



**Australia and New Zealand School of Government
(ANZSOG)**

and

Australasian Evaluation Society (AES) Inc.

**Joint Submission on the Enhanced Commonwealth
Performance Framework**

October 2014

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Introduction

The Australian and New Zealand School of Government (ANZSOG) and the Australasian Evaluation Society (AES) hosted the 'Public Governance Performance and Accountability Act (PGPA) Roundtable' on 24 and 25 September 2014 at the Crawford School, Australian National University. The purpose of the Roundtable was to provide a forum for experts and interested commentators to discuss the proposed Australian Government Performance Framework that has been developed by the Australian Government Department of Finance and Deregulation.

The PGPA Act came into effect on 1 July 2014 and replaces the previous Financial Management Act 1997 and Commonwealth Authorities and Companies Act 1997. The new Act consolidates the governance, performance and accountability requirements of all government entities into one piece of legislation. The establishment of a Performance Framework is one of the four core objectives of the PGPA Act. When established, the Performance Framework will provide a new whole-of-government approach for monitoring, reviewing and reporting the activities and results of government entities and their policies and programmes.

Evaluation is seen as being an important activity supporting the aims and intents of the PGPA, being identified in both the Act's Explanatory Memorandum and in draft Rules released by the Department of Finance in early 2014. Given its nature, the Act and its associated Performance Framework is likely to have significant long-term implications for public policy, governance and evaluation within the Australian Government.

The intended 'Performance Framework' is currently being developed by the Australian Government Department of Finance and Deregulation. In its current form it is characterised by:

- i. its flexibility and lack of prescriptive instructions to accommodate the different levels of maturity and sophistication of performance systems already operating across entities;
- ii. the accountability benefits in operating from a direct 'line of sight' monitoring and reporting framework; and
- iii. the extended roles for the Finance Minister and Auditor General to test and validate performance reporting.

The proposed Performance Framework seeks to achieve a greater emphasis on planning for results, centred on the provision of consistent performance information in three documents: (i) Corporate Plans (CP) for planning and operations; (ii) Portfolio Budget Statements (PBS) for resource management and accountability covering resource allocation and the indicators against which performance will be assessed; and (iii) the Annual Report (AR) for reporting financial and improved non-financial (actual results) performance information.

The Performance Framework's development has been supported by presentations to key stakeholders, the issuing of a Concept Paper (June 2014) and 'Enhanced Commonwealth Performance Framework Discussion Paper (September 2014)'. It has also involved private consultations across Australia with a range of stakeholders during September 2014.

¹ available at <http://www.pmra.finance.gov.au/files/2014/08/enhanced-commonwealth-performance-framework-discussion-paper.pdf>

The ANZSOG-AES Roundtable forum was in effect the only public consultation undertaken as part of that process. It involved bringing together 40 participants representing a diverse range of highly experienced academics, policy, program, public governance and evaluation practitioners to consider the proposed Performance Framework under 'Chatham House' rules. It consisted of a formal presentation by the Department of Finance followed by a question and answer session on the evening of 24 September, and a full day Forum on 25 September. This document provides a synopsis under five headings of the key issues and themes that arose from the comments and observations of participants during these sessions. It strives to reflect and capture the richness of content and key dialogue's that took place, while respecting the 'Chatham House' rules of engagement under which participants took part.

It is hoped that the ANZSOG-AES Roundtable will assist the Department of Finance in its efforts to develop an enhanced and effective Commonwealth Performance Framework.

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Performance Framework Roundtable

Session I: The Architecture of the Proposed Framework

The main points below related mainly to session I of the Roundtable (indicated below).

Generally there was an appreciation that a better and more integrated performance reporting framework was needed and would improve the quality of performance information. However, it was felt that Finance had perhaps focused too much on the niceties of integrated documentation (CP, PBS, AR) rather than on how and why more meaningful performance information could be presented to Parliament and the Public. There was a mixed reaction to using CP as accountability documents to indicate intended performance – especially if this de-emphasised such performance information and performance indicators included with the financial information included in the PBS documents. While separate performance statement (or intentional statements) could be produced, it did not seem sensible to many for this to be done outside the budget round when resources flow. Corporate plans were agency documents often produced for other purposes and were a ‘contract’ between the agency head/management and the minister; and many ran for 3-4 years in total. No one spoke against making AR more integrated and consistent with the proposed performance information contained in PBS.

<p>Session I 9.10 – 10.45 am</p>	<p>Performance architecture of the PGPA Act Share views on the conceptual issues raised by the model that has been proposed by Finance and address the questions posed in the Discussion paper on:</p> <ul style="list-style-type: none"> ○ PBS ○ Corporate plans ○ Annual performance Statements, in the AR (from 1/7/2015) 	<p>Panel discussion chaired by John Wanna, introduction to the session from Brad Cooper (DoF) and Lyn Alderman (President AES)</p> <ul style="list-style-type: none"> ○ Part 1 – Description of the architecture <ul style="list-style-type: none"> ○ 2-3 speakers present the main messages ○ Question and Answers ○ Part 2 – Counterpoint – what’s wrong with the proposed model? <ul style="list-style-type: none"> ○ Will Parliament pay attention to performance information ○ Will the information lead to improvements in policy or administration ○ Questions and answers
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Points raised about the Architecture of the Performance Framework

- At a broad level, the Performance Framework is about a contract between the community and executive government. Our (APS) responsibility is to report on how this has been achieved. Accountability is crucial.
- As it's a conceptual framework, we have to ask 'what's going to be different this time, given previous histories of trying to introduce improvements? There is often a disconnect between theory/policy and practice, and much risk aversion.
- Governments seem to have taken their eye off the ball over many years and this is reflected in what has occurred in performance reporting. Present reports often contain no clear purpose or performance information is not aligned with original intent.
- Going forward, there is empathy for the work Finance is doing – a big risk is the new Performance Framework will come up but nothing will change underneath it.

