



Australian Government
Department of Finance



Department of Finance
Corporate Plan 2017–18

Covering reporting period
2017–18 to 2020–21



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Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the *It's an Honour* website (see www.itsanhonour.gov.au).

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Message from the Secretary

I am pleased to present the Department of Finance Corporate Plan 2017–18 – my first corporate plan as Secretary of Finance. I am proud to be leading a department that plays a strategic and influential role in the business of government and where our people have been willing to embrace new ways of working to ensure we can continue to deliver.

With this plan, we have consolidated our aspiration and four purposes into a single statement – to assist the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government. Our revised purpose serves to sharpen our focus and give clarity to our priorities, as well as expressing those features that unite us as an agency.

A key focus over the period of this plan (2017–21) is to assist the government to create a smaller, smarter, more productive and sustainable government sector, one better positioned to respond to the challenges of a rapidly changing environment. We aim to lead by example as we continue our internal transformation with its focus on active prioritisation, staff mobility and surge, capability development and efficient work practices, co-designed by staff through a ‘build–test–refine’ approach.

Many of the challenges we face reach across government and require a collaborative, whole of government approach. As a central agency, we will be as effective as the strength of our relationships. We are focused on building and sustaining relationships of trust and collaboration within Finance, across government and with external stakeholders. These will underpin our capacity to advise on efficient and effective spending, generate a strong evidence base, and understand – and respond to – emerging challenges in the environment.

This plan outlines the opportunities offered through some of our significant activities. We will continue to support the government’s fiscal and policy objectives through the Budget process, putting in place streamlined work practices and systems to improve the quality of outputs and to make the most of our capabilities.

We will work closely with partner agencies and government business enterprises to deliver innovative financing and project management approaches for key government projects – the National Broadband Network, Moorebank Intermodal, Melbourne to Brisbane Inland Rail, Western Sydney Airport and the Naval Shipbuilding Infrastructure Project.

Equally important is our responsibility for the Public Service Modernisation Fund, which will see the delivery of quality government services at lower cost, using improved data systems and workflows. Our effective stewardship of the fund will be key in ensuring it provides a springboard for public sector innovation into the future.

This plan sets out our approach and priorities for the next four years and the measures by which we will be held to account. It recognises our commitment to building capability and highlights our desire to engage positively and transparently. In this way we will realise our purpose.

The expectations of the government and the Australian community are clear. Now more than ever there is demand for the public sector to deliver government services in a more responsive, innovative and efficient way. Finance has a vital role in enabling this.

Rosemary Huxtable PSM
Secretary

Introduction

I, Rosemary Huxtable, as the accountable authority of the Department of Finance, present the Department of Finance Corporate Plan 2017–18, which covers the period 2017–18 to 2020–21, as required under section 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.

Purpose

Finance assists the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.

Roles and functions

As a central agency of the Australian Government, the Department of Finance plays a key role in assisting the government to shape and deliver its priorities, particularly to ensure public expenditure programs are sustainable and reflect best value to government and the Australian community.

Finance delivers an array of support and services including:

- providing policy and financial advice to the Minister for Finance, senior ministers and Cabinet's Expenditure Review Committee on government expenditure
- supporting the government in its Budget preparation, delivery and ongoing management through the budget process
- advising on strategic priorities, such as advancing public sector reform through the Public Service Modernisation Fund
- fostering leading public sector practice through the public sector resource management, governance and accountability frameworks
- providing advice to the government on optimal arrangements for the management and ownership of public assets including the sale of assets
- administering the government's general insurance fund, investment funds and superannuation schemes
- managing the government's shareholdings in a number of government business enterprises and other public non-financial corporations
- providing a range of facilities and services to parliamentarians, their staff and former senators and members
- delivering whole-of-government information and communication technology services
- developing and maintaining the Australian Government's procurement policy framework
- managing the Australian Government's special claims, insurance and risk management operations
- administering discretionary compensation mechanisms.

Finance’s responsibilities are diverse, spanning the full range of public administration functions from the earliest points of developing policy through to implementing and reviewing programs.

Our approach

To achieve our purpose, Finance works collaboratively with the other central agencies – the Department of the Prime Minister and Cabinet, the Treasury and the Australian Public Service Commission – as well as portfolio entities responsible for developing and implementing policy and programs.

Finance actively engages with other agencies so we are aware of the issues and challenges they face, are able to collaborate and access information and data on program design, impact and stakeholder views, and to ensure a shared understanding of the government’s fiscal and other policy objectives.

Finance endeavours to offer innovative and value-for-money solutions on matters of budget and public sector operations. We strive to be a valued and trusted adviser to government by taking a professional and considered approach to providing advice, developing policy, delivering services and engaging with our clients and stakeholders.

Finance aims to engage respectfully and operate responsibly when delivering advice, noting our unique role and position within government, which gives us broad access to information.

We also strive to enable and drive reform by taking a leadership role in adopting modern business practices, being agile and responsive to government needs, and engaging effectively and collaboratively with other entities and stakeholders.

Underpinning our work and our interactions are the APS values – we are impartial, committed to service, accountable, respectful and ethical.

