

Performance Management Framework

Strategic Planning

Better Practice Guide

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Contents

Introduction.....	3
Purpose.....	3
Application	3
Background.....	4
The Performance Management Framework and strategic planning	4
Overview of a strategic plan.....	5
Content requirements of a strategic plan	6
Setting the agency’s strategic direction.....	7
Identify the agency’s purpose	7
Develop a vision statement.....	7
Identify the agency’s relationship with/contribution to the Government’s objectives for the community	7
Set out the agency’s objectives.....	8
Establish performance indicators	8
Set out the agency’s strategies	9
Identify key strategic risks and opportunities	10
Reviewing strategic plans	10
Stakeholder consultation.....	11
Publication	11
Monitoring and reporting on strategic plans.....	12

Introduction

Purpose

The *Financial and Performance Management Standard 2009* (FPMS) (section 9) requires each accountable officer and statutory body to develop a strategic plan for the agency to cover a period of four years.

This guide aims to provide information to assist in undertaking strategic planning activities and developing strategic plans. This guide supports, and must be read in conjunction with, the policy document *Agency Planning Requirements* which identifies minimum mandatory requirements.

Suggested references



Agency Planning Requirements

Department of the Premier and Cabinet

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



PMF Strategic Planning Toolkit

Department of the Premier and Cabinet

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

Application

This guide is relevant to all Queensland Government departments and statutory bodies.

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

Background

The Performance Management Framework and strategic planning

The Queensland Government Performance Management Framework (PMF) is designed to improve the analysis and application of performance information to support accountability, inform policy development and implementation and create value for customers, stakeholders and the community.

The PMF establishes a clear line of sight between planning, measuring and monitoring performance and public reporting.

Strategic planning is an integral component of the PMF. It is an ongoing organisational process which helps agencies identify their objectives, the strategies they can implement to achieve them, and performance indicators for measuring how well their outcomes achieved their objectives.

Strategic planning also informs the prioritisation of financial resources including:

- the agency's budget strategy
- budget submissions to the Cabinet Budget Review Committee (CBRC) in the State Budget process or throughout the year.

Strategic planning is recognised as the starting point in any strategic management cycle

Figure 1 depicts where strategic planning sits in relation to other key performance related activities.

Suggested references



Queensland Government Performance Management Framework Policy

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/performance-management-framework-policy.pdf>

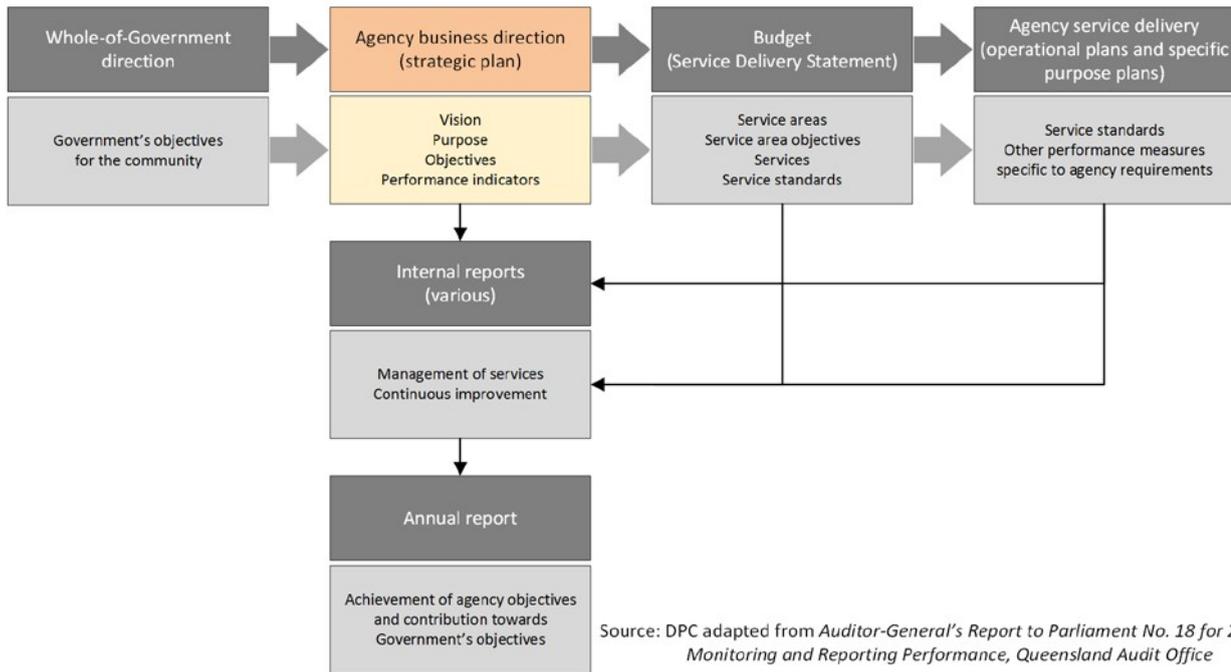


A 'Big Picture' View of Performance Management in the Queensland Government

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/big-picture-overview.pdf>

Figure 1. Key PMF documents and the related elements that form the 'clear line of sight' principle



Overview of a strategic plan

A strategic plan is a concise document which clearly articulates the agency's strategic direction, over a period of four years, for staff, customers, stakeholders and the community.