- JCPAA taking a strong interest. Comprehensive recommendations, some of which picked up in the Discussion Paper, others not, recommended certain actions by Finance and Audit.
- The ANAO supports this work as the current system is broken, the corollary is that the same fundamentals don't underpin it.
- In regards to the Senate, much will depend on whether they think that it has made things more transparent. It seems that just as Senators get the hang of a system it then changes. Capacity to provide MP's/Senators with training would assist – PBO might be able to do so in the future and are well regarded.
- The PGPA is trying to lift the consistency, particularly to lift the tail. While the corporate plan is the cornerstone document with a performance management and resource dimension, PBS is intended to help explain Budget. However, PBS has become a variety of things - post reporting etc. With the introduction of CP, PBS may help parliament. On the other hand, withdrawing components out of PBS might be seen as reducing accountability.
- The Discussion paper signals that this is not a major redesign but the Performance Framework is actually being seen as an enabler.
- There is an argument for even more evidence in constrained times. The capabilities of agencies is even more important in terms of effectively and efficiently spending money

Purpose of the Performance Framework

- The notion of 'purposes' which forms the basis of this entire structure seems a bit unclear, particularly where it's running programs that have been around for many years and are unlikely to form part of a s34 statement.
- How do these "purposes" relate to the programs that currently form the basis of estimates and reports? And how does this then relate to the reporting and evaluation process?
- But other than the Government's key priorities set out under s34, how are these purposes derived? They are defined in the Act as "the objectives, functions or role of the entity or company", so presumably this takes us to the relevant legislation, Administrative Arrangements Orders? Again, coverage is not clear. Para 2.3 simply says that they "will summarise the performance of programs and activities" but it's not clear which ones.
- What is meant by the provision of "meaningful" performance information to Parliament and the public, and this is one of the Act's objectives s5(ii). On the assumption that "meaningful" information is one that enables its audience to construct and assess a clear line of sight from inputs to outcomes, it would be useful to see more clearly how the different bits of this new system fit together. Particularly, the relationship between CP, the PBS and the budget process. It's not clear how this works.

Statements about the Portfolio Budget Statements (PBS)

- How will budget estimates link to, or be related to, the sort of things reported under performance statements? How will the distinction between CP and PBSs – if this is to be a real distinction, enable a more meaningful assessment of how outcomes are derived from inputs?
- If so, in what ways would we envisage PBSs changing? For example, they currently contain very little information about the ‘stock’ of portfolio activities, are based on frequently dubious KPIs, so there’s a lot of ‘baggage’ the use of this term conveys.
- Parliament is the audience for the PBS which is Parliament and it is very important to maintain the PBS for Parliament. Therefore the timing of introducing CP may be slowed.
- There is a need to have less reliance on the PBS and Senate Estimates as review mechanisms – special committees/joint committees tend to be bi-partisan and thus less political.
- PBS (audience is Parliament) is about ‘what’ will happen; CP (audience is staff and organisation) is about how it will happen, both now and the future, and capabilities. As the structure and certain aspects will vary, the distinctive role and how prescriptive about the format/structure of each document needs to be clear.
- In particular, the PBS have become a cynical tick and flick exercise that we need to completely revamp, and so this all seems to be heading in a very worthwhile direction. Program structure is key.

Statements about the Corporate Plans (CP)

- Evaluations may be in other documents, and so advises don’t get caught up in having everything in CP, although they should capture capability.
- The Framework is a change management process: there is a focus on the artefacts rather than the new process. However, the concern is to still have the information that sits behind the CP.
- It is pleasing to see the emphasis on CP – very much owned by the Agency, like an agreement between the Agency and the Minister. Its focus is on delivering now, in the future and whatever comes up in the interim. Finance should play an assurance rather than prescriptive role in their development. Ideally, they should not always have to change – possibly when there is an election or new Minister and then only minor changes probably needed going forward.
- The APS is responding to forces out there, as are politicians, the challenge is can you work with Ministers so they say ‘this is sensible in the medium run’. There are risks of leaks, but if you are not doing good work the medium to longer term risks are much greater and will be longer lasting. Good Ministers actually do want to get good advice (even if advisers may occasionally be different). Capturing research and evaluation in the CP can also strengthen these activities – noting the Minister may want to put boundaries on that, which can be appropriate.

Statements about the Annual Report (AR)

- Performance statements to be included in the AR (s39). These are presumably based on the requirement that Commonwealth entities “measure and assess the performance of the entity in achieving its purposes” (s38).
- Is there confidence that robust performance plans would support the Performance Framework?

