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Committee Secretary
Joint Committee of Public Accounts and Audit
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Dear Secretary

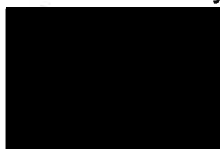
**Submission to the Inquiry into the Development of Commonwealth
Performance Framework**

Thank you for the opportunity to provide a submission to the Committee's inquiry into the proposed Commonwealth Performance Framework.

Generally we support the efforts being made on establishing a coherent and integrated performance management framework for the Commonwealth. We have been proactively involved in the Public Management Reform Agenda for some time and the submission we provide (attached) reiterates much of the feedback we have already provided to the Department of Finance during the development of the Commonwealth Performance Framework.

Once again we thank you for the opportunity to provide a submission to this inquiry, and we look forward to further contributions as the Public Management Reform Agenda progresses.

Yours sincerely



Andrew Clark
Chief Financial Officer

20 April 2015

AIRSERVICES SUBMISSION TO INQUIRY INTO THE DEVELOPMENT OF COMMONWEALTH PERFORMANCE FRAMEWORK

Background Information

For background purposes, a summary of Airservices financial framework requirements is outlined below, as relevant to performance reporting:

- Airservices is a body corporate under section 7(2) of the *Air Services Act 1995* and therefore a Corporate Commonwealth Entity under section 11(a) of the *Public Governance, Performance and Accountability [PGPA] Act 2013*;
- Airservices is classified for the purposes of Government finance statistics as a public non-financial corporation and is therefore outside the general government sector;
- Airservices does not receive appropriations;
- Airservices finances its own capital requirements; and
- The *Air Services Act 1995* lists the requirements for Airservices corporate plans and annual reports.

Corporate Plans

We welcome the inclusion of information in the draft Resource Management Guide No. 132 "Corporate Plans" differentiating corporate plans from Portfolio Budget Statements.

We note however the following statement on the 'Performance' page of the Public Management Reform Agenda web site:

"The JCPAA has requested that planned performance information be retained in PB Statements, rather than in the new corporate plans as originally proposed."

In our view the intended purpose of the Portfolio Budget Statements should be clarified before considering what information needs to be included or excluded from these documents. If the Portfolio Budget Statements are intended to provide context to the amounts included in the Appropriation Bills, then including performance information would detract from the document's purpose (funding) and reduce its effectiveness.

In our view performance information should be included in the respective corporate plans/annual reports of all Commonwealth entities. This approach would ensure consistency across Government and retain the existing established corporate planning processes for those entities that do not receive budget funding, whilst encouraging a more strategic focus for budget-funded government entities.

Annual Performance Statements

We are generally supportive of the concept of an annual performance statement as currently contemplated within the annual report.

Implementing the Framework

Given requirements under our enabling legislation, we have already taken steps to prepare our 2015-20 Corporate Plan. Due to confusion over the timing of application of the new framework, we sought advice from the Department of Finance to confirm the minimum requirements under the proposed framework. This was to ensure the Corporate Plan would be consistent with the new framework when it comes into effect.

Other Comments

On review of proposed requirements we did not identify many relating to integrated reporting. The Commonwealth Financial Accountability Review Position Paper (published in November 2012) indicated that the Department were looking to implement an integrated reporting framework, incorporating financial, environmental, strategic and non-financial information. Implementing this framework would provide a more complete picture of the government's actions with respect to social and environmental impacts of its operations.