In determining an agency's business direction, the vision, purpose and objectives of the organisation need to be clearly defined, appropriate strategies for delivering on objectives identified, and appropriate performance indicators established to measure the extent to which the agency's objectives are achieved over time. Consideration also needs to be given to identification of strategic risks and opportunities.

The process should culminate with the preparation of a concise strategic plan which clearly articulates the agency's direction to staff, customers and other community stakeholders.

The strategic plan should subsequently be translated into operational terms through the agency's operational planning process, which will then form the foundation for the development of individual performance plans within the business areas of an agency.

Content requirements of a strategic plan

Minimum information requirements

There are no standard templates for the layout of strategic plans. However, strategic plans should be kept to a maximum of two pages.

Strategic plans are required to comply with minimum information requirements established in the policy document [Agency Planning Requirements](#). An overview of these requirements is provided below:

- ➔ **Identify the agency's purpose** – providing a simple statement of its reason for being
- ➔ **Provide a vision statement** – describing what the agency aspires to be
- ➔ **Identify the agency's relationship with/contribution to the Government's objectives for the community** – focusing only on those objectives for which the agency has a strong alignment to
- ➔ **Set out the agency's objectives** – focussed statements (maximum one sentence) of what the agency intends to achieve (which should collectively contribute to the whole-of-Government direction - objectives for the community, priorities and strategies)
- ➔ **Identify performance indicators** – used to measure the extent to which the outcomes achieved by an agency are meeting its objectives
- ➔ **Set out the agency's strategies** – describing the ways in which it intends to achieve its objectives and contribute to the Government's objectives for the community (which should be presented against the relevant agency objective to maintain a clear line of sight between the two)
- ➔ **Identify key strategic risks and opportunities** for the agency (which should, as a general rule, focus on the top five of each).

Other information that may be included in a strategic plan

Service areas, services and service standards

Agencies may include high-level information regarding service areas (consistent with the Service Delivery Statement) in strategic plans.

Values

Values are the beliefs that are shared among the staff of an agency. They are the foundation of an agency's culture, and assist to guide operations, decision-making and staff behaviour. Values must be consistent with the public sector ethics principles and approved codes of conduct. Agencies are strongly encouraged to highlight the five public sector values and their supporting behaviours in the strategic plan.

Suggested references



PMF Service Delivery Statement Better Practice Guide

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/performance-statement-better-practice-guide.pdf>



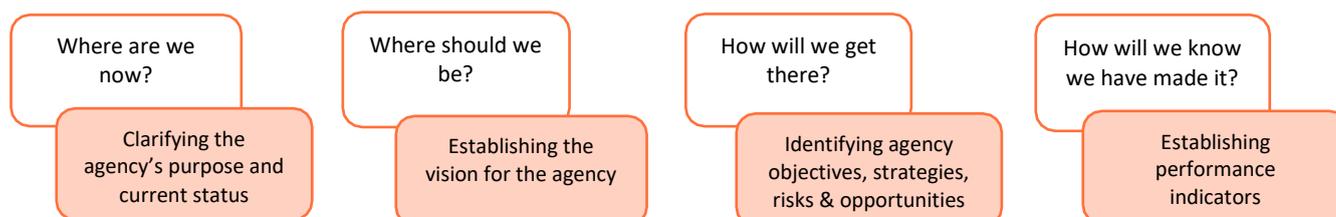
Public Sector Values

Public Service Commission

<https://www.forgov.qld.gov.au/our-values>

Setting the agency's strategic direction

Strategic planning is an ongoing process requiring agencies to review the strategic direction of their organisation and its contribution towards achievement of the Government's objectives for the community. Agencies should focus on four key questions:



Identify the agency's purpose

In clarifying the agency's purpose specific consideration should be given to the overall aim of the agency - its reason for being in its existing form. An effective purpose statement will assist the agency in establishing its vision and in identifying and setting its strategic objectives.

Consideration should also be given to factors affecting the current performance of the agency and the agency's future actions. An environmental scan is useful to collect information about changes in government policy, demographic shifts and changing customer, stakeholder or community needs.