Session 2: Making the Performance Framework Work Effectively

The Performance Framework should be regarded as an ‘enabling framework’ – encouraging good performance reporting that is meaningful – while improving the reporting of those agencies/program that are not yet close to best practice. The Performance Framework has to be supported by goodwill and capacities – otherwise it will not deliver its intended benefits. Many agencies and programs will need to be much clearer about the policy intent and purposes of programs that they have been to date and set up performance systems aligned with those intents (from the design phase onwards and involving the very policy designers not simply program managers asked to report back on PIs). There was much discussion on the issue of needing to bring people along and encouraged to report meaningful performance results – when there were many associated risks with such behaviour and public disclosure. Many felt that ex-post evaluations were of less relevance than continuous ongoing evaluations where progress measures were reported. The intention to make performance reporting fit-for-purpose was appreciated but customisation of PIs could go too far and become meaningless. Some longitudinal consistence and comparative consistence was important. It was more important to get the right information than simply report along a line of sight.

<p>Session 2 11.05 – 12.30</p>	<p>Dealing with Dilemmas and Live Issues</p> <ul style="list-style-type: none"> ○ How meaningful, reliable, useful are these changes? ○ What assumptions underpin the changes? ○ What types of incentives and rewards will be required? ○ Who does the evaluations & public availability issues 	<p>Opening discussants : Ian Fitzgerald (APSC), Peter Allen (ANZSOG) and Julie Elliott (AES)</p> <p>Topics the session might consider:</p> <ol style="list-style-type: none"> 1. KPIs 2. Flexibility and adoption of broader performance assessment tools, including qualitative data, descriptive assessments and new analytical tools 3. Performance plans 4. Leveraging internal data sets 5. The types of guidance that will be needed, including on evaluation methodologies (presumably architecture has regular monitoring, evaluations and reporting)
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Broader issues were discussed about the performance system including:

Statements about the Purpose of the Performance Framework

- Performance information starts with the policy, program design and the question ‘what are we trying to achieve?’
- Performance reporting needs to be ‘fit-for-purpose’.
- Enabling Framework needs to nurture senior leadership demand for information, including making sure there is a good match between Ministers/ANAO/Strategic level, different perspective at lower levels. Paying attention with demand side issues will be critical to the success of the Framework to bring about reporting improvements
- Ethics shouldn't be ignored
- Whether the Minister ever commissioned a review of the PBS?
- There is a political overlay that exists. This is the closed environment in which we live. One level there can be talk and discussions about openness, transparency, data. On other side there will

be a political edge to this. There are certain operational aspects to be considered but the game and dynamic changes when in closer proximity to Ministers.

- There is a need to be clear on the language
- The Performance Framework should not to be driven by fear or coercion or a compliance mentality. The preference is for agencies to be able to use their skills/innovation, but also need to be able to report.
- With regards to 'transparency', there is a need to be clear on why it's needed, what's it's for, and need to be clear about this otherwise too easy to bandy about the term. In addition to usual reasons for being transparent, another is giving voters good information on which to make decisions.
- Need to get better at the performance side

Statements about the Change process

- There are plenty of Framework's, we have assumptions about their implementation, but we need systems to help their adoption.
- We shouldn't expect to see the current level of risk aversion abating. Therefore, the Performance Framework needs to take this into account.
- There is always a risk of bureaucratisation – focus on what are you trying to get out of it and avoid both bureaucratisation and 'tick-a-box'.
- The challenges for introducing a new Performance Framework include cultural and educational. Hence a staged approach rather than a prescriptive approach will be taken. This will involve working with people over time.
- Question was raised about whether drivers or incentives to get agencies to adopt what is proposed/desired would be introduced.
- The tension between the need for change and the need for continuity.
- There exists a long list of literature on how to introduce/embed performance Frameworks.
- The architecture is already here, the questions are 'how do you get it to happen?' and 'how are you going to measure this?'
- There are clear messages coming out today about how implementation is crucial, and around having good models, good support, and capability.
- It becomes hard at the local level, legislative environment formed in different ways, 'empower' people down to the coal face, individual's being held personally accountable – which then generates fear – how are we going to manage this, get the buy-in and the cultural change? By way of example in the airline industry, where a disaster occurs there is no culture of blame, no prosecutions etc in investigations. The medical industry is picking this approach up as a means of continuous improvement
- A slow, gradual implementation approach is appropriate and is being built in to planning.
- The discussion paper at section 3.2 canvasses the possibility that Finance "work with entities to either 'develop new methodologies' or 'identify methodologies for monitoring and evaluating the breadth and variety' of Commonwealth programs." This is a potentially vast enterprise and one not likely to be successful, given the huge range of programmes this might apply to and the highly resource intensive nature of its implementation. Perhaps an alternative might be the establishment of standards and benchmarks for what constitutes the purposes and acceptable outputs of an evaluation regime. This would be a) much easier to establish with a degree of consistency across the Commonwealth; b) much easier to implement, audit and evaluate; c)

much easier to apply to cross-portfolio and cross-jurisdictional programs. An approach that sets out standards and benchmarks would be similar to the application of other review methodologies adopted such as capability reviews, Gateway, etc.

