

## **Supplementary Submission to the Independent Review of the PGPA Act**

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In our submission provided on 13 November 2017, we foreshadowed the possibility of a supplementary submission based on findings from a visit Andrew Podger was making to Washington. We hope the following material is of assistance.

Andrew had meetings with both the National Academy on Public Administration (of which he is a Fellow) and the Government Accountability Office. NAPA has been commissioned by the Office of Management and the Budget to provide advice on the use of performance data and analytics, and Andrew met with NAPA's Panel preparing the report. At the GAO he met the officers responsible for GAO's reports to Congress on implementing the Government Performance and Results Act (GPRA) of 1993 and the more recent GPRA Modernisation Act of 2010.

Both NAPA and GAO see considerable advantage in using the annual Federal Employee Viewpoint Survey more systematically to reveal weaknesses in organisational capability and to facilitate more targeted action to lift performance. The FEVS is broadly equivalent to the APSC's annual employee census which informs the State of the Service Report and was used extensively in the Capability Reviews conducted a few years ago. In the US, the Office of Personnel Management has developed an 'employee engagement index' from the survey questions and reports publicly on overall movements in the index, and variations across agencies. The GAO has recommended OPM go further to report on the drivers behind index movements and provide information on action taken and lessons learned.

The NAPA Panel is conscious that organisational capability involves much more than employee engagement, but believes the index could provide a more useful window into areas of capability weakness if used more systematically, not just at the agency level but more importantly by agency managers at the level of intra-agency business units and service delivery units. Addressing employee engagement weaknesses and organisational capability problems this way is likely to help improve future performance. The NAPA panel is also planning to recommend further action to promote more systematic use of performance data and associated analytics at these lower levels of management as well as at agency and cross-agency levels.

The GAO has also conducted its own survey, theirs of managers across the civil service to assess how well the GPRA Modernisation Act is being implemented. Very broadly, the GPRA came in with the US 'Reinventing Government' reforms that paralleled Australia's NPM agenda from that era, and the GPRA Modernisation Act of 2010 strengthens performance management as does the PGPA Act. Some aspects of the GPRA Modernisation Act were suspended at the end of 2016 after the Presidential election pending the new President articulating his administration's goals and objectives. OMB is working on resuming implementation in February 2018, and its commissioning of the NAPA work is to help in that regard.

The GAO's manager survey (with about 4,000 respondents) has led to the GAO suggesting:

- There is a need to press further on cross-agency priorities (CAP) as soon as the President identifies these, and to ensure more transparency in measuring and reporting on progress (examples of the previous priorities are customer service satisfaction, job creating investment, open data access, and people and culture).
- There has been no overall improvement in the use of performance information in the last year or more, and more systematic use of analytics is needed.
- There has been some progress in performance management systems, ensuring closer alignment between what individuals are tasked to do and their organisation's strategic objectives and direction.
- Quarterly reporting on performance has been suspended in 2017 pending clarification of the new Administration's approach.

The GAO also mentioned that Congress holds many more hearings on policy and performance than those related to the budget appropriation bills. While this reflects the US's stronger separation of powers, it may reinforce our earlier suggestion for the Parliament to consider examining annual reports and corporate plans away from the normal Senate Committee hearings on the budget and additional estimates, to focus more on performance and capability.

There is room for Australia and the US to learn from each other as each looks to improve performance and capability, notwithstanding the considerable differences in institutional arrangements. Aspects of recent US experience and current endeavours that may offer particularly useful guidance to Australia include:

- Closer cooperation between the financial and personnel agencies (Finance and the APSC) on reporting on and improving performance and capability;
- More systematic use of the APSC's employee survey to monitor employee engagement and to identify parts of the public service, including at business unit and service delivery unit levels, where more attention is needed to improve capability and performance, and complementing the employee survey with a manager survey.
- A more systematic approach to identifying and reporting on whole-of-government priorities.