Develop a vision statement

The vision statement describes what the agency aspires to be and/or achieve for Queensland by reflecting on how it wishes to be perceived by customers, stakeholders and the community and/or what it is working towards achieving for Queensland. The vision statement takes into account the current status of the agency and outlines its future direction.

Identify the agency's relationship with/contribution to the Government's objectives for the community

At the start of a term of government, a set of objectives are tabled in Parliament that describe the focus of the Government. These Government objectives for the community form the basis of the whole-of-Government direction and should guide agency operations. For consistent policy development and delivery of services, it is crucial that an agency's strategic plan is developed in the context of these overarching objectives.

The varied nature of agency business means not all of the Government's objectives for the community will be relevant to all agencies. While an agency will have its own priorities to work towards, each strategic objective within an agency's strategic plan must contribute to at least one of the Government's objectives for the community.

Suggested reference



Government's objectives for the community

Department of the Premier and Cabinet

<https://www.ourfuture.qld.gov.au/gov-objectives.aspx>

Set out the agency's objectives

Agency objectives should reflect what an agency is trying to achieve and contribute to the whole-of-Government direction (objectives for the community, priorities and strategies). Establishing agency objectives helps the agency focus on achievable goals and attain the best possible results for its customers, stakeholders and the community. It also helps the agency identify its capabilities (i.e. resources - human, financial, physical assets and ICT) to maximise the potential for efficient and effective service delivery.

Agency objectives are progressively achieved over a number of years and are translated into policies or programs that agencies implement. These policies and programs include what services will be delivered and what other interventions are necessary to achieve the objectives. A focus on the ends (rather than the means) provides agencies with the flexibility to explore alternative service delivery strategies if necessary.

Strategic objectives are best met/delivered by assigning accountability to individual officers with appropriate authority. Ideally, this should be at the executive officer level and the relevant accountable officer's performance agreement should reflect indicators related to the assigned objectives. It is recommended that accountability be assigned in internal documentation (i.e. performance reports) however should not be in the published version of the strategic plan.

The strategic objectives of an agency should cascade down throughout the organisation and align to responsibilities set at the division, team and individual employee level (See the *PMF Operational Planning Toolkit* for more information).

Suggested references



PMF Strategic Planning Toolkit

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/pmf-strategic-planning-toolkit.pdf>



PMF Operational Planning Toolkit

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/pmf-operational-planning-toolkit.pdf>

Establish performance indicators

Performance indicators are designed to measure the extent to which the outcomes achieved by an agency are meeting the objectives in the agency's strategic plan.



When dealing with outcomes, direct measures are often difficult – for this reason measures can often only 'indicate' the outcome rather than directly measure it. Often, it takes more than one performance indicator to adequately capture an outcome. Each agency objective must have one or more relevant and appropriate performance indicators. Some indicators may be relevant for more than one agency objective. Examples of better practice performance indicators is

available in the document *PMF Developing Performance information* – useful information and examples.

Data dictionaries

A data dictionary is a tool that is used to document the purpose of the performance indicator, its alignment to agency and whole-of-Government objectives, data collection and calculation methodology, and reporting requirements. The purpose of a data dictionary is to improve interpretation of the data for external readers, and for internal users it helps to develop a common understanding of the definition of the performance indicator and data management requirements to ensure data consistency and accuracy.

Agencies should develop data dictionaries for each performance indicator in the strategic plan and are encouraged to make these available on their website or upon request. A data dictionary template is available in the *PMF Strategic Planning Toolkit*.

Suggested references



PMF Reference Guide – Measuring, Monitoring and Reporting Performance

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/measuring-monitoring-reporting-performance.pdf>



PMF Reference Guide – Developing Performance Information – useful information and examples

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/developing-performance-information.pdf>



PMF Strategic Planning Toolkit

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/pmf-strategic-planning-toolkit.pdf>

Set out the agency's strategies

Strategies are the ways in which the agency intends to achieve its objectives and contribute to the Government's objectives for the community. The agency should generally focus on longer-term strategies for the strategic plan, which are pursued over a number of years.

It is important to present the strategies against the relevant objective to maintain a clear line of sight between the two. Performance indicators should not directly measure strategies. The effectiveness of strategies should be measured through routine program evaluations.

For better practice examples of strategies refer to the document *PMF – Developing Performance information – useful information and examples*.

Suggested reference



PMF Reference Guide – Developing Performance Information – useful information and examples

Department of the Premier and Cabinet

<https://www.forgov.qld.gov.au/sites/default/files/developing-performance-information.pdf>

Identify key strategic risks and opportunities

Risk is an ever present element of public policy and government service delivery. Strategic risks are issues that may affect the agency's ability to meet its strategic objectives and require oversight by senior executives. They may be related to external factors and/or strategic risks internal to government. Internal controls countering the impact of identified risks will need to be managed with the agency's business processes.

