

Performance Management Framework

Service Delivery

Statements:

Performance Statement Requirements

Publication date – August 2023

Contact

For further information or advice, contact:

Performance Unit, Cabinet and Intergovernmental Relations

The Cabinet Office

Department of the Premier and Cabinet

Email: pm@premiers.qld.gov.au

Telephone: 07 3003 9201

Document Details

Security Classification	OFFICIAL		
Date of Review of Security Classification	August 2023		
Authority	Director-General, Department of the Premier and Cabinet		
Author	Performance Unit, Cabinet and Intergovernmental Relations, The Cabinet Office, Department of the Premier and Cabinet		
Document Status	Working draft	Consultation Release	<input checked="" type="checkbox"/> Final Version

Contact for enquiries

The Performance Unit in the Department of the Premier and Cabinet (DPC) is the custodian of this document. All inquiries regarding this document should be directed in the first instance to:

Performance Unit pm@premiers.qld.gov.au Tel: 07 3003 9201

Acknowledgements

This version of the document, *Service Delivery Statements: Performance Statement Requirements* was developed by the Performance Unit, Department of the Premier and Cabinet.

Copyright

Performance Management Framework *Service Delivery Statements: Performance Statement Requirements*

© The State of Queensland (Department of the Premier and Cabinet) 2023.

Licence



The Performance Management Framework *Service Delivery Statements: Performance Statement Requirements* is licensed by the State of Queensland (Department of the Premier and Cabinet) under a [Creative Commons Attribution \(CC BY\) 4.0 International licence](https://creativecommons.org/licenses/by/4.0/).

Information security

This document has been classified using the [Queensland Government Information Security Classification Framework](#) (QGISCF) as OFFICIAL and will be managed according to the requirements of the QGISCF.

Table of Contents

Introduction	3
Purpose	3
Scope and Application	3
Legal requirements	3
Guidance material	3
<i>Service Delivery Statements</i>	4
Relationship with the Performance Management Framework	4
Performance Statement	5
Performance Statement development	5
Roles and responsibilities	5
Minimum requirements of the Performance Statement	7
Service areas	7
Service area objective	7
Service area description	7
Services	8
Service standards	8
Target/estimates	9
Estimated actual	9
Explanatory notes to service standards	9
Discontinuing service standards	9
Data dictionaries	10
Annual Reporting	10
Machinery-of-Government changes	10
Presentation of service standards	10

Introduction

Purpose

This document provides agencies with the mandatory requirements for Performance Statements presented in the *Service Delivery Statements* (SDS).

Scope and Application

The requirements set out in this policy apply to all Queensland Government agencies that report in the SDS.

As a rule, if the agency prepared an SDS for the previous year's Budget, an SDS should be prepared for the current Budget.

Generally, agencies included in the SDS are considered material by Queensland Treasury (QT) (generally Tridata entities). Contact your Treasury Analyst or the Tridata help desk (tridata.help@treasury.qld.gov.au) to discuss whether your agency is in scope for reporting in the SDS.

In most cases, the term 'agency' is used in this policy to refer to departments, statutory bodies, commercialised business units and shared service providers. When necessary, an indication is made if specific sections apply to departments only.

Legal requirements

This document is mandated by the [Queensland Government Performance Management Framework policy](#).

The *Financial Accountability Act 2009* stipulates that, each financial year, the Government must prepare a budget for the state and for each portfolio (i.e. the State Budget).

The [State Budget](#) details the Government's strategic direction, priorities and plans, its fiscal and economic policies and major expense and revenue initiatives.

Guidance material

Supporting guidance is available on the practical application of the mandatory requirements – promoting better practice approaches:

- **Service Delivery Statements – Agency Guidelines**

These guidelines provide agencies with the non-financial and financial performance information requirements for preparation of the SDS during the [Budget process](#) (the guideline will be provided by Queensland Treasury at the commencement of the Budget process each year).

- **[Performance Management Framework: Better Practice Guide](#)**

This guide includes information to support agencies in the development and improvement of the performance information, including the elements of the Performance Statement presented in the SDS.

Service Delivery Statements

The SDS provides budgeted financial and non-financial performance information for each Ministerial portfolio for the Budget year. The Budget papers are tabled in the Legislative Assembly and published on the [State Budget website](#).

Agencies must develop performance information (including measures and targets) for presentation in the Performance Statement in the SDS. The SDS is primarily forward-looking in its focus and performance information should complement the agency's strategic plan and annual report.

The SDS are scrutinised through a series of parliamentary Estimates Committee hearings following the tabling of the Budget papers, which comprise Government and non-Government members. This process informs general parliamentary debate on the Budget and ensures the accountability and transparency of the overall Budget process.

Relationship with the Performance Management Framework

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

In the case of the SDS, the service areas presented in the Performance Statement must clearly align to the agency's objectives in the current strategic plan. The service areas and service standards must also inform operational planning and internal reports, ultimately being publicly reported in agency annual reports.

