

The required information will differ by referral. A low-consequence event may require only confirmation of receipt and notification of a significant exception. A higher-consequence referral may justify defined reporting intervals, performance measures, exception notifications or formal review.

Visibility should therefore be designed around significance—not volume. Information should be:

- **relevant** to the referral's purpose, risks and governance requirements;
- **reliable** enough to support a decision;
- **timely** enough to permit an effective response;
- **proportionate** to the interests at stake and potential consequences;
- **lawful and ethical** in its collection, use and disclosure; and
- **intelligible** to the people responsible for oversight and action.

More reporting does not necessarily produce greater confidence. Excessive detail can obscure significant issues, while incomplete, delayed or poorly defined information can create a false appearance of oversight.

Visibility arrangements should be established before the referral event wherever practicable. The referrer and provider should understand what evidence is expected, which events require notification, how it will be communicated and who will receive it.

The absence of expected information is itself relevant. A missed report, unexplained silence or inability to confirm a significant development may indicate a weakness even when no adverse outcome has been reported.

Visibility should continue while the relationship, its consequences or retained obligations require informed decisions; an assumed completion date is insufficient.

Visibility supplies the evidence required for Executive Intelligence and timely intervention. It enables, rather than replaces, accountability and judgement.

EXECUTIVE INSIGHT

Referral Visibility is not knowing everything.

It is knowing enough—at the right time and with sufficient reliability—to determine whether the referral remains appropriate and whether action is required.

REFERENCES

2. Australian Prudential Regulation Authority. Prudential Standard CPS 230 Operational Risk Management. Sydney: Australian Prudential Regulation Authority; July 2026.
4. The Institute of Internal Auditors. Assurance and Advice in Support of Effective Governance: Three Lines Model—Statement of Position. Lake Mary, Florida: The Institute of Internal Auditors; 2026.
7. Australian Government Department of Finance. Australian Government Contract Management Guide. Canberra: Australian Government Department of Finance; August 2025.

Executive Intelligence

Referral Visibility makes relevant information available. Executive Intelligence converts it into insight that supports judgement, oversight and action.

A reporting system may produce substantial data without explaining what has changed, why it matters or what decision is required. Executive Intelligence is the disciplined interpretation of significant evidence—not the accumulation of information.

COSO's risk-management framework connects information, communication and reporting with governance, strategy, performance, review and revision.[5] This supports reporting integrated with decision-making rather than treated as a separate administrative output.

The G20/OECD Principles of Corporate Governance 2023 emphasise accurate, relevant and timely information for governing-body responsibilities.[6] This reinforces the need for reporting to be fit for executive and governing-body use.

Drawing on these sources, the HBG Partners Executive Intelligence discipline should enable decision-makers to understand:

- what has occurred or changed;
- why the development is significant;
- which referral events, providers, services or stakeholder interests are affected;
- whether the development represents an isolated exception or a wider pattern;
- the actual or potential consequences;
- what action has already been taken;
- whether further intervention is required;
- who is accountable for the response;
- the timeframe within which a decision or action is required; and

- what uncertainty or information limitation remains.

The level of detail should match the decision. Operational teams may require case-level evidence, while executives and governing bodies generally require a consolidated view of significant exposure, performance, exceptions and response.

Consolidation must not obscure significance. A serious individual matter may require executive attention despite satisfactory aggregate performance, while recurring minor exceptions may reveal a systemic weakness.

Effective executive reporting should therefore distinguish:

- routine activity from significant exception;
- current status from emerging risk;
- confirmed fact from assumption or incomplete information;
- isolated events from recurring patterns;
- provider-specific issues from systemic weaknesses;
- actions completed from actions merely proposed; and
- matters requiring awareness from matters requiring a decision.

Reporting frequency should reflect significance and urgency. Periodic reporting may support stable performance and longitudinal analysis, while a significant incident, deteriorating performance or changed risk may require immediate escalation.

Executive Intelligence should disclose when information is incomplete, delayed, disputed or dependent on unverified provider reporting. Apparent precision must not conceal uncertainty.

Technology may assist with collection, aggregation, analysis and presentation, but it does not determine significance or replace executive judgement. The capability succeeds when relevant evidence produces clear understanding and an appropriate decision.

EXECUTIVE INSIGHT

Visibility provides information.

Executive Intelligence explains what it means, why it matters and what decision or action is required.

REFERENCES

5. Committee of Sponsoring Organizations of the Treadway Commission. Enterprise Risk Management—Integrating with Strategy and Performance: Executive Summary. New York: Committee of Sponsoring Organizations of the Treadway Commission; June 2017.
6. OECD. G20/OECD Principles of Corporate Governance 2023. Paris: OECD Publishing; 2023.