Identifying key **strategic risks** and analysing their potential impacts is crucial to maintaining effective service delivery. As a general rule it is suggested that strategic plans focus on the agency's top five strategic risks. The likely cause and effect of each strategic risk needs to be clearly identified.

The strategic plan must also clearly identify key **opportunities** for the agency. Again it is suggested that the agency's top five be presented. These may or may not be linked to the identified strategic risks. Where there is a link to identified risks this should be made explicit.

Suggested reference



A Guide to Risk Management

Queensland Treasury

<https://www.treasury.qld.gov.au/resource/guide-risk-management/>

Reviewing strategic plans

The annual review of the strategic plan allows agencies to identify the extent of changes to the internal and external environment. If the agency considers these to be significant, the strategic plan should be updated. As an example, a strategic plan should be reviewed and updated if the agency's internal environment significantly changes due to a funding decision of the Government.

Reference should be made to the [Agency Planning Requirements](#) for specific mandatory requirements for reviewing strategic plans.

The annual review of an agency's strategic plan should:

- review progress towards achievement of the agency objectives and identify any changed conditions, needs or priorities that would require the plan to be adjusted
- compare the agency's planned performance for the year (i.e. target/estimate) with actual performance achieved. Differences between planned (target) and actual performance should be analysed to determine where improvements could be made in future planning (for example, resource allocation, projected timeframes for the completion of projects)
- confirm the agency remains aligned to the whole-of-Government direction by assessing progress towards the whole-of-Government direction (objectives for the community, priorities and strategies)
- identify any new or emerging strategic risks and opportunities that may impact on agency performance and future planning
- assess whether the plan still has meaning and provides direction to staff, customers, stakeholders and the community.

Where a strategic plan has been reviewed but is not being updated, the following text should be included on the website and on the plan itself:

This strategic plan was reviewed [insert month and year] and remains current

Stakeholder consultation

It is a mandatory requirement for agencies that publish information in the State Budget Service Delivery Statements (SDS) to consult with the Department of the Premier and Cabinet and Queensland Treasury (central agencies) prior to publishing the strategic plan. Thorough and early consultation on an agency's draft strategic plan with central agencies will:

- assist agencies in the development of appropriate objectives and performance indicators which are consistent with the whole-of-Government direction (objectives for the community, priorities and strategies) and current policy focus of Government
- ensure the plan does not publicly commit Government to initiatives that have not received the appropriate approvals and funding.

Reference should be made to the [Agency Planning Requirements](#) for information on specific mandatory requirements for consulting with central agencies on draft strategic plans.

Agencies are encouraged to undertake consultation on the draft strategic plan with:

- Ministers
- agency staff
- customers
- stakeholders (including other agencies, other levels of government and other organisations)
- for statutory bodies, their portfolio department
- partners in service delivery and any other group required by legislation or by the [Agency Planning Requirements](#), for example, for statutory bodies, with their Board.

Consultation can help to challenge traditional thinking and can spark creativity in problem solving, assist with informing and managing stakeholder expectations and provides good governance, transparency and open communication.

Engagement with stakeholders can be achieved through surveys, one-on-one meetings and multi-stakeholder consultations such as focus groups.

Following consultation, agencies should incorporate feedback in their strategic plan where relevant and appropriate prior to final approval and publication.

Publication

Strategic plans are to be published online only, on the agency's website, by **1 July** each year.

Statutory bodies and independent offices should refer to any applicable administering legislation for any legislated timeframes that take precedence to the [Agency Planning Requirements](#).

Specific publication standards and statutory obligations for distributing copies are prescribed in the [Agency Planning Requirements](#).

Monitoring and reporting on strategic plans

The *Financial and Performance Management Standard 2009* requires each agency:

- (section 12) to have systems in place for obtaining information to enable the accountable officer or statutory body to decide whether the agency is achieving the objectives stated in its strategic plan efficiently, effectively and economically
- (section 13) to report about performance to the accountable officer or statutory body at least once every three months, and the appropriate Minister at least annually or when the Minister asks for the information
- (section 14) to use its system to evaluate the achievement of its objectives including an assessment of:
 - the appropriateness of the objectives, and the services the agency delivers to achieve its objectives
 - whether the performance information the agency collects is suitable to assess the extent to which the objectives have been achieved
 - the options to improve the efficiency, effectiveness and economy of the operations of the agency.

The strategic plan describes the agency objectives and how it will know if it has achieved those objectives (i.e. performance indicators). The extent to which these objectives are achieved (results or outcomes) is disclosed in an agency's annual report.

Annual reporting must be undertaken in accordance with, and agencies must comply with, the document *Annual Report Requirements for Queensland Government Agencies*.

Suggested reference



Annual Report Requirements for Queensland Government Agencies

Department of the Premier and Cabinet

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