

# Queensland Government

## Performance Management

### Framework Policy

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## Contact

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# Purpose

This document sets out the mandatory requirements for performance management (including planning and annual report requirements) forming part of the Queensland Government Performance Management Framework (PMF).

# Scope and Application

This policy applies to all Queensland Government departments and statutory bodies in accordance with section 11 of the Financial and Performance Management Standard 2009 (FPMS) which states that:

*“Each accountable officer and statutory body must, in managing the performance of the officer’s department or the statutory body, comply with the document called ‘Queensland Government Performance Management Framework Policy’ prepared by the Department of the Premier and Cabinet.”*

In most cases, the term ‘agency’ is used in this policy to refer to departments and statutory bodies. When necessary, an indication is made if specific sections apply to departments only or statutory bodies only.

# Supporting Policy Documents

There are two supporting policy documents which are mandated and must be complied with:

- **Agency Planning Requirements**  
<https://www.qld.gov.au/gov/sites/default/files/agency-planning-requirements.pdf>
- **Annual Report Requirements for Queensland Government Agencies**  
<https://www.qld.gov.au/gov/sites/default/files/annual-report-requirements.pdf>

# Guidance Material

Supporting guidance material is also available providing advice on the practical application of mandatory requirements – promoting better practice approaches, together with toolkits related to specific requirements.

- <https://www.qld.gov.au/gov/manage-government-performance>

# Terminology

This policy establishes a common language for planning, measuring and monitoring performance and public reporting. Definitions of common terms used are published in the PMF Reference Guide – *Glossary of Terms*.

- <https://www.qld.gov.au/gov/sites/default/files/glossary-of-terms.pdf>

# Queensland Government Performance Management Framework (PMF)

The following pieces of legislation form the basis of performance management in Queensland: *Financial Accountability Act 2009* (FAA), *Financial and Performance Management Standard 2009* (FPMS), the *Public Sector Ethics Act 1994* (PSEA) and the *Public Service Act 2008* (PSA). Each imposes mandatory obligations on agencies, which broadly includes the requirement to:

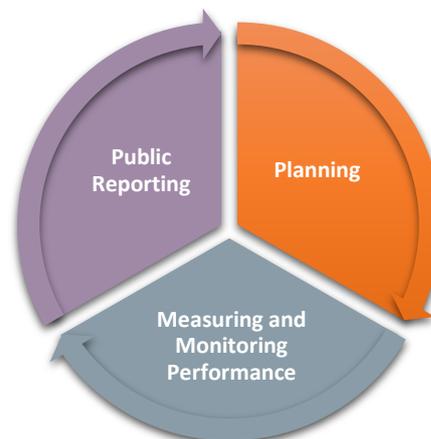
- manage the operations of the agency in accordance with the public sector ethics principles (PSEA)
- ensure a governance framework appropriate for the agency is established (governance being the way the agency manages the performance of its functions and operations) (FPMS section 7(1)-7(2))
- manage the operations of the agency efficiently, effectively and economically (FAA section 61(a))
- manage the strategic and operational risks of the agency in accordance with the risk management system established (FPMS section 28(1))
- adopt management practices that are responsive to government policies and priorities, and promote continual evaluation and improvement of the appropriateness, effectiveness and efficiency of departmental management (PSA).

This policy supports the requirements of each piece of legislation and other Federal and State Government obligations by providing a structure for public sector planning, measuring and monitoring performance, and public reporting as summarised below, and depicted in Figure 1.

## Key Elements of the PMF

- **Planning** – at the whole-of-Government, ministerial portfolio, agency and individual levels is integral to determining what outcomes are to be achieved for customers, stakeholders and the community.
- **Measuring and Monitoring Performance** – achieved across the whole-of-Government, ministerial portfolio, agency and individual levels.
- **Public Reporting** – of the performance of the Queensland Government, in a fair and balanced way, to facilitate accountability.