Statements about the Performance Framework structure

- There are tensions between structure and flexibility.
- How can we make the Performance Framework flexible enough to respond/cope changes and when Government is trying to achieve a complexity of things
- Many of the significant policy challenges that Government is dealing with is multi-year programs. Yet it's a 12 monthly reporting cycle (arguably with press and politics even less).
- Some key questions include: Improvement – how would you support poor performance? What would occur then? If things are going well, how do you highlight these instances? How do you share lessons learnt? How will you stay the course, particularly through changes in Government? Some thoughts include; the need for a cross-line of sight. Have historic and predictive data, and be positioned to use big data. At the end of the day its multi-level decision-making.
- Reporting is not a separate activity, it is part of normal operational activity. Management of areas have responsibility for delivering and using the resources available. There is a need to have organisational unit flexibility – noting that APS is facing resourcing restrictions.
- For this new evaluation Performance Framework to gain traction it needs to be embedded in existing, or possibly new, policy processes, so how does this Performance Framework link to the panoply of existing new policy and policy review requirements, eg the Budget process and NPPs, first and second pass business cases (do these get reported if funding provided?), gateway, capability reviews etc.?
- On the issue of evaluation, the proposed programme logic diagram in the discussion papers indicates clearly (and in my view correctly) that we need to make evaluation an ongoing process throughout the life of a programme. Yet, a more sequential process is also suggested rather than making it clear that evaluation and its reporting must be part of the implementation phase. As nobody wants to wait for 5 years or more to find out that a program's not working, it may be worth explaining this more clearly. Similarly, as part of the proposed guidance and evaluation framework, it's essential that departments be required to identify not just ex post but ex ante measures of progress. For example, what are the trigger points along the way that might indicate a programme is on/off track?

Statements about the Performance Framework scope

- Whether it is meant to cover everything done under a portfolio, or only some things? Given that so much of the current framework only reports at the margins on new programs, while the other 80% of departmental business goes under the radar, it may be worth clarifying this.
- There is much more to this than identified in the discussion paper – where there is not much indication as is what is to follow.
- Issues inherent within the system, include capacity for controlling the narrative by the Government of the day as an important part of democracy. Too tight criteria and publishing against these may limit the 'wobble room' available to key decision makers and then run risk of not obtaining the high level buy-in required. Its fraught, it's difficult and disincentives for doing it properly are strong for politicians.
- There's a lack of emphasis on the need for evidence- based design and implementation although the revised Performance Framework could provide an opportunity to progress this.

- People need to be taken/brought along - Parliament, potential users, potential scrutinisers. At a simplistic level, show how it's going to work for them. In the 1,000 plus agencies there are all sorts of variations! But it's also reasonable to have certain minimum requirements and that standards get lifted.
- You have this Performance Framework you want to implement, the risk is failure of not the idea but the implementation. There is a need to entrench this into the structure of the public service, have a Performance Framework where people are thinking about what they are delivering i.e. what are the 10 things you want to deliver across various silo's, noting the challenge is that this does not break down across the silo's (particularly as funding usually runs down silo's rather than outcomes).
- These things should be timeless, with organisations should have always been doing this. A major cause is that doing so has not been 'standard' for program managers.

Statements about the Performance Framework outcomes

- How do encourage admission of failure? (It was noted that the then DoHA in its 1999 Annual Report reported areas of underperformance).
- Incentives of a compliance culture may be required. A Department once received an internal audit report which in turn drove the cultural change, others had already moved due to fears of audit – either fear of consequences or having experienced consequences.
- Will PGPA lead to cultural change? It's more likely it will be the leadership within agencies that bring this about.
- In order to gain the interest of Parliament it is necessary to build relationships with MP's on effective administration, focus not so much on new but strengthen current ones such as the JPCAA as they are undertaking a new inquiry into the Act & looking at the whole package. Their interest is likely to be ongoing and there are a number of advantages in this engagement.

Consistency and customisation

Statements about Stakeholders

- Performance information should capture program recipients and the impact on them. This can require dealing with people's fear and be able to use the knowledge available to address the need.
- There are different audiences, including the actual community to which is being served.

Statements about Data Fit-For-Purpose

- Data standardisation versus commoditisation: data is starting to be developed so it's fit-for-purpose rather than just fixed.
- Under the PGPA agencies are to report on achieving their purpose. Yet there is little training in program design and how this contributes to an agencies purpose which raises questions about how you get clarity about what is hoped to be achieved from programs, be positioned to measure it against an agencies purpose.
- The needs to be a requirement that performance information is fit-for-purpose, with the size of an agency a key factor in this. Also risk factors and strategic importance.
- Fit for purpose may include considering demographics and cohorts. For example, indigenous people are not a homogenous group.

- In a complex department, there is a need to find what is 'fit-for-purpose' to accurately reflect the variation across the agency.
- 'Fit-for-purpose' rather than one size fits all, where organisations can use targeted information that meets their needs.
- There can be heaps of data internally and externally but it can be very specific for one purpose and can't be used for other – e.g. performance and information – purposes.
- Performance Plan are not a bad start but the actual reporting template may not support what you are trying to achieve.
- The difference between outputs and outcomes are not as clear even conceptually as they could be – the issues of causation etc are extremely complex. Data that is generated is admin data, 'business as usual', not designed for reporting etc. So there is a prevailing weight that goes against Performance Management.
- Reactions to 'standardisation' – e.g. if every course in University has to look the same, what happens if academic staff respond in a perverse way which inhibits innovation
- Whether data will become more open and available, so people can analyse for their own purposes/questions?