Our values

- Impartial
- Committed to service
- Accountable
- Respectful
- Ethical

Operating context

The environment in which Finance operates is challenging and uncertain. Our role in assisting the government to make informed decisions on its fiscal and policy objectives occurs amid a variety of factors, many of which are outside our control. These factors include growing demands on government, Australia’s changing demographics, shifting relationships between citizens and governments at all levels, constantly advancing technology, policy and program implementation complexities and contentious policy debates subject to strong political and public opinion.

The government’s priority to create a smaller, smarter, more productive and sustainable public sector guides Finance’s operations.

Competing priorities complicate these challenges as the government strives to live within its means. This complex environment constantly challenges Finance’s ability to be relevant and credible in the way we support the government.

With our whole-of-government perspective, Finance’s role is critical and multi-faceted. Specifically, our ability to look broadly at policy proposals, distil key information from a range

of stakeholders, assess impact and risk, exercise judgement based on facts and analysis, and provide high-quality advice is key to informing the government’s decision-making process.

The work of Finance is both cyclical and unpredictable. Against the recurring backdrop of the Budget cycle, we need to be prepared to respond at short notice to developing issues and unexpected events – both nationally and globally – providing independent advice regardless of political complexities.

This dynamic environment has its own set of risks and challenges. Timelines are now tighter and scrutiny is more intense with little room for error, oversights or omissions. Creativity, new thinking and modernisation are required if we are to meet future needs rapidly and efficiently.

In this respect, we are benefitting from our own internal transformation which is seeing us become a more agile organisation able to adapt and respond quickly to changing priorities, risks and challenges. Our new operating model focuses on several key elements: mobility of staff, departmental priorities, project management, external relationships, and staff capability. In turn, the experience we are gaining from this is contributing to our leadership role in driving transformation across the whole of the APS.

Environmental factors

The elements contained within our purpose statement summarise the deliverables at the core of Finance’s operations.

Table 1 sets out these elements as well as the environmental factors that may impact or influence their delivery over the four year period of the corporate plan.

Table 1: Environmental factors 2017–18 – 2020–21

Elements	Environmental factors
Advising on expenditure	<ul style="list-style-type: none"> • Rapid economic and social changes in Australia requiring policy responses from government. • The government’s fiscal strategy. • The disciplines of a structured Budget process. • Reporting requirements set by legislation and/or independently set accounting standards.
Public sector resourcing and transformation	<ul style="list-style-type: none"> • Government and community expectations that the public sector delivers services efficiently and effectively. • The Public Management Reform Agenda including the need for continuing public sector reform in a constrained fiscal environment. • The substantial contribution of Government Business Enterprises and other Commonwealth entities to the Australian economy. • The drive to achieve efficiencies in the management and oversight of Commonwealth assets.

Table 1: Environmental factors 2017–18 – 2020–21 (cont.)

Elements	Environmental factors
Delivering effective services to, and for, government	<ul style="list-style-type: none"> • Australia’s electoral cycle, which requires an election be held within the period of this plan. • The government’s in-principle support for the recommendations of ‘<i>An Independent Parliamentary Entitlements System: Review</i>’. • The shared and common services agenda. • A challenging environment in relation to the level of insurable risks.

Modernising the public service

Finance is continuing to support the government to transform the public sector to become more adaptive and productive, able to respond quickly and expertly to emerging priorities, while remaining trusted, capable and high performing. This important work is a key element of our purpose.

Finance led the work to allocate the government’s \$500 million investment through the Public Service Modernisation Fund. Initiatives were announced in the 2017–18 Budget with funding allocated over three years.

These initiatives will deliver quality government services at lower cost and use leading technology and collaborative approaches to address complex problems facing society.

In 2017–18, Finance will collaborate with entities to ensure these initiatives are delivering expected outcomes.

In addition, Finance will continue to lead the implementation of a number of reforms that will modernise the APS to be more productive, innovative and sustainable. These include:

- coordinating the Shared Services program to deliver standardised and streamlined corporate services and business processes across the Australian Public Service (APS)
- reforming public sector resource management through the whole-of-government grants administration program and records management platform
- implementing a flexible and integrated Budget workflow and decision tracking system, that interfaces with the Central Budget Management System Redevelopment Project, enabling greater automation and collaboration across the APS
- improving the use of government business data to better support government decision making.

Finance will draw on its capability to deliver policy, programs, projects and services to support government to implement APS modernisation.

Managing risk

Finance recognises that risk exists throughout our business. We further recognise that engaging with risk enhances our ability to seize opportunities and adapt and be innovative in our approach in a changing environment. Finance supports a culture where staff are empowered to identify, manage and accept risks in accordance with the Commonwealth Risk Management Policy.

Our Enterprise Risk Management Framework provides an effective way to engage and manage risk across Finance. This framework guides staff and strengthens our risk culture by providing a systematic solution to managing risk, identifying how we – individually and collectively – are responsible for managing risk, and determining how particular risks may impact our capacity to achieve our purpose.

Finance’s governance arrangements and planning processes also provide a robust framework and systems to manage risks within our business over the four years of this plan. Senior management, through each of Finance’s six governance committees, have a responsibility to oversee and guide how the risks that relate to their particular committee functions are treated. The committees meet regularly and provide ongoing reports, through their chairs, to Finance’s Executive Board, made up of the department’s most senior leadership.

