



CSIRO Submission 15/530

Inquiry into Development of Commonwealth Performance Framework

Joint Committee of Public Accounts and Audit

May 2015

Enquiries should be addressed to:

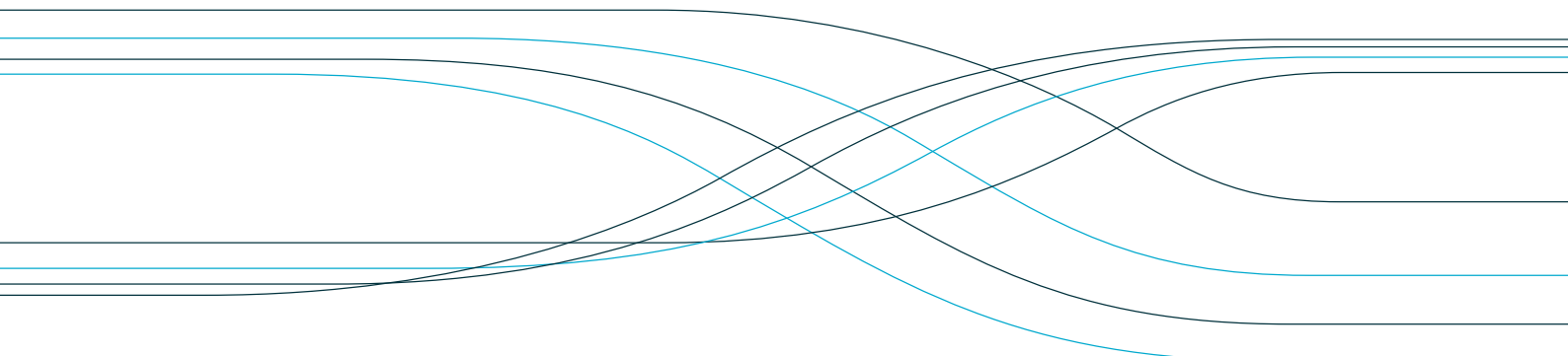
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Response to the Terms of Reference

CSIRO is pleased to provide input to the above mentioned Inquiry and would like to acknowledge the challenging body of work the Department of Finance and their colleagues elsewhere in Government have undertaken in developing the Commonwealth Performance Framework. The process, critical thinking and consultation undertaken thus far in the development of the Commonwealth Performance Framework (the Framework) is commendable. We believe that when fully implemented the Framework has the potential to enhance Commonwealth planning, performance measurement, analysis and ultimately increase the effectiveness of Commonwealth entities.

Enhancing the effectiveness of key performance information under the framework, including:

- ***performance measures that both foreshadow and subsequently assess the impact of government programs***
- ***criteria that performance information must satisfy, to enable performance comparisons across Commonwealth entities and ensure auditable performance information***
- ***reporting of high level, quantitative key performance information across Australian government***

The Framework's approach and principles appropriately provide the flexibility necessary for entities to develop and publish performance information relevant to their strategies and programme objectives. The criteria that performance must satisfy is adequate and allows for the use of differential reporting of performance using varying qualitative and quantitative evidence of performance to substantiate delivery and progress towards stated objectives.

While the Framework sufficiently discusses the challenges associated with performance assessment and measurement, there are practical and dogmatic drivers for why the assessment of "impact of government programs" remains problematic and thus far remain insufficiently addressed in the Framework and supporting Guides and Rules. These include: time lags between program outputs, their uptake and adoption, and subsequent impacts on the economy and society; closure of programmes prior to impact being realised and reported accordingly; and limitations in assessing impacts in an annual report against expenditure (inputs) that may have occurred in a prior year(s).

While these challenges are not insurmountable, the current Framework does not provide guidance on how agencies may or should address the reporting of impact in a manner which most appropriately substantiates the value of public expenditure in programmes over longer time horizons. The assessment and reporting of programme outcomes and impacts provides significant value in terms of identifying and sharing insights on barriers to programme delivery and areas of better practice. The sharing of these observations is invaluable in terms of informing continuous improvement, future programme design and execution, appropriate allocation of public funds and public reporting from an accountability perspective.

Regarding auditable performance information, the constructive focus on the programme level of performance information should enable thematic cross Commonwealth entity audits, and when combined with the additional requirement for environmental analysis in reporting, should enable meaningful comparison with like entities.

Enhancing the effectiveness of performance documentation under the framework, including annual reports, corporate plans and Portfolio Budget Statements Commonwealth entity requirements concerning implementation of the performance framework

The improvements in reporting requirements in the Annual Report, Corporate Plan and Portfolio Budget Statement, will increase accountability and are to be commended. The Resource Management Guides

available for the development of Annual Reports and Corporate Plans are appropriate for the 2014/15 year, however additional specificity and direction over the next few transition years will be required.

Recent ambiguity in relation to the requirement to publish performance information in the Portfolio Budget Statement, in addition to the previously agreed Corporate Plan, Annual Report and Annual Performance Statement is concerning. The varying timeframes and schedules, approvals process and effort associated with preparing for reporting across each of these artefacts is both burdensome and may limit the extent to which agencies are able to provide comprehensive performance information in a timely and meaningful manner.

CSIRO is of the view that performance information in the form of the Annual Performance Statement is best included solely in Annual Reports, and not duplicated in the Portfolio Budget Statements as the inclusion this would convolute reporting and go against a core principle of the Framework; streamlining reporting.

Any other relevant matters

CSIRO would like to acknowledge the opportunities provided for our organisation and its staff to actively participate in the development of the Framework. CSIRO participated via three reference groups and requests for input to these forums and other consultation processes. We would however highlight the timeframes provided for working group members to respond to requests for input/information were very narrow, occasionally unreasonably narrow. Longer windows of time to respond would allow for a more considered response, which is likely to be more easily implementable.

The reference groups spanned an appropriately diverse range of content reflecting the all encompassing nature of the Commonwealth Performance Framework (and provided contribution to the broader Public Management Reform Agenda). CSIRO contributed to the following working groups:

- Governance, Risk Management and Culture Group
- Planning, Reporting and Streamlining Group and
- Appropriations and Resourcing Group

It should be noted that CSIRO was one of just a few Corporate Commonwealth Entity represented; this involved providing a perspective on the intricacies and requirements on performance reporting for entities lead by a Board rather than an Individual as the accountable authority which was often not otherwise considered.

For further information on the above input please contact those CSIRO staff noted on the covering page of this submission.