Rightness of performance information

Statements about Evaluation Methods

- Program learning and demonstrating improvement and better results can be part of accountability too - accountability for learning and improvement.
- Although 'did the program deliver its outcomes?' is an unavoidable question, there can be a challenge in incorporating it into a more intensive and focused approach. However, it is linked to being able to articulate the program logic/ program theory.
- Performance information starts with the policy intent, planning and program design which raise the question "what are we trying to achieve?".
- There should be integrated design of internal and accountability requirements – some agencies carry a serious overhead to meet reporting requirements.
- Getting agreement on what the policy is going to do and how to measure it. Often many objectives are not easily measurable or are very vague
- If greater emphasis is to be given to agencies achieving their purpose, agencies will need to be able demonstrate what they have achieved. CP won't necessarily show that.
- As a practitioner, I would then find it extremely useful to see some examples of how all these bits fits together in practice: when and how identified and reported? For example: a major enabling capital investment along the lines of Systems for People (Immigration) or Centrelink's IT Refresh; a major programme investment to support a new policy proposal but within a particular portfolio; A major programme investment that spans portfolio boundaries; or a major procurement
- DHS/Centrelink is more process measurement in terms of its data although there are broader questions about moving out of poverty etc are far more complex and need a different process (i.e. evaluation). There is also a need to test the usefulness of research.

Statements about Data

- Many of the significant policy challenges that Government is dealing with is multi-year programs. Yet it's a 12 monthly reporting cycle (arguably with press and politics even less).
- Open access to data – Government cannot be a passive participant, it needs to be active. There is a lot of potential power in administrative data – although having access to it is a challenge due to factors such as risk aversion and privacy issues that need to be dealt with (i.e. don't want situation in Canada a couple of decades ago re PhD students not being able to access Canadian data; hence nearly all students did PhD's using US data)
- There can be heaps of data internally and externally but it can be very specific for one purpose and can't be used for other – e.g. performance and information – purposes.
- Indigenous affairs – many policies are not indigenous specific, asking indigenous people about them is often fraught, and they experience multiple policies focusing on them.
- There is a need to work together to identify more targeted, more relevant information, and that people have access to a wider range of information. There is a richness of information out there that is – currently – outside many people's recognition or definition of 'performance information'.
- Issue with administrative data is that it is often process-based. In Centrelink, while most was central administrative data, there was some other data available such as Social Worker data. Need to think what is useful – a lot of data doesn't necessarily help indicate if the intention of Act is being met.
- Be realistic about the quality of evidence that is being used (e.g. AIHW, used as a reference the 'evidence hierarchy' and was up front where their information sat within that model)
- Adjust expectations about data quality and what can be measured, assessed and learned about programs over short and medium-term timeframes: "Are we looking for perfection where perfection doesn't occur?"

Statements about KPIs

- Targeting and streamlining to reduce the danger that there could be information overload: there is already 3,500 KPI's being reported across Commonwealth entities and a lot of information is produced that is not being tied back into a narrative as to what Government is doing.
- Government is too broad in terms of its nature and activities and the current arrangements doesn't accommodate the variety of work. Performance can be measured in different ways and there needs to be more balanced approach taken. The current one size fits all approach based on KPIs is not appropriate.
- There is an opportunity to 'front end' test implementation and fidelity of program design which would lead to better outcomes. KPI's are often not useable but can be imposed on a program and it can be a struggle to find data that properly aligns with them. There needs to be intellectual rigour behind setting performance indicators.
- Great to hear KPI's are on the way out – because they can be perverse, cause fear
- KPIs are generally unhelpful in addressing high-level questions about performance. More thought needs to go into how these can be addressed in a thematic way rather than an entity basis. For example, what are the ten big policy ideas and how are they tracking? They could be addressed in a 'Outlook Report' that is subject to external peer review.

- What works at departmental level is not necessarily right for Cabinet. Resources maybe needed to develop different types for different information needs. For example, presenting a report with 1500 indicators can be overwhelming and result in perverse consequence such as simply looked at customer satisfaction which may not match other data.
- There needs to be clear distinctions e.g. Defence and Centrelink far different entity, so would be their KPIs
- Starting not to like the definition of a KPI being used to measure Impact
- While there is a very welcome departure from reliance on what we currently describe as KPIs, it's not clear what other kinds of information would be acceptable as performance indicators
- There is a need to develop consistent definitions about KPI's. Minimum requirements need to be set out in terms of outcomes, which then lead people to consider how they best report on the program. A classic one is warship – the DMO builds a warship that meets a brief, is on time and budget.
- The JCPAA '455 report' tabled on Tuesday is an omnibus report with one chapter being an inquiry into a report the ANAO submitted on KPI's. It provides a high-level outline

Session 3: Implementing the Framework

There was some dissatisfaction with the quality of present reporting – data was often an after-thought, KPIs were often poorly framed, or only reported against whatever data sources were available – not the intent of the policy. Managing by data metrics is not the same as making progress towards the policy objectives – and it is common for agencies to collect the most convenient metrics of little use in good management. What will change with the implementation of the new Performance Framework? A stronger preference for the encouragement of a learning culture and reward for experimentation was canvassed (eg program learning reports could prove valuable in expressing meaningful information on relative performance and progress towards goals). Performance reporting and evaluation capacities were uneven across the APS, and with cross-jurisdictional programs may not exist at all in any integrated/linear system. Currently reporting on cross-jurisdictional programs or programs involving third party providers is poor, incomplete and often not related to the policy purpose. Many funding programs have high-level objectives that have no clear and aligned performance monitoring, reporting and evaluation criteria identified. Participants talked of the need for cultural change to improve measurement and remove the fear of measuring syndrome.