We articulate how we treat risk in our risk appetite approach, which guides our day-to-day decision-making:

‘Finance’s success in delivering our outcomes and transformation agenda involves risk and opportunity. Taking a flexible approach to how we manage risk is critical to our success in the complex and changing environment in which we operate....

We accept that we cannot eliminate risk from our business, but rather we must engage with – and respond to – risk in a way that is proportionate to the circumstances and consequences of the risk materialising.’

Our risk tolerance

Finance uses a scale – Limited/Balanced/Enhanced – to identify tolerance levels and associated treatments of our risks. If a risk exceeds the acceptable limit, we escalate it and take corrective action.

Together, Finance’s risk appetite and tolerance levels reflect a flexible and proportionate approach to the way we identify and manage risk. This is informed by the likelihood of the risk occurring and the consequences if it does. Managing risk in a more considered way influences Finance’s business processes including:

- driving greater staff capability as staff have more authority to make decisions
- promoting a positive risk culture, accepting that sometimes things will go wrong and – if they do – responding in a thoughtful, measured way.

Finance relies on our staff capability, our systems, tools and quality relationships to provide advice, initiate reform, and deliver services to government. As a central agency, we have identified eight strategic risks that, were they to eventuate, would affect our ability to operate and undermine the level of service we provide to government. We manage these risks

through mitigation strategies that emphasise that investment in our people, our stakeholders, our systems and our connectedness are important.

Table 2 shows our strategic risks and risk mitigation strategies. The strategies apply across the eight risks.

Table 2: Strategic risks and risk mitigation strategies

Strategic risks	
<p>Risk 1 Finance does not meet the expectations of government with regard to the provision of relevant, timely and accurate advice</p> <p><i>Risk category: Service delivery</i></p>	<p>Risk 5 Finance fails to drive the cultural change required to assist the department achieve its strategic purpose and priorities and drive innovation</p> <p><i>Risk category: Culture and leadership</i></p>
<p>Risk 2 Finance fails to engage with relevant stakeholders to lead and influence the modernisation and transformation of the public service</p> <p><i>Risk category: Stakeholders</i></p>	<p>Risk 6 Finance's investment in its people does not meet short-term or long-term capability requirements to assist the department achieve its strategic purpose and priorities</p> <p><i>Risk category: People capability</i></p>
<p>Risk 3 Effective governance frameworks are not established to support the successful implementation of large complex projects led by, or involving, Finance</p> <p><i>Risk category: Program / policy / projects</i></p>	<p>Risk 7 Finance's business processes, information technology and information management are not optimised to grasp opportunities in a dynamic and agile environment</p> <p><i>Risk category: Business process</i></p>
<p>Risk 4 Finance's ability to collaborate internally and operate as a connected organisation impacts our ability to provide excellence and value to stakeholders and government in a resource constrained environment</p> <p><i>Risk category: Governance</i></p>	<p>Risk 8 Finance fails to effectively govern and manage data, reducing opportunities to better use information and increasing its exposure to targeted, intentional or accidental disclosure</p> <p><i>Risk category: Information management</i></p>
Risk mitigation strategies	
<p>People and culture</p> <p>Our people and culture are at the heart of our capability and capacity to deliver our purpose. We manage risks associated with investing in our people and driving cultural change through our defined leadership behaviours, including collaboration, stakeholder engagement and promoting a positive culture. Processes and initiatives relating to capability and performance, recognising and rewarding, recruitment, mobility, learning and development, workforce planning and staff wellbeing support these behaviours.</p>	
<p>Stakeholders, partnerships and collaboration</p> <p>Finance's role as a central agency requires us to establish and manage partnerships with our clients and stakeholders, while meeting the expectations of government. To manage this, we work within our established governance structures to engage collaboratively with others and support our partners to find solutions to complex problems.</p>	
<p>Connected organisation</p> <p>To deliver excellence and value to stakeholders and government, Finance must collaborate internally and operate as a connected organisation. We manage this risk through our operating model, which involves systematically prioritising our work, flexibly mobilising our staff (project deployment team, surge model) and initiatives to engage staff at all levels.</p>	
<p>Information management and business processes</p> <p>To operate in a dynamic and agile environment Finance must optimise its opportunities to improve business processes and our ability to govern and manage data. To manage this, we are engaging with the Public Service Modernisation Fund to embed technologies and practices to support the better use of data to improve the quality of our analysis to government. As a steward of public money, we must ensure any solution to drive innovation in data management is efficient and effective.</p>	

Managing risk in action

In July 2015, the enhanced Commonwealth performance framework was introduced to address the quality of performance information available to the Parliament and the public. Key stakeholders including Finance, the ANAO, and the Joint Committee of Public Accounts and Audit understood there would be a transition period of three to five years.

This transition period ends during the period of this corporate plan. It is reasonable to expect that the scrutiny of the quality of performance information reported by Commonwealth entities will increase. This means – when compared with previous years – the risk associated with Finance’s implementation of the enhanced Commonwealth performance framework is also likely to increase.

