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Community and Public Sector Union
Louise Persse – Assistant National Secretary

26 March 2014

Committee Secretary
Joint Committee of Public Accounts and Audits
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Committee Secretary

**Inquiry into Public Governance, Performance and Accountability (PGPA) Act 2013
Rules Development**

The Community and Public Sector Union (CPSU) is an active and progressive union committed to promoting a modern, efficient and responsive public sector delivering quality services to the Australian community. We represent around 55,000 members in the Australian Public Service (APS), ACT Public Service, NT Public Service, ABC, SBS and the CSIRO and are the principal union in the APS and Commonwealth Government employment.

The CPSU made a submission to the Commonwealth Financial and Accountability Review (CFAR) in June 2012 outlining issues that CPSU members thought were appropriate to consider through the CFAR process. The CPSU welcomes the opportunity to make a further submission on the draft rules for the PGPA Act.

The CPSU's main concerns about the draft rules for the PGPA Act relate to corporate plans and annual performance statements. These issues were previously raised in our CFAR submission and remain of concern.

The CPSU previously called for reporting to be uniform across agencies for ease of comparison, especially in circumstances where functions move from one agency to another through Machinery of Government changes. The introduction of these annual statements and a corporate plan provides a good opportunity to ensure uniform reporting across agencies. The CPSU however, has concerns that the requirement to develop corporate plans and plans to remove duplicate information from portfolio budget statements (PBS) will affect the level of detail provided.

PBS are an important way for the Parliament and the general public to gain information about Commonwealth Government expenditure. Their existence is essential in establishing proper accountability and transparency in Government operations. The greater the breadth and specificity of information included in PBS, the better informed the public and Parliament can be about Government spending.

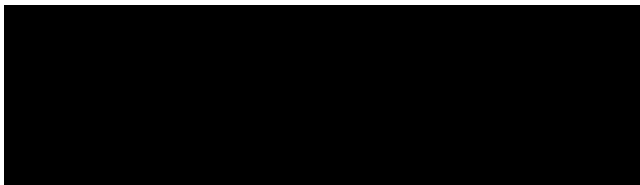
The CPSU also has some concerns about the plans to mandate an Annual Performance Statement and the inclusion of performance indicators. While it is important to measure and assess the performance of Commonwealth entities, care must be taken to ensure that there is a balance between efficiency and effectiveness.

An excessive focus on particular Key Performance Indicators can be meaningless. For example, in service-delivery areas, performance management tends to focus on easily measurable targets, such as time spent with clients, rather than the quality of service provided. The CPSU is aware of examples where supervisors in call centre environments commend employees who respond to a call within the standard response time even when the call does not resolve the client's problem necessitating another call. In another example, processing arrangements were changed in a service-delivery environment from the person at the counter processing the form to the person at the counter accepting the form and sending it elsewhere for processing. It reduced the wait time in queues, but meant the client had to wait approximately a week longer to have their claim accepted.

The Department of Finance has indicated in its submissions to this inquiry that these rules will be introduced during the course of 2014-15, rather than on 1 July 2014, and will be prepared in consultation with stakeholders. The CPSU would welcome the opportunity to participate in this process to help ensure that employees are involved in discussions about the setting of performance measures and that the focus on performance is at the organisational level.

If the Committee requires further information from the CPSU in relation to the matters raised in this submission please contact Dr Kristin van Barneveld on [REDACTED] or [REDACTED].

Yours sincerely



Louise Persse
Assistant National Secretary