<p>Session 3 1.30 – 2.10 pm</p>	<p>Implementation issues</p> <ul style="list-style-type: none"> ○ What options exist? ○ What needs to be done first and what should follow? 	<p>Opening discussants : Toni Makkai (RSSS ANU), Matt Gray (CAEPR) David Roberts (AES)</p> <p>Discussions to consider:</p> <ol style="list-style-type: none"> 1. Testing and validating performance reporting, including the new roles for the Finance Minister and power to request reports, performance documentation and information 2. Entity Audit Committees new role in reviewing appropriateness and usefulness of performance data, including what it's contributing to organisational improvement 3. AGs access to performance records 4. Increased publication of internal performance information and access to data-bases 5. focus on clear goals and data-driven performance assessment
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Beyond the artefacts

Statements about an Learning Culture

- There is an opportunity to ‘front end’ test implementation and fidelity of program design which would lead to better outcomes.
- There are some doubts about internal Audit Committees being used to oversight performance information. Alternatively, a ‘Performance Improvement Officer’ position could be established.
- Three key aspects are: agency collaboration and engagement; recognition of a focus on a learning culture: and balancing upward reporting/accountability inwards and outwards accountability.

- There is an opportunity to nurture a learning culture to achieve better program outcomes. It's about paying attention to what's working and what's not and it means that evaluation supports the implementation process.

Statements about Evaluation Methods

- Instead of mandating, the focus could be more about 'how can you best understand the impact of the Performance Framework on people. Adopting a more experimental approach to support the introduction of the Performance Framework could see innovators set loose to see what works, what common features/principles/patterns.
- Design of any new Performance Framework should enable the auditing and evaluation to be undertaken in a sensible way
- Section 3.2. is disappointing: there is a need for an evaluation policy; Fig 3 (Program Logic) is a good start but requires further development.
- There is an opportunity here for greater the adoption of evaluation. There are ways of making people desirous of data but compliance may not be the best mechanism.
- A key issue is whether the program 'evaluable' – as most data is underutilised and not set, and it needs to 'be in the ground floor' when designing the policy/program.
- The different purposes of performance management should be highlighted: accountability, learning, information for decision making, program improvement. This may require cultural change and capacity building to help program areas reaps the benefits of these opportunities.
- On the issue of evaluation, the proposed programme logic diagram in the discussion papers indicates clearly (and in my view correctly) that we need to make evaluation an ongoing process throughout the life of a programme. Yet, a more sequential process is also suggested rather than making it clear that evaluation and its reporting must be part of the implementation phase. As nobody wants to wait for five years or more to find out that a program's not working, it may be worth explaining this more clearly. Similarly, as part of the proposed guidance and evaluation framework, it's essential that departments be required to identify not just ex post but ex ante measures of progress. i.e. what are the trigger points along the way that might indicate a programme is on/off track?
- Advancements in evaluation theory and practice aren't being picked up by all agencies although a good number of large agencies are on top of this and would be a good resource for those lagging behind. E.g. starting with the evaluation question to guide your monitoring and evaluation in ways that are complementary.

Statements about Terminology

- Is it intended to include accountability for program learning into the definition of accountability?
- Complementarity but distinctions between 'monitoring', 'performance information' and 'evaluation' are needed. If these are not clear, a Results-Based Management (RBM) model won't work.

Cross agency issues

- Current challenges include fragmented programs, across Government deliverables – how they work together, associated issue of multiple agencies contributing to a single outcome
- Three key aspects are: agency collaboration and engagement; recognition of a focus on a learning culture: and balancing upward reporting/accountability to also inwards and across accountability.

- The use of third parties for delivery is necessary– thus collaboration with stakeholders is important.
- External expertise will be required, measuring impact cannot be simply undertaken from the inside as will be a need for external data, and possibly external expertise. How do you rebuild a culture of evaluation? There is an unease in engaging, and have noted this has increased over the years, there needs to be a greater level of engagement. Surprise was expressed at how little there is being published by Government agencies on research papers etc nowadays.

Capacity and capability

Statements about Capacity

- There is demonstrated capacity for high level analysis within some agencies but the Framework can't take this for granted and rely upon it as its not widespread enough.
- You want capacity to vary across entities – the Portfolio Budget Statement (PBS) outlines the 'What', the proposed Corporate Plan the 'How'. A key lesson on policy advising can't be measured on an outcome/output basis – it's more measured by underlying quality processes and hence capability.
- Under the PGPA agencies are to report on achieving their purpose. Yet there is little training in program design and how this contributes to an agencies purpose which raises questions about how you get clarity about what is hoped to be achieved from programs, be positioned to measure it against an agencies purpose.
- Capacity building is often directed to middle-level managers and senior managers miss out. For this to work, capacity building for performance management should be easily accessible at senior program managers and leaders too.

Statements about Capability Development

- Workforce development – middle managers are already socialised a certain way. Maybe it's the next generation from University we need to look to, which means we need to ensure that those students are ready. A closer link between Government and Universities is required so that the graduates have the skills that Government want – for example, data
- The capability review asked three questions about performance management. The model covers: strategy, delivery and leadership. These reviews are finding organisational performance systemically is second worst and outcome strategy is worst. Contributory factors are: evidence of strategy disconnect ('there is a light on the hill but fog in the valley'); ongoing confusion about the distinction between outputs, outcomes and impacts; limited capacity to consolidate and distil data; and gap in analytical capability, particularly workforce and workforce planning as its not sufficiently there in the Corporate section. In Executive teams it can be strong but not enough across organisations –thus leading to elevated decision making; the number of conflicting framework's – hence the idea of a unifying Performance Framework is a good one
- The enabling Framework shouldn't ignore the internal infrastructure to supply performance information and how this will be supported, particularly for less advanced entities. Internal infrastructure, including internal Audit Committees and their new roles, is already well developed in some agencies and a lot that can be learnt from them.
- There are two competing imperatives: staff reductions; and building capacity/capability to undertake reporting/evaluation. Because a lot of people become 'accidental' evaluators there can be poor quality evaluation as a result. Since 2010, Immigration has made strides in terms of evaluation capacity and capability but yet it's also clear it's still far to go to fully embed this.