The things Finance plans to do to support improved performance reporting takes this increased risk into account. It will pay close attention to what the Parliament and the Auditor-General have to say about the extent to which performance information is improving. It will engage with – and listen to – entities across the Commonwealth to ensure they have the support they need, for example, through communities of practice and tailored technical advice, to deliver the improvements government’s stakeholders are expecting.

By managing the risk associated with implementing the enhanced Commonwealth performance framework, Finance will create better conditions for achieving its purpose more broadly. Not only does it deliver on the government’s objective to improve performance reporting frameworks, but, in doing so, it also provides the means for the government to demonstrate the benefits that accrue when its policy and fiscal objectives are met.

Capability/enablers

To deliver on our purpose we have put a strong emphasis on developing our capability.

In 2015–16, Finance commenced a process to become a more transformative organisation – one that can use its resources wisely and effectively to quickly adapt to a constantly changing environment. Our transformation goals are to:

- deliver the priorities of government while working efficiently and within our means
- work flexibly and collaboratively with a genuine willingness to share internal resources in the greater interest of the department
- invest in our people – their skills and capabilities – and ensure that through them, we support our values and purpose statement
- develop a positive work environment through strong leaders who value and support staff to take ownership, exercise judgement and make decisions
- build strong, proactive and collaborative relationships throughout the public sector.

To help us achieve these goals, we developed an agile operating model which focuses on prioritisation, staff mobility, capability building and workforce planning. We adopted a ‘Build– Test–Refine’ approach in implementing our operating model so we could continuously fine-tune our approach and respond to changing priorities.

This approach is important to Finance as it is not just about knowing how to deliver for government now, based on existing priorities and resources, it is also about our ability to continuously refine our model over time to enable us to deliver in the future. This means we will be able to continue to perform against our purpose as government expectations change over the four years of this plan and beyond.

Throughout the period of this plan, Finance must continue to transform. This means it is critical to seek opportunities to be a more modern entity making greater use of emerging technology to support automated processes and systems. We must also harness the rapid growth of data sources and analytical tools to help us provide quality and timely advice to government and other entities. The skills mix of Finance's workforce will change to support these emerging capabilities.

Prioritisation: maximising our resources to deliver

Prioritisation is the process we use to ensure we focus our energy and resources on the work that is the highest priority for government. It provides a structure to consider all the activities we undertake, and their relative priority, so that we allocate resources sensibly. It also involves making sure our staff have the right capabilities to meet these priorities. Our robust governance framework and risk reporting processes help us make well-informed decisions around prioritising projects and activities, and allocating resources accordingly.

Mobility: flexible and efficient operations

We have a team of around 220 project staff who we are able to move flexibly to work on different priority projects as they emerge. We consider a staff member's capabilities, development needs and career goals when opportunities arise. Once they have completed a project, we match them to the next organisational priority.

This approach has seen us meet 50 per cent of the human resources required for new and emerging priorities.

Finance has also implemented an innovative 'surge' model, which involves training staff across the department for temporary redeployment to priority business areas experiencing peak demand. The model has proved extremely successful and we have deployed surge teams to support two federal Budgets, the 2016 general election and the Central Budget Management System redevelopment project.

Surge staff receive training as well as on the job experience doing work that is different to their usual role. In turn, this builds the department's capability as a whole. Through 'surge', Finance has trained up to 40 staff for potential temporary redeployment to a priority area, depending on that area's need.

These strategies help us manage our key risks and deliver our work within current Average Staffing Levels.

Capability: making the most of our people, information and technology

With the right human capability and tools, we can provide high quality and well-informed advice to government.

Finance has a talented workforce that combines highly experienced long-term staff with the 43 per cent of staff who have been here for less than five years – creating an ideal mix of

in-depth knowledge with new and diverse perspectives. Almost 50 per cent of our staff have come from other Commonwealth entities, while 45 per cent of all our staff have a tertiary qualification. Finance draws on the diverse knowledge and skills of its staff as a key lever to building capability and achieving its purpose.

To further enhance our capability, most of our staff have access to mobile devices that enable them to easily move between different areas of the organisation – either on a long-term basis or simply when collaborating with colleagues on a project. These aspects combine to boost our productivity and enable us to work in a flexible and agile manner.

Finance has developed a capability database which provides a profile of each staff member and their individual skills, experience and capabilities along with their desired development areas. This helps us to mobilise staff with the right skills to emerging priorities, identify and address gaps in our capability, and plan for our future. We value the meaningful career conversations we have with staff, as do they.

Finance's Graduate Certificate in Public Policy and Finance is also building both internal and external capability. This public sector, purpose-built program, delivered by the Institute of Governance and Policy Analysis at the University of Canberra, builds capability among emerging leaders at Finance and the APS. Students develop a thorough understanding of the Australian Government Budget Framework as well as sound financial, strategic and policy development capabilities.

Workforce planning: building talent and leadership

Our workforce planning assists us to understand our current, and shape our future, workforce to respond to emerging government priorities in a changing environment. We consult across our organisation, and beyond, to ensure we have a workforce to meet business outcomes now, as well as growing one to meet business outcomes of the future.