Performance Statement

For each agency included in the Ministerial portfolio, the SDS includes a Performance Statement presented by service area, which must be aligned with the Government's objectives for the community and agency objectives (in the strategic plan).

The primary aim of the Performance Statement is to present performance information to demonstrate how the agency delivers its services effectively and efficiently in achieving desired service delivery outcomes (objectives). The Performance Statement also allows Ministers and the Government to assess whether resources have been used appropriately to achieve the desired service delivery outcomes (objectives).

Performance Statement development

There are two separate but related processes for the development and continuous improvement of the SDS and, the Performance Statement:

- the annual review of proposed performance information to be published in the SDS Performance Statement (the annual review process) which is coordinated by the Department of the Premier and Cabinet (DPC), in consultation with Queensland Treasury (QT), in the lead up to the commencement of the Budget process
- the preparation of the complete SDS (the Budget process) which is coordinated by QT in consultation with DPC in the months preceding the tabling of the Budget

The precise timeframes for these processes may vary from year to year, depending on the date set for the tabling of the Budget and other factors, however the processes remain largely the same.

More information:

- [Queensland Public Sector Strategic Management Planner](#)
Department of the Premier and Cabinet

Roles and responsibilities

Agencies

Agencies must regularly review and assess the performance information presented in the Performance Statement to ensure its continued appropriateness (including factors such as relevance, completeness, cost, and value).

Agencies must undertake consultation with central agencies (DPC and QT) on the proposed performance information to be presented in the SDS Performance Statement each year as part of the annual review process. This process is mandatory, regardless of whether there are changes proposed to performance information.

Departments are responsible for coordinating the submission of the SDS and/or the Performance Statements for the relevant entities in their Minister's portfolio in both the annual review process and the Budget process.

Department of the Premier and Cabinet (DPC)

DPC is responsible for coordinating the annual review process of proposed performance information to be published in each agency's SDS Performance Statement.

DPC's focus in the annual review process is to ensure that agencies have clearly defined service area objectives and their service areas have a balanced coverage of service standards that report on the efficiency and effectiveness of their services.

Working with agencies and in consultation with QT, DPC review proposed performance information for each agency to ensure there is a consistent effort to improve agency performance information and it reflects the fact that previously selected measures are subject to change over time – agency objectives change, priorities change, different users emerge.

Queensland Treasury (QT)

In the annual review process, QT consider proposed performance information to ensure that service standards are appropriately funded. QT also consider proposed service standard target/estimates to ensure appropriate levels of performance is being targeted in correlation to the budget.

QT is responsible for coordinating the annual Budget process (including preparation of all the Budget papers, including the SDS), in consultation with DPC. QT will set the Budget process timeframes and liaise with agencies on the preparation and submission of both the performance and financial sections of the SDS.

Minimum requirements of the Performance Statement

The SDS Performance Statement presents performance information focussed on agency service delivery. Agencies must develop the following key elements for presentation in the Performance Statement:

- the high-level **service areas** for the agency
- for each service area:
 - a **service area objective** (outlines the purpose of the service area and how it contributes to the achievement of agency objectives)
 - material **services** within each service area (if appropriate)
 - a balanced set of **service standards**, including **target/estimates** and **estimated/actuals**, for each service area/service (*at least* one effectiveness measure and *at least* one efficiency measure for each service area/service).

Service areas

The performance information is presented as high-level service areas, which are used to communicate the broad types of services delivered by an agency.

Service areas must be able to demonstrate alignment to the agency's objectives in the strategic plan. When alignment is achieved, it should be clear as to how the performance of a service area and any associated services contributes to the achievement of the agency's objectives in the strategic plan.

Where applicable, service areas are required encompass related services, grouped where they contribute to a common service area objective, as deemed appropriate by the individual agency. Agencies must develop an accurate, meaningful, and informative specification of service areas. The specification of an agency's service areas will support decision-making by a wide range of users, in particular, Parliament, Ministers, agency management and the general community.

Service area objective

Each service area must state its objective and how it contributes to the achievement of agency objectives, as presented in the current strategic plan.

A service area objective must be:

- a succinct statement that expresses clearly what the service area intends to achieve
- outcomes focussed (not a description of the services delivered)
- easy to understand and able to be measured by the service standards
- consistent with the Government's objectives for the community.

Service area description

Each service area must include a short description (no longer than a paragraph) to provide context for the service area objective and the service standards.

The description is to be a high-level explanation of the services (activities and processes) being provided by the service area to its customers and stakeholders.

Services

Agencies are required to identify material services in each service area, if appropriate.

Where a service area consists of a number of material areas, agencies must consider if it is appropriate and beneficial for the service area to be presented as separated services.

Material services are those services that consume the most funds allocated to the service area. When considering the materiality of services delivered by the service area, agencies should consider the threshold at which omission or misstatement of performance information could influence decision making.