Issue Identification and Intervention

Referral Confidence depends on recognising significant concerns and responding before their consequences become more serious.

Visibility and Executive Intelligence identify the issue; intervention converts that understanding into proportionate action.

Within its jurisdiction, Prudential Standard CPS 230 Operational Risk Management requires an APRA-regulated entity to identify, escalate, record and address operational incidents and near misses promptly, and to remediate material weaknesses through clear accountability and timely action.[2] This illustrates the connection between issue identification, escalation, remediation and oversight.

The Australian Government Contract Management Guide advises that performance gaps should be identified using accurate, fair and complete information and addressed through responses proportionate to the seriousness of the underperformance.[7] Although available remedies will differ, the same principle applies to referral intervention.

Drawing on these sources, the HBG Partners Issue Identification and Intervention discipline should provide the capacity to:

- recognise a significant exception, concern or change;
- assess its nature, significance and potential consequences;
- determine whether immediate protective action is required;
- identify who is responsible for managing the response;
- escalate the matter to the appropriate level;
- select an intervention proportionate to the circumstances;
- document decisions, actions and unresolved uncertainty;
- verify whether the response has been implemented;

- determine whether the issue has been adequately addressed; and
- identify any broader implication for other referral events or arrangements.

Potential triggers may include:

- failure to acknowledge or accept a referral;
- delay, interruption or non-delivery affecting the intended service;
- evidence that the referral is no longer appropriate or that provider capability has changed significantly;
- concern about safety, wellbeing, privacy, security or professional conduct;
- failure to meet an agreed responsibility or communication requirement;
- recurring exceptions or disputed, incomplete or unreliable information; and
- an adverse outcome or absence of expected information that creates significant uncertainty.

The response should reflect the matter's seriousness, urgency, reversibility and potential impact, together with the referrer's authority and continuing obligations.

Intervention may involve clarification, additional information, correction of an internal error, provider engagement, remedial action, increased oversight, support for an affected party, an alternative pathway, suspension of further referrals or escalation to an authorised body.

Available action depends on the legal, regulatory, professional, ethical and contractual context. Referral governance does not create authority over an external provider where none otherwise exists.

Escalation thresholds should be defined before issues arise wherever practicable. Personnel should understand which matters they may resolve, which require specialist advice and which require immediate escalation.

Referral to another party or a proposed action does not establish resolution. Closure requires proportionate evidence that the response occurred, residual concerns were considered and continuing action has clear ownership.

Intervention outcomes should inform performance intelligence and organisational learning by identifying recurring provider, pathway or governance weaknesses.

EXECUTIVE INSIGHT

Visibility without intervention can identify a problem without changing its consequences.

Referral Confidence requires the capacity to recognise significant concerns, assign responsibility and support timely, proportionate action.

REFERENCES

2. Australian Prudential Regulation Authority. Prudential Standard CPS 230 Operational Risk Management. Sydney: Australian Prudential Regulation Authority; July 2026.

7. Australian Government Department of Finance. Australian Government Contract Management Guide. Canberra: Australian Government Department of Finance; August 2025.

Referral Performance Intelligence

Referral Performance Intelligence extends analysis beyond an individual referral event.

Referral Performance Intelligence identifies patterns across activity, providers, pathways, services, issues and outcomes, enabling decision-makers to assess performance and determine where strategic attention is required.

The Australian Government Contract Management Guide recommends agreement on what supplier performance will be measured, how frequently and by whom, and requires the supporting information to be accurate, fair and complete.[7]

Developing Performance Measures—Resource Management Guide 131 identifies meaningful measures as connected to purpose, reliable, verifiable, unbiased and capable of assessing performance over time through appropriate qualitative and quantitative evidence.[8] These characteristics provide a useful foundation for referral-performance analysis.

The HBG Partners Referral Performance Intelligence discipline should enable examination of:

- referral volume, nature and purpose;
- pathways and providers selected;
- acknowledgement, commencement and completion information where available;
- delay, interruption, non-acceptance or non-delivery and their causes;
- significant issues, escalation and intervention activity;
- the timeliness and effectiveness of responses;
- available service, experience and outcome indicators;
- recurring exceptions or control weaknesses;

- differences across providers, services, locations or stakeholder groups; and
- changes in performance or risk over time.

Measures should reflect the decisions they support. Activity counts may show demand without establishing quality; completion data may show that an administrative stage ended without demonstrating achievement of purpose; and satisfaction information may not explain service quality, risk or longer-term outcomes.

Referral Performance Intelligence should combine quantitative measures, qualitative assessment, exception analysis, stakeholder experience, provider information, case review and professional judgement where appropriate.