The Senior Executive Service leadership group has worked together to develop the leadership expectations that they consider are essential to us achieving our objectives. They have come up with three expectations and what these mean to guide their own development, approach to their teams and external relationships.

Leadership expectations

Develop self, develop others – no matter what your classification, a foundational element of leadership is reflecting on your strengths and areas for development, and investing time and effort to improve. Of equal importance, especially when you become responsible for managing others, is investing in developing the staff around you. This starts with honest and constructive feedback and is an ongoing process. Investing in ourselves and our people will help us to build our culture and grow as an organisation.

Be part of the solution – everyone is encouraged to work together for shared outcomes. If you notice something needs to be addressed, help create the solution. Take a positive approach to your work by looking to understand and overcome challenges that you come across in your daily work.

Collaborate, innovate – this is about how we approach our work. The outcomes we work towards are increasingly dependent on the collective contribution of others. In this environment, we will achieve our greatest success through innovating and working together.

We are working towards building an innovative and collaborative culture where staff feel supported and inspired to ask 'why' and look for ways to improve the way we work.

Stream recruitment – an innovative approach

A workforce planning initiative recently introduced by Finance is 'stream recruitment' – an innovative approach where we recruit in groups across levels according to broader categories of work, rather than filling individual roles as they become vacant.

In this way, we have a ready pool of pre-qualified candidates from both within and outside the department when roles become available. This streamlined approach negates the need to undertake lengthy individual recruitment processes and further enhances our agile working environment.

Finance recognises that its ability to attract, engage and retain a diverse and talented workforce will support a broader exchange of ideas and knowledge, and build diverse capability and leadership in order to meet our purpose.

Build–Test–Refine: supporting new ideas

In 2017–18 we will review progress with our transformation to identify new priorities and opportunities.

Staff at all levels are actively involved in our transformation through collaboration, consultation and co-design. We are working with our people to build our capacity to be innovative, engage appropriately with risk and collectively problem-solve. This, in turn, is influencing how we engage with our external stakeholders.

In addition, we are strengthening our engagement with our public sector partners to better support them to find solutions to complex problems, and to navigate budget and legislative frameworks in order to realise the best policy outcomes for government and taxpayers.

Our focus in 2017–18 and over the period of the plan will be to continue to build, test and refine our operating model. This includes improving and modernising our business processes and preparing to transition core transactional services to a shared services arrangement. Transitioning to shared services will provide Finance with the opportunity to access leading edge, scalable systems which, among other things, will enable us to automate and digitise some of our routine processes. It will also provide a platform for transforming our business processes.

As part of the Data Integration Partnership for Australia, Finance is also working to embed technologies and practices to support the better use of data to improve the quality of our analysis to government.

Our financials

Finance has a total departmental budget of \$9,750 million in 2017–18. Of this, \$522 million is for departmental expenses and \$84 million is for departmental capital, representing 16.1 per cent of our total departmental spend.

Further information regarding Finance's budget estimates (departmental and administered), Average Staffing Levels and financial statements for the reporting period is set out in the [Finance Portfolio Budget Statements 2017–18](#).

Performance

Finance seeks to continuously strengthen the performance information it provides to the Parliament and broader community. The development of the 2017–18 Corporate Plan reflects the ongoing and maturing dialogue within Finance with regard to performance, risk and capability.

Finance has published a new set of purpose-focused performance criteria in this corporate plan under a modified and clearer single purpose statement.

The performance measures in this plan have further enhanced the measures in the 2017–18 Portfolio Budget Statements by strengthening the focus on the impacts of what we do. As such, Finance will use the 2017–18 Corporate Plan measures to report on our performance and achievements in the 2017–18 Annual Performance Statement.

In addition, the plan has been updated to reflect machinery of government changes over the past 12 months. These comprise the creation of the Independent Parliamentary Expenses Authority and subsequent movement of staff from Finance to the new entity, and the movement of a number of ICT functions and staff to the Digital Transformation Agency. Joining Finance during the year was the Service Delivery Office functions and staff.

Advising on expenditure			
Activity	Performance criteria	Assessed as	Methodology
Coordinate, prepare and advise the Minister for Finance and Expenditure Review Committee of Cabinet on the delivery of the Budget and related fiscal updates, including appropriations legislation and the government's financial statements, to contribute to promoting the government's fiscal target and policy objectives.	Budget papers, related updates (e.g. the Mid-Year Economic and Fiscal Outlook) and Appropriation Bills are accurate, delivered within required timeframes and meet the government's fiscal and policy objectives and legislative obligations.	<p>Budget papers and related updates are produced in accordance with the timeframes and other requirements of the <i>Charter of Budget Honesty Act 1998</i>.</p> <p>Appropriation Bills are introduced into Parliament at times intended by government and in accordance with legislative requirements.</p> <p>Budget estimates are based on external reporting standards and any departures from external reporting standards are identified, consistent with requirements set out in the <i>Charter of Budget Honesty Act 1998</i>.</p>	<p>Demonstrated by tabling dates of Budget papers, related updates and Appropriation Bills recorded in the Hansard.</p> <p>Program estimates are reviewed and updated to take account of the best available information to maximise their reliability and accuracy.</p> <p>Budget papers and related updates outline the external reporting standards used and identify any departures from that standard.</p> <p>Significant differences between the estimated expenses and final outcome are explained and reported annually.</p>