There is no quantitative threshold that will uniformly determine materiality for each agency¹, however considerations may include percentage of budget allocation, percentage of FTEs, Government priority areas and community interest. Agencies are to determine materiality limits at their own discretion.

The Productivity Commission has criteria for selecting which government services are included in the annual [Report on Government Services](#). These criteria may be helpful for agencies in specifying the service area structure. Relevant criteria include:

- making a significant contribution to the outcomes of services provided by other governments (for example, intergovernmental agreements)
- making an important contribution to the community and/or economy, such that there is significant public interest in the effectiveness and efficiency of service provision.

More information

- [Financial Reporting Requirements for Queensland Government Agencies – 2B Materiality](#)
Queensland Treasury

Service standards

Service standards are set with the aim of defining a level of performance that is appropriate and expected to be achieved for a service area or service. A balanced set of service standards will enable government and the public to assess whether or not agencies are delivering services to acceptable levels of effectiveness and efficiency.

Service standards must be relevant (relate closely) to the service area objective to demonstrate that the objective is being achieved or the desired impacts are effective.

Each service area / service must have *at least* one measure of effectiveness and *at least* one measure of efficiency.

The service area must be fairly represented by the service standards which requires consideration of which services contribute most to the service area objective and which consume most funds. This may result in the need for more than one effectiveness and/or efficiency measure to provide appropriate coverage.

Service standards are to be worded clearly and concisely to ensure what is being measured is easily understood by a general reader and be interrelated, to 'tell the performance story' of an agency's service delivery.

Service standards must be captured in agency operational planning, and internal measuring and monitoring processes throughout the year that allows accountable officers and statutory bodies to determine whether

¹ AASB, *Framework for the Preparation and Presentation of Financial Statements*, QC11

the agency is delivering services in an effective and efficient manner and achieving the published target/estimates.

The relevance, usefulness and comprehensiveness of service standards are subject to ongoing review by agencies and central agencies.

Under the *Auditor General Act 2009*, the relevance of performance measures may be the subject of audit scrutiny and comment. In this context, it is important that the starting point for performance measures is consideration of the information required by agency management to effectively allocate and manage resources to deliver required outcomes.

Target/estimates

Each service standard must have a corresponding target/estimate for the next budget financial year presented in the Performance Statement.

Target/estimates for service standards are proposed by agencies as part of the annual review process and finalised in the Budget process.

They are forecasting estimates, based on analysis of historical performance and trends, current government policy contexts and priorities, agency capability and customer demand.

Estimated actual

Each service standard must have an estimated actual result for the current financial year presented in the SDS Performance Statement.

Where possible, the estimated actual should be the agency's estimate of performance for the full financial year (noting that the Budget papers are generally tabled in June each year).

Explanatory notes to service standards

The requirements for explanatory notes differ between the SDS Performance Statement and the agency's annual report:

- **SDS Performance Statement:** agencies must refer to the SDS template and guidelines issued by QT at the commencement of the Budget process each year for the requirements for explanatory notes.
- **annual report:** agencies must refer to the [Annual Report Requirements for Queensland Government Agencies](#) for specific requirements for explanatory notes to the service standards to be presented in annual reports.

Discontinuing service standards

For the purposes of transparency, any discontinued service standards must be presented in the SDS Performance Statement.

This must include the previously published target/estimate and the estimated actual for the current financial year. An explanatory note explaining why the measure is being discontinued from the SDS must also be included in the Performance Statement.

The actuals for discontinued service standards are required to be disclosed in an agency's annual report.

Data dictionaries

Agencies must develop data dictionaries for each service standard presented in the SDS Performance Statement, to document the purpose and definition of the service standard, its alignment to agency and whole-of-Government objectives, data collection and calculation methodology, and reporting requirements.

Annual Reporting

Annual reports complement each agency's SDS Performance Statement by disclosing actual performance information for each service standard presented in the SDS.

Agencies included in the SDS must refer to the [Annual Report Requirements for Queensland Government Agencies](#) for specific requirements on the disclosure of the service areas and related performance information in the agency's annual report.

Machinery-of-Government changes

Machinery-of-Government (MoG) changes have implications for the SDS, particularly the transfer of functions from one agency to another and the effect on the presentation of performance information in the SDS. In the instance of a MoG change, the SDS Performance Statement is required to be recast in the following Budget as if the new service area structure had existed in that agency from 1 July of the previous year.

The [Administrative Arrangement Orders](#) (AAO) set out the responsibilities of ministers and their portfolios and are re-issued or amended when a MoG change takes place.

Each agency (giving and receiving) must consult with each other about the transfer of either service areas, services and/or individual service standards.

Presentation of service standards

- Giving agency – service standards being transferred to another agency are removed from the Performance Statement of the giving agency.
- Receiving agency – service standards being received from another agency are to be presented in the receiving agency's Performance Statement, or if no longer relevant, presented as a discontinued measure by the receiving agency.