

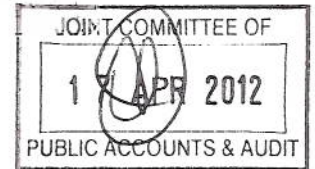
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Joint Committee of Public Accounts and Audit

Question on Notice



Audit Report No.05: Development and Implementation of Key Performance Indicators to Support the Outcomes and Programs Framework

DEPARTMENT OF FINANCE AND DEREGULATION

Hearing Date: 28 February 2012

Question:

How can we make sure that in judging Government programs we are always judging the real-world impact?

Answer:

Judging the real-world impact of government programs is challenging, particularly where the objectives are complex or not clearly defined.

Some programs, which are quite specific in nature and address single elements of an issue, more readily lend themselves to review and assessment in terms of their impact. For example, a government program which is seeking to provide a specific number of health services to a region within a specified timeframe, or to provide a specific training course to a set number of teachers.

Other programs, like those which seek to address complex and multi-factorial issues like homelessness, the decline of regional Australia, or the health outcome of Indigenous Australians, are often much more difficult to assess in terms of their impact. It can also be difficult to measure and understand the real-world impact of any single program from the array of often inter-related programs all working in the same sector.

To help ensure that we are in the best position to judge the real-world impact of government programs we need to be able to both (a) assess the performance and effectiveness of programs, and (b) undertake effective whole-of-government coordination and implementation. The Department of Finance and Deregulation (Finance) is currently undertaking several pieces of work which are relevant to these issues. Specifically, Finance is:

- reviewing the Key Performance Indicators (KPIs) of Commonwealth programs to develop specific and meaningful advice about the development of robust measures of program performance, and which incorporates KPIs within a coherent reporting framework; and
- exploring options to align the performance information in the National Agreements of the *Intergovernmental Agreement on Federal Financial Relations Framework* with the Portfolio Budget Statements to assist in establishing a clear read between these sets of documents, and help understand the full array of work being undertaken on an issue.