Advising on expenditure (cont.)			
Activity	Performance criteria	Assessed as	Methodology
		<p>Budget estimates are accurate (taking into account, to the fullest extent possible, all government decisions and other circumstances that may have a material effect), and explanations are provided where:</p> <p>≤ 2% difference between first forward year estimated expenses and Final Budget Outcome for first forward year</p> <p>≤ 1.5% difference between budget estimated expenses and Final Budget Outcome for budget year</p> <p>≤ 1.0% difference between the revised current year estimates at Mid-Year Fiscal Outlook and final budget outcome for the current year</p> <p>≤ 0.5% difference between the current year estimates at budget time and Final Budget Outcome for the current year.</p>	
	The government's financial statements, including monthly statements, are complete, accurate and released publicly on timeframes agreed with the government.	<p>Monthly financial statements prepared within an average of 21 days of the end of the month for which they are prepared following the release of the Final Budget Outcome.</p> <p>Consolidated financial statements are provided to Auditor-General by 30 November of each year.</p>	<p>Date of correspondence to Minister for Finance providing monthly financial statements.</p> <p>Date of correspondence providing consolidated financial statements to the Auditor-General determined.</p> <p>Measured monthly and reported annually</p>
Daily disbursement through the Central Cash Management System so that entities can deliver on the policy objectives of the government on necessary timeframes.	Commonwealth entities have access to cash made available by Parliament on a daily basis.	The cash needs of each and every Commonwealth entity is met for each and every day of the 2017–18 financial year.	<p>CBMS and Reserve Bank daily data transmission records can be used to demonstrate that the payment runs have been completed each day with drawdowns available to agencies.</p> <p>Measured daily and reported annually</p>

Public Sector resourcing and transformation			
Activity	Performance criteria	Assessed as	Methodology
Working with partners across government (e.g. the Digital Transformation Agency, the Department of the Prime Minister and Cabinet and the Department of Education) to invest the government's \$500 million modernisation fund and help establish a smaller, smarter and more sustainable government sector.	Finance's management of the Modernisation Fund process ensures that the projects delivered modernise the public service.	Projects to fully invest Modernisation Fund allocations as identified by government – all projects commence by 30 June 2017. Milestones delivered by relevant entities during the life of each and every project. All projects completed – within parameters set by government – by 30 June 2020.	Determined based on date of government agreement to projects being allocated funding in 2017–18 and the commencement dates, milestones and deliverables set out in project agreements managed by the Department of Finance. Measured at 30 June 2017 and reported annually until the end of the 2019–20 financial year.
	Back office functions (e.g. financial, human resources and associated IT systems) for 60 agencies are consolidated into six shared service hubs.	97 per cent of Average Staffing Level in scope for the Shared Services Program will be receiving services from one of the hubs by 30 June 2021: <ul style="list-style-type: none"> • 24 agencies transitioned by 30 June 2018 • 36 agencies transitioned by 30 June 2019 • 65 agencies transitioned by 30 June 2020 • 87 agencies transitioned by 30 June 2021 	Progress is measured continuously and reported annually from 2018–19 using information collected from service agreements between provider hubs and consuming entities.
	Entities participating in the Streamlining Government Grants Administration Program adopt the common grants management processes being delivered via the two grants administration hubs (Community and Business Grants Hubs), replacing the multiple ICT systems and business processes currently in operation.	74 per cent of existing grant programs delivered by the grant hubs by 30 June 2019.	Progress is being monitored quarterly, as per transition schedules agreed by the grants hubs and consuming entities.
	Finance facilitates: <ul style="list-style-type: none"> – the streamlining of and improving access to government services, 	Evidence of reduced duplication between agencies and improved user experience.	Case studies that demonstrate reduced duplication between agencies.

Public Sector resourcing and transformation (cont.)			
Activity	Performance criteria	Assessed as	Methodology
	<ul style="list-style-type: none"> – an increase in data analytics capability across Commonwealth entities – investment of Commonwealth entities to place their operations on a more sustainable basis. 	<p>Evidence of the use of increased data analytics capability to design better targeted and more effective services in sectors including education, social services, health and aged care.</p> <p>Evidence that investment in business models and renewing ageing assets has allowed entities to improve business practices and increase the sustainability of their operations.</p>	<p>At least one case study conducted and reported annually from 2018–19 onwards.</p>
	<p>Finance participation in the Data Integration Partnership for Australia will contribute to an increase in data analytics capability across Commonwealth entities.</p>	<p>Evidence of the use of increased data analytics capability to design better targeted and more effective services in sectors including education, social services, health and aged care.</p>	<p>Case studies that demonstrate the improved design and benefits of services.</p> <p>At least one case study conducted and reported annually from 2018–19 onwards.</p>
	<p>Finance facilitates the investment of Commonwealth entities to place their operations on a more sustainable basis.</p>	<p>Evidence that investment in business models and renewing ageing assets has allowed entities to improve business practices and increase the sustainability of their operations.</p>	<p>Case studies that demonstrate the benefits of investments.</p> <p>At least one case study conducted and reported annually from 2018–19 onwards.</p>
<p>Support the proper use of public resources by Commonwealth entities and companies under the Commonwealth Resource Management Framework, including through an independent review of the <i>Public Governance, Performance and Accountability Act 2013</i> (the PGPA Act).</p>	<p>Commonwealth entities and companies understand their obligations under the PGPA Act, and are equipped and supported to meet them.</p>	<p>Survey of entities to understand what issues have arisen in relation to the operation and application of how the implementation of the PGPA Act contributes to resource management and the extent to which and what Finance support is required (e.g. guidance materials and advisory services).</p>	<p>A survey of Chief Finance Officers across all Commonwealth entities and companies on:</p> <ul style="list-style-type: none"> • the extent to which legal requirements under the PGPA Act are understood and met • other issues that have arisen in relation to the Act and associated rules. <p>Questions will be framed and responses analysed in a manner consistent with accepted market research practice.</p> <p>Conduct and report on survey in 2017–18 and subsequent years.</p>