Figure 1. PMF Cycle



The key elements of the PMF are supported by:

- **Risk Management** – risk management is an integral part of planning and measuring and monitoring performance. Agencies are required to manage strategic and operational risks in accordance with the risk management system established (FPMS section 28(1)).
- **Evaluation** – in addition to measuring and monitoring performance, agencies should have processes for the continuing analysis and formal evaluation of policies and related services (including performance measures) to enable continuous improvement in service delivery.

Effective planning, measuring and monitoring performance, and public reporting are key elements of any sound governance framework and should address:

- openness and transparency – having clear roles and responsibilities, and clear procedures for making decisions and exercising power
- integrity – acting impartially, ethically and in the interests of the agency
- accountability – being answerable for decisions and having appropriate mechanisms in place to ensure the agency adheres to all applicable standards
- due care – degree of care expected to be exercised to avoid harm in the circumstances, or alternatively, the absence of negligence
- public defensibility – activities and decisions are open to reasonable scrutiny and can withstand a ‘public defensibility’ test in the context of fairness, equity and ‘value for money’.

A ‘big picture’ view of performance management in the Queensland Government is provided for further context at <https://www.qld.gov.au/gov/sites/default/files/big-picture-overview.pdf>.

Details of mandatory requirements specific to each of the three key elements of the PMF is outlined below, with further information provided online at <https://www.qld.gov.au/gov/sites/default/files/performance-management-framework.pdf> to assist in complying with mandatory requirements.

## Planning

Planning is an integral component of organisational effectiveness and the PMF. Planning assists Executive Government and agencies in defining their future direction, the policy objectives and results sought to be achieved, and the resources required to meet targets.

The FAA imposes specific roles and duties to the Parliament on key government Ministers including requiring:

- the Premier to prepare and table a statement of the Government’s broad objectives for the community (section 10)  
<http://www.premiers.qld.gov.au/publications/categories/plans/governments-objectives-for-the-community.aspx>
- the Treasurer to prepare and table a charter of fiscal responsibility (section 11)  
<https://www.treasury.qld.gov.au/budget-finance/government-fiscal-strategy/index.php>

Each of these, together with government commitments, priorities and strategies are key to informing the strategic direction of agencies, and their subsequent priorities and activities.

Agencies must undertake planning and budgeting that is appropriate to the size of the agency (FAA section 61(e)). This includes ensuring that the performance of their capabilities — human, financial, information, physical assets and ICT, is adequately planned for.

Specifically, agencies must develop, in accordance with section 9 of the FPMS, the following plans:

- a strategic plan covering a period of at least four years - a concise document used by an agency to describe its vision, purpose, objectives and performance indicators, strategies and strategic risks and opportunities.
- an operational plan (or plans as appropriate) - a subset of an agency’s strategic plan, covering a period of not more than one year, describing short-term activities and/or milestones that contribute to the implementation of an agency’s strategies.

Specific mandatory planning requirements with respect to both plans are outlined in the following policy document:

### ***Agency Planning Requirements***

<https://www.qld.gov.au/gov/sites/default/files/agency-planning-requirements.pdf>

Agencies must prepare non-financial performance information (including measures and targets) for presentation in Budget Paper 5 – Service Delivery Statements (SDS). The SDS is primarily forward-looking in its focus and information should complement the strategic plan and annual report of agencies.

Agencies must develop key elements for each service area presented in the SDS identified in **Appendix 1** of this policy.

Agencies must regularly review and assess the performance information presented in the SDS to ensure its continued appropriateness (including factors such as relevance, cost, value and usefulness). This must be done in consultation with the Department of the Premier and Cabinet and Queensland Treasury.

Agencies not considered material for reporting in the SDS by Queensland Treasury (i.e. some smaller statutory bodies and other government entities) are not required to specify service areas.

## Measuring and Monitoring Performance

It is important for the Government to know and be able to demonstrate that agencies are achieving value for money by operating efficiently, effectively and economically — utilising taxpayer funded resources responsibly, and achieving real and meaningful outcomes. As such, ongoing measuring and monitoring of agency performance is vital.

