



**Australian Government**  
**Department of Social Services**

**Finn Pratt PSM**  
**Secretary**

Joint Committee of Public Accounts and Audit  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Committee Members

On behalf of Department of Social Services (DSS), I welcome the opportunity to offer a submission on the development of the Commonwealth Performance Framework. I would like to start by emphasising my Department's support for the Public Management Reform Agenda and for the overall direction of the proposals in the performance framework. If implemented well, these reforms have the potential to significantly improve performance management and reporting in the Commonwealth.

Work is well underway in DSS towards a whole-of-department approach to measuring and reporting on performance against our Mission of improving lifetime wellbeing for people and families in Australia. To this end, my department is developing a rigorous and integrated performance and assessment framework that will inform future long-term policy and corporate planning, enable us to assess and report on our performance against key performance indicators and guide our research, evaluation and data planning priorities.

**Effectiveness of performance documentation under the framework**

The introduction of the new Commonwealth Performance Framework provides the opportunity to increase accountability for expenditure and performance by ensuring that performance reporting focuses on the full range of activities of the entity while reducing overlap and duplication. In this regard, DSS considers each public document under the new framework should be focused on fulfilling its primary purpose well with as little duplication as possible, namely:

Corporate Plans should provide a holistic (point-in-time) picture of the department's **intentions** for the period ahead and how success towards its future goals will be measured.

Annual reports should be the primary documents for reporting on agencies' **performance against the statements** in the Corporate Plans, via their annual performance statements.

Some of the information proposed to be included in corporate plans is currently reported in the Portfolio Budget Statements and the Annual Report. My Department considers

that the new framework will enhance reporting through its focus on longer-term management and performance of all of an entity's activities in contrast to the traditionally narrower focus of the Portfolio Budget Statements on budgetary changes from one year to the next. We therefore consider that, under the new framework, the Portfolio Budget Statements would be unlikely to continue to add value to the performance reporting regime. However, it may be prudent to establish the adequacy of the new reporting regime through a transition year so that the full suite of budget, performance and reporting documents can be considered before making any final decision on the production of the Portfolio Budget Statements.

### **Effectiveness of key performance information**

I support a level of performance reporting that is useful and meaningful for stakeholders, from Parliament to Commonwealth officials to the general public. Performance information should fulfill accountability requirements and be meaningful but avoid excessive detail. It should make clear connections between an entity's mission, policy objectives, performance indicators and measures of performance.

While noting that each Secretary is ultimately accountable for the performance of their own agency, my Department welcomes high-level guidance on the development of KPIs or other performance management information being coordinated by one central agency. Such information would be most valuable in the form of relatively high-level principles. Since portfolio responsibilities differ, each agency faces different challenges and so it would be difficult to provide detailed guidance that has broad relevance.

The Department of Social Services welcomes an increased emphasis on long-term performance reporting. To support this, there may be merit in giving consideration to the mechanisms through which evaluations are currently funded. The current ad hoc approach to evaluation funding does not support development of comprehensive, long-term evaluation planning. This lessens the effectiveness of the overall PGPA reforms.

Consistent funding for long-term evaluation strategies could enhance accountability by ensuring that key activities are scrutinised at reasonably appropriate intervals. In particular activities that attract significant investment, profess to have significant impacts on entity objectives, or those impacting on a significant proportions or sub-groups of the population should be prioritised for evaluation activity.

My Department has welcomed the opportunity to collaborate with the Department of Finance and other agencies in piloting work on the performance framework. We look forward to continuing this collaboration in refining the framework over the next few years and sharing any lessons more broadly across government.

Thank you again for the opportunity to comment on the Commonwealth Performance Framework. If you have any questions about this submission please do not hesitate to contact Mr Sean Innis, Group Manager, Policy Office [REDACTED] or Ms Kathryn Mandla, Manager, Policy Systems Branch on [REDACTED].

Yours sincerely



Finn Pratt

27 April 2015