Public Sector resourcing and transformation (cont.)			
Activity	Performance criteria	Assessed as	Methodology
	The government and key Parliamentary committees have confidence that public resources are used efficiently, effectively, economically and ethically.	Australian National Audit Office (ANAO) reports do not include adverse findings on the PGPA Act and associated rules.	Monitor all ANAO reports tabled in Parliament each financial year and assess findings on PGPA Act and associated rules. Measured continuously and reported annually.
	Independent statutory review of the PGPA Act identifies the level of effectiveness of the Act and associated rules in supporting a robust resource management framework.	Review completed in 2017–18. The review finds implementation of the Act has been effective and identifies minimal opportunities for further enhancements on proper use of public resources.	As determined based on recommendations and key findings documented in a report to the Minister for Finance by the independent statutory review. Outcomes of completed review reported in 2017–18, and examined by the Joint Committee of Public Accounts and Audit (JCPAA). Reporting on implementation of any actions arising from review from 2017–18 to 2018–19.
Implement and support the enhanced Commonwealth performance framework as a means to improve planning and accountability to provide meaningful information to the Parliament and the public (Section 5(c)(ii) of the PGPA Act 2013).	Better performance information is available to the Australian Parliament and the public.	ANAO reports and JCPAA consideration of these reports confirm that published performance information is improving in its quality and insightfulness. Annual analysis of corporate plans and annual performance statements identify an increasing number of Commonwealth entities and companies are demonstrating better practice.	As determined from the recommendations and key findings of ANAO reports on published corporate plans and annual performance statements. JCPAA views on the quality of performance information will be determined by analysing its findings on various ANAO reports. Increasing number of entities display better practice as determined by Finance's qualitative analysis of corporate plans and annual performance statements each financial year. Measured and reported annually.
Provide a policy, regulatory and legislative framework that facilitates maximising the returns on investment funds managed by the Future Fund Board of Guardians (e.g. the \$130 billion Future Fund.)	Investments of managed funds create returns within the agreed level of risk.	Investment mandates for the managed funds issued by the Australian Government are met.	Based on quarterly portfolio updates published online by the Future Fund Management Agency. Measured and reported on a quarterly basis.

Public Sector resourcing and transformation (cont.)			
Activity	Performance criteria	Assessed as	Methodology
Leverage experience and influence of the Australian Government to achieve value for money procurements.	Finance works with external stakeholders to develop, implement and maintain systems and policies to support a fair, efficient, and transparent procurement framework for the Australian Government and its suppliers.	Finance advice services, training, events and other support mechanisms are well attended or utilised. AusTender data is made available to enable analysis of market sector participation, e.g. Small and Medium Enterprises and Australian Disability Enterprises. Regular engagement with domestic and international stakeholders is established to support information exchange on advances in procurement policy.	Measured and reported annually via data and feedback collected from various sources such as: <ul style="list-style-type: none"> • AusTender helpdesk • agency procurement forums • stakeholders • agency advice enquiries.
	Whole-of-Australian-Government (WoAG) procurement arrangements for non-ICT corporate services (e.g. travel bookings and major office equipment) generate savings for Commonwealth entities that access these arrangements.	The total nett value of annual savings as a result of WoAG procurement arrangements reported by Commonwealth entities.	Savings are based on volume and pricing, compared where possible against similar arrangements or markets. These are calculated when the arrangements are created, extended or refreshed.
Deliver on the government's policy of delivering savings through the National Property Efficiency Program and the National Divestment Program.	In accordance with government targets: <ul style="list-style-type: none"> – absorb Commonwealth entities' lease requirements into existing vacant office accommodation where it is feasible to do so (Operation Tetris.) – ensure that leases and other property services are delivered through coordinated procurements. – continued rationalisation of the property portfolio in 2017–18 to ensure it continues to meet contemporary requirements. 	Year-on-year decrease in vacant office space leased by non-corporate Commonwealth entities. Savings delivered through the WoAG coordinated procurement of property services (leasing and facilities management). Proceeds from divestments are returned to the Budget and savings delivered through the reduction in ongoing property management and maintenance costs.	Through the annual Australian Government Office Occupancy Report and monitoring of contractual arrangements for WoAG providers.