Comparisons require context. Differences between providers or pathways may reflect service complexity, referral mix, eligibility settings, data quality or stakeholder characteristics; ignoring these factors may produce misleading conclusions.

Data limitations should be made explicit. Decision-makers should understand:

- which referral events are included or excluded;
- how measures and categories are defined;
- whether information is complete and comparable;
- the period to which the analysis relates;
- whether results rely on provider-supplied information;
- whether outcomes can reasonably be attributed to the referral or provider; and
- what uncertainty remains.

Performance intelligence must operate within lawful and ethical boundaries. Collection and analysis should be proportionate, protect sensitive information and avoid unfair or unsupported judgements about individuals, providers or stakeholder groups.

The objective is a reliable understanding of what is working, what is changing, where significant weaknesses may exist and which decisions should follow—not rankings or greater data volume.

Referral Performance Intelligence informs provider relationships, pathway design, resource allocation, governance priorities and future referral decisions while supplying evidence for organisational learning.

EXECUTIVE INSIGHT

Individual referral information supports case-level oversight.

Referral Performance Intelligence reveals patterns that should influence strategy, investment and improvement.

REFERENCES

7. Australian Government Department of Finance. Australian Government Contract Management Guide. Canberra: Australian Government Department of Finance; August 2025.
8. Australian Government Department of Finance. Developing Performance Measures—Resource Management Guide 131. Canberra: Australian Government Department of Finance; 2026.

Organisational Learning and Continuous Improvement

Referral Performance Intelligence identifies patterns; Organisational Learning converts them into stronger decisions, practices and future arrangements.

Learning occurs when evidence changes understanding, produces an implemented improvement and tests its effect—not when information is merely collected or a lesson recorded.

ISO 31000 identifies monitoring, review, recording, reporting and continual improvement as elements of effective risk management.[1] Experience should therefore be used to test and strengthen governance arrangements.

The OECD's Recommendation of the Council on Public Policy Evaluation promotes systematic evaluation and the integration of findings into decision-making, institutional learning and accountability.[9] These principles reinforce the importance of converting evidence into action rather than treating evaluation as an end in itself.

The Organisational Learning and Continuous Improvement discipline should provide the capacity to:

- capture relevant evidence from referral events, performance analysis and interventions;
- identify recurring issues, effective practices and emerging risks;
- examine contributing factors and distinguish isolated events from broader patterns;
- determine, assign, implement and communicate required improvements;
- verify that agreed actions have been completed;
- evaluate whether each change produced its intended effect; and
- retain and apply resulting knowledge to future decisions.

Learning should not depend on failure. Effective arrangements, successful interventions, positive recipient experiences and strong provider performance may also reveal practices worth preserving or extending.

Analysis should examine the system as well as the individual event. A poor outcome may result from inappropriate referral, an unsuitable pathway, unclear responsibility, inadequate information, delayed escalation, provider failure or circumstances beyond any party's reasonable control. Conversely, a positive outcome does not necessarily demonstrate sound governance.

Improvement decisions may affect:

- referral criteria and approval requirements;
- provider qualification, review and relationship settings;
- information-sharing, accountability and escalation arrangements;
- performance measures and reporting;
- staff guidance, capability, technology and recordkeeping;
- contractual and governance arrangements; or
- the decision to continue, modify or discontinue a referral pathway.

Not every lesson warrants organisation-wide change. The response should reflect the strength of the evidence, the significance of the issue and the likelihood that the finding applies more broadly.

Learning also requires institutional memory. Relevant findings, decisions and resulting practices should be retained in a form that can inform future qualification, oversight and evaluation rather than remaining with an individual, team or temporary project.

Continuous improvement requires closure. Recording an action or announcing a change does not establish improvement. Decision-makers need proportionate evidence that the change was implemented and addressed the issue or opportunity that prompted it.

This creates a feedback process through which experience strengthens future Referral Confidence: evidence informs learning, learning changes practice and subsequent performance tests the result.

EXECUTIVE INSIGHT

Experience does not automatically produce learning.

Learning occurs when evidence changes a decision or practice and the effect of that change is subsequently evaluated.

REFERENCES

1. International Organization for Standardization. ISO 31000:2018 Risk Management—Guidelines. Geneva: International Organization for Standardization; 2018.

9. OECD. Recommendation of the Council on Public Policy Evaluation. Paris: OECD; 2022.

Executive Capability Test

The Executive Capability Test enables leaders and governing bodies to assess whether Referral Confidence can be demonstrated across their organisation.

It is not a compliance checklist or universal operating model. It tests whether the available evidence supports assumed confidence.

ISO 31000, the IIA Three Lines Model and the G20/OECD Principles of Corporate Governance collectively support integrated risk governance, clear accountability, coordinated assurance and access to reliable, timely information.[1] [4] [6]

The test applies the seven capabilities in the HBG Partners Framework for Referral Confidence.