- This is a common issue, the trick is to look at innovative ways to build it in.
- The APSC will be interested from a capability perspective. There is a need for Finance/agency collaboration, recognising different perspectives. The use of third parties for delivery – thus collaboration with stakeholders is important.
- In order to gain the interest of Parliament it is necessary to build relationships with MP's on effective administration, focus not so much on new but strengthen current ones such as the JPCAA as they are undertaking a new inquiry into the Act & looking at the whole package. Their interest is likely to be ongoing and there are a number of advantages in this engagement.
- There should be encouragement for guidance and training for Senators
- The discussion paper at section 3.2 canvasses the possibility that Finance “work with entities to either ‘develop new methodologies’ or ‘identify methodologies for monitoring and evaluating the breadth and variety’ of Commonwealth programs.” This is a potentially vast enterprise and one not likely to be successful, given the huge range of programmes this might apply to and the highly resource intensive nature of its implementation. Perhaps an alternative might be the establishment of standards and benchmarks for what constitutes the purposes and acceptable outputs of an evaluation regime. This would be a) much easier to establish with a degree of consistency across the Commonwealth; b) much easier to implement, audit and evaluate; c) much easier to apply to cross-portfolio and cross-jurisdictional programs. An approach that sets out standards and benchmarks would be similar to the application of other review methodologies adopted such as capability reviews, Gateway, etc.

Statements about External Capacity Building Opportunities

- The enabling Framework needs to pay attention to supply side issues, particularly capacity to be able to deliver this information. Entities need to keep records - the AES and other organisations may be able to provide support for these endeavours
- There is some work the Commission and Finance can do together, examples include links to the capability-type work, training about evaluation, and culture of analytical capacity. There is also a role for professional associations such as IPAA and AES – they have an interest in engaging to support capacity building.
- Practicing evaluation can be quite isolating – what can the AES and other organisations do to help support it?
- The Canberra Evaluation Forum (CEF) is supporting capacity building via its introduction of key speakers around these issues.
- Organisations such as CEF, AES were very helpful. Additionally PM&C has also established the APS Evaluation Practitioner's Network (EPN) in order to help share and support practitioners across the APS.
- Whether there will be space to set up Communities of Practice (CoP's).
- It was recalled that ten years ago the AES and FaCS ran an evaluation capacity building initiative involving the delivery of four training modules to two cohorts of twenty staff, which was highly effective.
- Next year, the APSC will provide two courses - one on program design and one on program evaluation. These are designed to be ‘delivery ready’ and can be delivered by a third party.

Statements about Resources

- The onus is on Finance to develop guidance tools so organisations know which methodologies might best work for them.
- New guidance materials are to be made available. There is a recognition that every entity is at a different space – possibly some more mature agencies can assist less capable and resource and support over time.
- There can sometimes be a fear of measuring – this is a cultural issue. Therefore there is a need to effect a cultural change. Ultimately it's a good thing to know how you are going (in terms of one's program or policy).
- What are the resource implications – if this starts, where then might it stop? What's the Commonwealth's focus going to be regarding those outsourced activities – will it be 'did the funds go out', or will 'service delivery' be of interest as well, and the program causing changes on the ground? It seems to inherently assume the resources allocated are adequate for the task, how do we deal with the actual resource implications? Some case studies or good practice examples (currently at a high level of theory), examples of the good and bad would help articulate challenges that are likely to be encountered.
- The issues being discussed are similar from those that had been identified around the implementation of the FMA Act. There were some good case studies but have seemed to disappear, and it would be great to be able to locate these.
- Questions were raised about whether the APS is set up to implement this in an environment of constrained resources?; How we build a better picture of contingencies?; and What are the predictable factors that will determine successful delivery of the proposed changes?
- There should be integrated design of internal and accountability requirements – some agencies carry a serious overhead to meet reporting requirements.
- How are you going to support this? For example a local High School who have just advertised for a data specialist – what resources are going to be out there, the support, educational training?

Session 4: Looking towards the Future

We need to build confidence in the Performance Framework, to develop capacities in agencies, share learnings of good practice, and use audit processes to comment on the quality and appropriateness of performance information and performance management systems. Agencies need to develop a pro-performance culture, and make performance learning a direct responsibility of managers. Parliament's interest in the Performance Framework and its results will be crucial to its development. Agencies should look to produce open data to allow the public, commentators, journalists and academics etc to make their own assessments and evaluations of performance – and not seek only to produce authorised versions of performance.

