



Australian Government
Attorney-General's Department

Submission of the Attorney-General's Department

Joint Committee of Public Accounts and Audit

**Inquiry into Development of Commonwealth Performance
Framework**

April 2015

The Attorney-General's Department thanks the Joint Committee of Public Accounts and Audit for the opportunity to make a submission to its *Inquiry into Development of Commonwealth Performance Framework*. The Department's submission relates to the following elements of the terms of reference:

- enhancing the effectiveness of performance information under the framework
- enhancing the effectiveness of performance documentation under the framework, and
- Commonwealth entity requirements concerning implementation of the performance framework.

The Department supports the enhanced Commonwealth Performance Framework and its inclusion in an entity's corporate plan. The framework will be a significant improvement on the performance information currently contained in Portfolio Budget Statements (PBS). This is particularly because the timeframe for delivery of the corporate plan in August allows entities to properly consider, and develop, performance information based on PBS outcomes and matched to its specific activities. The corporate plan, therefore, provides stakeholders (including Parliament, Government, other entities and the public) a comprehensive picture of entities' budget, activities and performance strategy in one document. This enables a deeper and clearer understanding of an entity's purpose as well as improved entity accountability.

The PBS, corporate plan and annual report are key planning and reporting documents about an entity. Ideally, each document should have a clear purpose that does not overlap or duplicate the purposes of other documents, and there should be a logical flow from one document to the next. In simple terms, the PBS should specify the budget allocation for entities and the purpose of the allocation; the corporate plan should identify the entity's intended approach to spending its budget allocation by specifying its activities and corresponding performance measures; and the annual report should ensure accountability by reporting on entities' expenditure, activities and performance.

The Department understands that it is currently intended that performance information be contained in the PBS as well as in an entity's corporate plan. However, the Department is concerned that inclusion of the same or similar information in both the PBS and the corporate plan may be confusing to

stakeholders and detract from, rather than improve, the effectiveness of the newly enhanced performance framework. As the timeframe for production of the PBS is short, outcomes are specified at a high level, and some measures in the PBS are new, it can be difficult to develop meaningful performance information for the PBS. While performance information in the PBS could be changed before its inclusion in the corporate plan, this is counter to the purpose of including such information in the PBS. It could also encourage a less rigorous approach to development of performance information for the PBS and is duplication of effort.

The Department considers that it would be challenging to effectively include a subset of performance information from the corporate plan in the PBS as the PBS is produced first in time. PBS outcome statements describe the purpose for which budget is allocated which the Department considers sufficiently informs Parliament of the intent of proposed expenditure without the need for additional, high level performance information which is developed within tight time constraints and is subject to change in the context of the corporate plan. If necessary, a clear link between the PBS and corporate plan performance information could be made by including in the PBS a web reference to where entities' corporate plans can be located.

The Department looks forward to implementing the new performance framework and the opportunity it provides to more fully demonstrate the impact of its many contributions to Government and the Australian community.