Referral Basis and Qualification

- Do we know why each referral is made and the outcome sought?
- Are pathways and prospective providers assessed in proportion to risk?
- Can we demonstrate the basis for approving significant referral decisions?
- Are transferred and retained responsibilities identified before referral?
- Are key assumptions, uncertainties and specialist requirements explicit?

Accountability

- Is referral approval authority clear?
- Is post-referral oversight assigned?
- Do internal and external parties understand their obligations?
- Are escalation routes and decision-making authorities defined?
- Is accountability clear when an issue remains unresolved?

Visibility

- Can we confirm whether significant referrals were received and acted upon?
- Do we receive information proportionate to the referral's significance?
- Are delays, exceptions, changes and concerns visible?
- Is reporting reliable, timely and clear enough to support action?
- Is missing expected information recognised and investigated?

Executive Intelligence

- Can referral data be converted into a concise view of significant exposure and performance?
- Can routine activity be distinguished from matters requiring executive attention?
- Are isolated serious events visible despite satisfactory aggregate results?
- Can recurring patterns be identified across providers, pathways or services?
- Are data limitations and unresolved uncertainties disclosed?

Issue Identification and Intervention

- Are significant concerns recognised, assessed and assigned promptly?
- Do personnel know what they may resolve and what must be escalated?
- Is intervention proportionate to significance, urgency and authority?
- Can completion of corrective action be verified?
- Are unresolved or recurring issues elevated appropriately?

Performance Intelligence

- Do measures reflect purpose, quality and outcomes rather than activity alone?
- Can performance be assessed across referral events and over time?
- Are comparisons based on consistent definitions and appropriate context?
- Can provider-, pathway- and system-wide patterns be identified?
- Are data-quality, coverage and attribution limitations understood?

Organisational Learning

- Are lessons drawn from successful practice as well as adverse events?
- Are recurring issues examined for underlying system or governance weaknesses?
- Do findings lead to assigned and implemented improvements?
- Is relevant knowledge retained when roles or personnel change?
- Is each completed change evaluated for its intended effect?

Governance Assurance

- Can management demonstrate that referral governance operates as intended?
- Do leaders and governing bodies receive sufficient assurance without unnecessary operational detail?
- Are significant gaps, control weaknesses and limitations reported transparently?
- Is assurance proportionate to the significance of referral arrangements?
- Can Referral Confidence be demonstrated rather than merely asserted?

A credible capability assessment requires evidence. Assumptions, informal practice or individual knowledge do not confirm that a capability exists.

Required maturity will vary with the nature and scale of referral activity, the interests affected, continuing obligations and the consequences of failure.

An uncertain or unsupported answer identifies a governance question requiring attention.

EXECUTIVE INSIGHT

The decisive question is not whether leaders believe referral arrangements are working.

It is whether they can demonstrate that the capabilities required for Referral Confidence are present and operating effectively.

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Closing Statement

A referral may be appropriate when made yet remain inadequately governed after responsibility transfers.

Referral Confidence closes that gap.

It begins with a defensible decision and continues through clear accountability, proportionate visibility, decision-ready intelligence, timely intervention, performance analysis and organisational learning.

These capabilities do not require control over the external provider or unrestricted access to its operations. They require sufficient evidence to determine whether the referral remains appropriate, responsibilities are being discharged, significant concerns are addressed and the arrangement continues to serve its purpose.

The appropriate governance response will vary with the referral context, service involved, interests at stake, continuing obligations and consequences of failure.

The executive challenge is not to create additional administration, but to ensure that decisions, responsibilities, information and oversight operate coherently.

Without that system, confidence rests on assumption.

When it operates effectively, Referral Confidence can be demonstrated.

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About the Author

Greg Harper founded HBG Partners to create original intellectual property and build scalable, commercially sustainable ventures.

His corporate experience is shaped by senior national leadership roles and the establishment of specialist executive advisory businesses across financial services, enterprise strategy, governance, growth and innovation.

Greg's work identifies opportunities, tests their viability and defines their path to implementation.

His publications clarify complex challenges through authoritative research and rigorous inquiry.

Except where another author or organisation is expressly cited, the analysis, synthesis and conclusions presented in this publication are those of the author.

About HBG Partners

HBG Partners creates intellectual property, enterprise frameworks and commercially sustainable ventures through carefully selected strategic partnerships.

Its work begins with identifying material opportunities, conducting evidence-informed research and translating complex information into practical solution architecture.

Through disciplined thinking and collaborative development, HBG Partners converts strategic, governance and commercial challenges into original perspectives, implementable frameworks and opportunities for sustainable delivery.

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