<p>Session 4</p>	<p>Future development – prospects and possibilities</p> <p>Consider the types of changes that will need to be managed by entities and the adjustments that we want to make in order to better embed an enhanced performance culture</p>	<p>Opening discussants : Steve Chapman (ANAO), plus other TCA</p> <p>Discussion about what entities will need to do to:</p> <ul style="list-style-type: none"> ○ strengthen entity capabilities for program learning and presenting accurate performance information that is useful and supports use by the intended audience ○ equip managers in a complex public policy setting to use a broad range of analytical and performance management tools, focus more on performance improvement and learning what works, actually know whether they are acting as effectively as possible and living up to performance expectations ○ Formal monitoring and evaluation regime ○ overcome the dysfunctional risks, barriers and constraints to quality performance management and reporting ○ monitor and assess the success of the non-financial aspects of the Commonwealth Performance Framework policy and its implementation
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Issues discussed

- Although the Commission of Audit (CoA) mentioned the merits of good evaluation, making these public and sending them to key stakeholders, a slower approach will be taken in relation to the Performance Framework. That's because there's a political aspect to take into account.
- Without clear objectives and attention to people issues it won't be sustainable.
- The Performance Framework needs an appropriate Audit process on the Framework implementation.
- Ongoing maintenance of the Framework sits into the role that JCPAA is now developing
- Over time, if you are not prepared to change it every couple of years, any system will go down. It takes commitment and effort, and sometimes opportunities. But it would be better to

institutionalise some aspects of this. International practice - Canadian colleagues - Alberta had been the shining light for many years, but now things are going downhill - entropy - lack of attention, increased gaming etc. Lesson - can't be set and forget, needs to be reviewed, regenerated.

- Instead of mandating, the focus could be more about 'how can you best understand the impact of the Performance Framework on people. Adopting a more experimental approach to support the introduction of the Performance Framework could see innovators set loose to see what works, what common features/principles/patterns.
- There is a lot of pressures to limit access to information. If there are good reasons for not releasing information, we should be clear on what these are.
- PGPA could simply sit in the capability area in its most narrow sense. But it sounds like that it encompasses more – but will this lead to a position where 'there are too many bricks to lift it'?
- Ongoing stakeholder engagement should continue – only change things on stakeholder demand
- There are some doubts about internal Audit Committees being used to oversight performance information. Alternatively, a 'Performance Improvement Officer' position could be established.
- There is an interest in open data and how to bring public commentators into the process.

Session 5: The Necessity of Good Leadership

Good leadership will not be solely focused on making the Performance Framework work within agencies but in building communities of support and engaging with constructive critical audiences to improve performances. Promoting the Performance Framework and even defending the transparency of data/reports will be an ongoing challenge for ministers, parliamentarians, senior officials, program managers. If sustained support for improved results is not forthcoming then the system will fail. Opening data access to peer reviews and public evaluation exercises will ensure its robustness and credibility. Establishing communities of good practice is also essential to the progress of performance cultures.

Session 5 3.00 – 3.40 pm	Commitment for ongoing leadership engagement and collaborative engagement	Discussion to: <ul style="list-style-type: none"> ○ Consider what types of new collaborative partnerships we should build ○ Canvas options for working with think tanks, academics, evaluation experts and journalists ○ Implications for public service culture, relations with ministers and parliament
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Issues discussed

Statements about Evaluation Methods

- The Performance Framework needs an appropriate Audit process on the Framework implementation.
- Ongoing maintenance of the Performance Framework sits into the role that JCPAA is now developing.
- The JCPAA '455 report' tabled on Tuesday is an omnibus report with one chapter being an inquiry into a report the ANAO submitted on KPI's.
- There are some doubts about internal Audit Committees being used to oversight performance information. Alternatively, a 'Performance Improvement Officer' position could be established.
- External Peers Reviews are an alternative approach. More thought needs to go into thematic approaches rather than just on an entity basis. For example, what are the ten big policy ideas and how are they tracking? They could be addressed an 'Outlook Report' that is subject to external peer review.
- Open access to data – Government cannot be a passive participant, it needs to be active. There is a lot of potential power in administrative data – although having access to it is a challenge due to factors such as risk aversion and privacy issues that need to be dealt with (i.e. don't want situation in Canada a couple of decades ago re PhD students not being able to access Canadian data; hence nearly all students did PhD's using US data)
- Although the onus is on Finance to develop guidance tools so organisations know which methodologies might best work, actually developing new methodologies is unrealistic and access to existing tools and external resources should be supported.
- Whether there will be space to set up Communities of Practice.
- Practicing evaluation can be quite isolating – what can the AES and other organisations do to help support it?

Statements about Leadership

- Workforce development – middle managers are already socialised a certain way. Maybe it's the next generation from University we need to look to, which means we need to ensure that those students are ready. A closer link between Government and Universities is required so that the graduates have the skills that Government want – for example with data analysis and interpretation.
- The APSC will be interested from a capability perspective. There is a need for Finance/agency collaboration, recognising different perspectives. The use of third parties for delivery – thus collaboration with stakeholders is important.
- In order to gain the interest of Parliament it is necessary to build relationships with MP's on effective administration, focus not so much on new but strengthen current ones such as the JPCAA as they are undertaking a new inquiry into the Act & looking at the whole package. Their interest is likely to be ongoing and there are a number of advantages in this engagement.
- The discussion paper at section 3.2 canvasses the possibility that Finance “work with entities to either ‘develop new methodologies’ or ‘identify methodologies for monitoring and evaluating the breadth and variety’ of Commonwealth programs.” This is a potentially vast enterprise and one not likely to be successful, given the huge range of programmes this might apply to and the highly resource intensive nature of its implementation. Perhaps an alternative might be the establishment of standards and benchmarks for what constitutes the purposes and acceptable outputs of an evaluation regime. This would be a) much easier to establish with a degree of consistency across the Commonwealth; b) much easier to implement, audit and evaluate; c) much easier to apply to cross-portfolio and cross-jurisdictional programs. An approach that sets out standards and benchmarks would be similar to the application of other review methodologies adopted such as capability reviews, Gateway, etc.