Agencies are required to adopt a proactive approach in monitoring the appropriateness of the systems, operations and overall financial position and performance of the agency (FPMS section 4(2)).

This includes having systems in place for obtaining information to enable an accountable officer or statutory body to determine whether their operations are achieving the objectives, delivering the services, and meeting performance targets identified in its plans (FPMS section 12(1)).

The FPMS (section 13) requires that performance information about the agency's objectives in its strategic plan and its services in its operational plan be provided at least every three months to its accountable officer or board, and at least annually to its Minister (or when the Minister asks for the information).

In complying with this policy, agencies must ensure that appropriate systems are in place to effectively manage progress on and achievement of:

- the whole-of-Government direction (including government objectives for the community, priorities and strategies)
- Government Commitments, Ministerial Charter priorities, and Government Decisions
- strategic plans (agency objectives and performance indicators)
- operational plans (progress of identified activities and milestones)
- service delivery statements (agency service areas, services and service standards)
- targets and deliverables associated with Council of Australian Governments (COAG) plans and agreements
- agency specific purpose plan deliverables and outcomes
- risk management mitigation actions and the quality of controls put in place to reduce strategic and operational risks to acceptable levels
- goals and targets for Chief Executive Officers (CEOs), senior executives and other individuals, as identified in performance agreements.

Key processes for effectively managing approved budgets must also be complied with in accordance with requirements outlined in Queensland Treasury's *Financial Accountability Handbook*.

Further, and in accordance with section 35 of the FPMS, departments must, and each statutory body may, establish an audit committee as a means of continually improving accountability and performance.

## Public Reporting

Publishing government performance information is essential for accountability, transparency, driving continuous improvement in performance, and influencing trust and confidence in public sector service delivery.

The Government is required to report regularly to the community about the outcomes the Government has achieved against its objectives for the community (FAA, section 10).

Departments are required, as and when directed, to provide input on their contribution towards what the Government has achieved against its objectives for the community, including progress on specific whole-of-Government outcome indicators as applicable and appropriate.

As a general rule of performance reporting, agencies are required to be open about the extent of, and reasons for, results achieved — whether the results are above or below the expected level of performance. This includes explaining what the agency plans to do in response, to the extent that the situation is within their control.

Agencies need to report on performance in a number of ways, with a key mandatory requirement being the preparation of annual reports — required to be tabled in the Legislative Assembly each financial year (FAA section 63).

Annual reporting must be undertaken in accordance with Section 49-54 of the FPMS, and agencies must comply with the following policy document in preparing annual reports:

***Annual Report Requirements for Queensland Government Agencies***

<https://www.qld.gov.au/gov/sites/default/files/annual-report-requirements.pdf>

Another key mechanism for reporting on the Government's performance is in the suite of budget papers published annually, specifically *Budget Paper 5 – Service Delivery Statements* (SDS). While largely a forward looking document, the SDS also includes information on the non-financial performance of service areas during the preceding 12 months — specifically results achieved against targets set in the previous year's SDS. In preparing SDS Performance Statements, agencies are required to comply with requirements outlined in **Appendix 1** of this policy.

Service standards that relate to whole-of-Government objectives and outcomes should be reported at the ministerial portfolio or departmental level, not at the service standard level.

# Appendix 1

## **Mandatory Requirements for Service Delivery Statements (SDS) Performance Statements**

Agencies must develop the following key elements for each service area presented in the SDS:

- the purpose (objective) of the service area (how the service area contributes to the achievement of agency objectives)
- service area description (supporting contextual information such as related services, customers and stakeholders)
- material services within each service area (if appropriate), ensuring that material services identified have a separate line item budget, where practicable
- a balanced set of service standards and targets for each service area/material service (at least one efficiency measure and at least one effectiveness measure for each service area/material service).