Public Sector resourcing and transformation (cont.)

<p>Engage with Government Business Enterprises (GBEs) and shareholder departments to facilitate financial sustainability and sound governance arrangements for all GBEs.</p>	<p>Facilitate and monitor GBE delivery of the government's key infrastructure priorities, including Western Sydney Airport, Inland Rail and Naval Shipbuilding.</p>	<p>Ensure that GBE and project governance is fit for purpose including establishment of governance documents such as statements of expectations, commercial freedom frameworks and funding agreements.</p> <p>Timely reporting to ministers and government on progress.</p> <p>Proactive reporting on emerging issues.</p>	<p>GBE corporate plans are analysed and provided to shareholder ministers, with GBEs to publish their Statement of Corporate Intent by 31 August each year.</p> <p>Finance measures GBE performance against a standard set of key performance indicators, outlined in quarterly reports.</p> <p>GBEs publish an annual report detailing their performance.</p>
<p>Continue to encourage ongoing efficiency and financial sustainability in GBEs.</p>	<p>GBEs operate efficiently, maintain a commercial focus and manage the longer-term financial and operational sustainability of the entity, including the payment of dividends in accordance with agreed corporate plan targets.</p> <p>GBE corporate plans comply with GBE guidelines and provide sufficient information to permit performance and financial reporting and monitoring.</p>	<p>Quarterly strategic reporting and meetings with shareholder departments and the relevant GBE.</p> <p>Targeted strategic reviews by shareholder departments to ensure GBEs operate as efficiently as possible.</p>	<p>Quarterly strategic reporting and meetings with shareholder departments and the relevant GBE.</p> <p>Targeted strategic reviews by shareholder departments to ensure GBEs operate as efficiently as possible.</p>

Delivering effective services to, and for, government			
Activity	Performance criteria	Assessed as	Methodology
Provide services to Commonwealth entities through one of six shared service hubs established by the government to drive efficiencies in back-office administration functions.	<p>Meet client needs for services including:</p> <ul style="list-style-type: none"> – accounts payable – accounts receivable – ledger maintenance – credit card management – transactional elements – pay and conditions and payroll administration – Enterprise Resource Planning (ERP) software <p>Governance and assurance are effective in supporting accountable authorities meet their obligations under the PGPA Act.</p>	<p>Service level agreement with client entities are met or exceeded for each category provided by Finance.</p> <p>The benefits of consolidation and optimisation of back office administration functions to efficient, effective and appropriate service will be assessed by:</p> <ul style="list-style-type: none"> • the uptake of a shared Enterprise Resource Planning (ERP) technology platform, • the utilisation of the full suite of Tranche 1 service through common business processes <p>Approved governance and assurance are in place and operating effectively.</p>	<p>The Service Delivery Office's (SDO's) nine Service Level Agreements contain service standards and benchmark targets to be met as measured through the recording of SDO enquiries and transactions, which will enable analysis of service levels on a monthly basis and provision to SDO clients on the 20th of each month.</p> <p>The benefits of consolidation will be measured through the increase in:</p> <ul style="list-style-type: none"> • number of payslips generated • number of financial documents processed • number of credits cards under management • number of active ERP users • number of international trips managed. <p>The above measures will be monitored on a monthly basis and reported quarterly.</p> <p>A summary report will also be shared with the SDO's governance committees.</p> <p>Measured continuously and reported annually.</p>

Delivering effective services to, and for, government (cont.)			
<p>Provision of a self-insurance fund (Comcover) to protect Commonwealth entities against insurable losses.</p>	<p>Comcover is financially sustainable.</p>	<p>An appropriate balance between capital efficiency and low premium volatility is achieved with the government's requirements for a self/fully funded insurance fund being met.</p>	<p>Claim liabilities are fully funded. Measured continuously and reported annually.</p>
	<p>Comcover assists Commonwealth entities to ensure the appropriate treatment of insurable risks and provides a consistent, whole-of-Australian-government approach to the management of claims against the Commonwealth.</p>	<p>Stakeholder satisfaction with the professionalism, skills and service provided. Litigation is undertaken honestly and fairly as a model litigant.</p>	<p>Evaluation of feedback from Commonwealth entities and key stakeholders. Measured continuously and reported annually.</p>
<p>Provide a range of services to Parliamentarians, their respective employees and others required by the Australian Government to assist them in undertaking their duties.</p>	<p>Services meet the needs of Parliamentarians, their employees and others as required by the Australian Government. The timeliness, efficiency, clarity and transparency of the administration of parliamentary work expenses is improved.</p>	<p>The following service standards are met or exceeded:</p> <ul style="list-style-type: none"> – 95% of client contacts acknowledged within 24 hours and responded to within agreed timeframes – 95% of payments (including payroll) will be made within agreed timeframes – 100% of office establishment and relocation projects will be delivered within their approved budget – 99% of COMCAR reservations will be completed without service failure. <p>New system developed to deliver parliamentary expenses and services.</p>	<p>KPIs are measured monthly and progress reported to Executive Board quarterly. Achievement of success is reported annually via the targets in Outcome 3 of Finance's Portfolio Budget Statement. Measured continuously and reported annually.</p>