



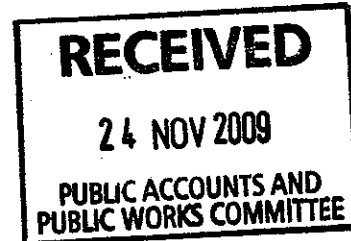
**Queensland  
Government**

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Department of the  
**Premier and Cabinet**

**24 NOV 2009**

Mr Wayne Wendt MP  
Chair  
Public Accounts and Public Works Committee  
Parliament House  
George Street  
BRISBANE QLD 4000



Dear Mr Wendt

Thank you for your letter of 21 September 2009 requesting further information following the 18 September 2009 public hearing on the inquiry into the effectiveness of the Performance Management Systems (PMS) audit mandate.

Your first question relates to the implementation of the Queensland Government Performance Management Framework. Specifically, the questions on how this new Framework is likely to be any more successful than the former Managing for Outcomes Framework in ensuring improved performance and, therefore, mitigating the need for any extension to the PMS audit mandate.

Managing for Outcomes (MFO) made significant improvements in public sector management, such as the publication of non-financial performance information alongside agencies' budget allocations within annual budget documentation. However, it is widely acknowledged throughout the sector that while MFO did generate an increased focus on performance, there is still room for improvement in monitoring, analysing and reporting on public sector performance.

The Performance Management Framework (PMF) builds on the successes of MFO and addresses areas that the Auditor-General and the former Service Delivery and Performance Commission have identified as opportunities for improvement, including:

- Requiring departments to develop clear departmental objectives to express their purpose, and performance indicators to demonstrate the extent of achievement of those objectives. Departmental objectives and performance indicators are included in strategic plans, and performance will be reported in annual reports from the 2009–10 reports.

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- Reviewing performance information included in Service Delivery Statements to establish a set of service standards that focus on the efficiency and effectiveness of service delivery. The new service standards will be approved by the Cabinet Budget Review Committee. Service standards will appear in Service Delivery Statements from the 2010–11 Budget.
- Requiring departments to report actual end-of-year performance against service standards from 2010–11.

The Premier holds regular Ministerial Charter Reviews and performance conversations with the Minister/s and related Directors-General based on priorities identified in Ministerial Charters of Goals.

The PMF has also led to the establishment of a central Performance Leadership Group (PLG) to independently examine performance within agencies and across government. The PLG then uses this examination when reviewing and briefing the Premier annually on CEOs' performance within the CEO Performance Review process. The PLG consists of the Under Treasurer and Commission Chief Executive of the Public Service Commission and the Director-General of the Department of the Premier and Cabinet.

These enhancements in moving from the former Managing for Outcomes framework to the Performance Management Framework will improve the quality of performance information within departments and across government and improve the level of scrutiny of departments' performance. Independent examination of performance management systems provided by the Auditor-General then provides further assurance to Parliament that these systems are operating effectively. Together, these two mechanisms work to identify and address performance deficiencies, and to ensure that Government and its agencies are held accountable.

Your second and third questions relate to the review functions maintained within the Public Service Commission (PSC), and I have sought advice from Mr Bruce Wilson, Commission Chief Executive of the PSC in responding to these questions.

PSC reviews may be triggered at the request of the Premier, the PLG, the Expenditure Review Committee of Cabinet (ERCC) and/or through PSC consideration of service delivery and organisational performance. A feature in identifying opportunities for review is regular and ongoing dialogue between these parties, including at the governance forums that support these parties.

As already discussed, the PLG is the governance body for performance management activities across government, whose role includes determining and, where necessary, recommending to Government appropriate interventions where performance is at risk of not meeting the Government's expectations. The ERCC was established by the Premier in 2008, to identify ways to improve the efficiency and effectiveness of public services.

Departments/public services offices may approach the PSC seeking independent advice and assistance concerning performance improvement.

The prioritisation of review activities and the scope of particular reviews will be planned in conjunction with understanding the priorities and activities of other whole-of-Government review functions such as the ERCC, so as to avoid duplication of effort and to coordinate review interactions with agencies.

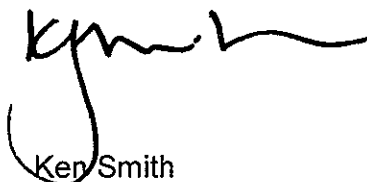
It is expected that as the abovementioned forums achieve greater traction there will be increased demand for reviews by the PSC. This will lead to a more structured approach from the PSC, whereby an annual schedule of proposed reviews would be produced but with sufficient flexibility to respond to emerging priorities across government and modify the forward schedule accordingly.

With regard to your question on the PSC's intention to undertake any efficiency audits like those completed by the SDPC, under the Act the PSC does not have an audit function. Likewise, the former SDPC did not have an audit function per se. It also provided a review function which focused on efficiency and effectiveness, and performance management improvement.

It is proposed that the PSC will undertake reviews relative to the PSC functions and powers under the Act, and based on the review triggers noted above. The scope of particular reviews will be specific to the performance issue or risks noted and may include efficiency and/or effectiveness considerations.

If you have any further questions relating to the Performance Management Framework or this department's role in enhancing performance management across government, please do not hesitate to contact me. If you have any further questions relating to the role or functions of the Public Service Commission, please contact Mr Bruce Wilson, Commission Chief Executive.

Yours sincerely



Ken Smith  
Director-General