

Updated Performance Management Framework – June 2017

DTF is pleased to release an updated Performance Management Framework (PMF), incorporating changes to the planning requirements.

What are the key changes from the previous version of the PMF?

The planning section of the PMF has been updated to:

- Require departments to publish their corporate/strategic plan online (revised requirement);
- Require departments to include key initiatives in the corporate/strategic plan;
- Discontinue the (internal to government) strategic planning requirements; and
- Require departments to undertake long-term planning (new requirement).

A table tracking the changes by PMF section and chapter is set out in the next few pages.

When does the updated PMF apply?

The updated PMF is effective from 1 July 2017. The PMF should be read in conjunction with the DTF information request addendum.¹

What should departments call the medium-term plan?

The PMF states that the terms 'corporate plan' and 'strategic plan' are interchangeable. Departments are able to use whichever term best suits their circumstances and preferences.

Is there any guidance on defining an initiative for the purposes of the corporate/strategic plan?

Section 2.2 of the PMF provides guidance departments can use to determine which key initiatives to include in the corporate/strategic plan.

How will key initiative information be reported?

Departments are required to report on key initiatives in their annual report. The 2018 Model Report for Victorian Government Departments (to be released in 2018) will outline the minimum disclosure requirements.

¹ <http://www.dtf.vic.gov.au/Government-Financial-Management/Budgeting/DTF-information-requests>

How will corporate/strategic plans be published?

The corporate/strategic plan must be published on the department's website by 31 July 2017 (See PMF 2.2).

Can departments determine the structure of their medium-term plan?

Yes, departments may determine the structure of their medium-term plan so long as the minimum information content requirements are met.

Who approves the corporate/strategic plan?

The corporate/strategic plan must be approved by the departmental Secretary. Departments may engage Ministers in approving plans as required.

The long-term planning requirements only require departments to undertake long-term planning. The PMF does not require the production of a long-term plan.

Do corporate/strategic plans need to be submitted to DTF?

No, the corporate/strategic plan does not need to be submitted to DTF.

How do the long-term planning requirements interact with the new corporate/strategic plan requirements?

The PMF establishes a requirement for each department to undertake long-term planning over a minimum five year time horizon. Long-term planning must be supported by appropriate modelling and scenario analysis.

The PMF does not prescribe the timing or scope of long-term planning. Rather, each department may determine how best to apply the requirements to suit its individual circumstances and current practices.

Long-term planning activities, processes and products should be reviewed and updated as required.

My department already undertakes long-term planning. Does this meet the PMF requirements?

In most cases, departments with existing long-term planning processes and products will already meet the PMF requirements outlined in Section 2.3. These departments may not need to undertake additional planning activities to meet the requirements of Section 2.3.

Departments are only required to undertake long-term planning. There is no PMF requirement to produce a long-term plan.

Link to the Standing Directions

The 2016 Standing Directions of the Minister for Finance require departments to apply the PMF (Direction 4.1.2).

Departments are subject to the attestation requirements of the 2016 Directions regarding the PMF. This includes public attestation of compliance in annual reports from 2017-18. See the 2016 Directions for more information, and particularly Direction 5.1 and Instruction 5.1.

For the 2016-17 trial attestation, departments are not required to attest against the previous planning requirements. Rather, the new PMF planning requirements should be applied.

Departments should consult with their departmental compliance managers for further information.

Feedback and suggestions

Departments can ask questions or provide feedback on the updated PMF by contacting financial.frameworks@dtf.vic.gov.au.

Summary table of the major changes in the updated PMF

Topic:	Old PMF Section no.	Updated PMF Section no.	Comments
2. Planning for results	2.	2.	The table outlining the components of a 'comprehensive planning framework' has been revised to reflect the replacement of the strategic planning requirements with minimum long term planning requirements. A new footnote has been added clarifying that the terms corporate plan and strategic plan are interchangeable.
2.1 Short-term planning	2.1	2.1	No change.
2.2 Medium-term planning	2.2	2.2	Strategic planning requirements have been removed (formally listed under 2.2.1 and 2.2.4). Medium-term plan now requires the inclusion on key initiatives (new, listed in 2.2) and the publication on the department's website (new requirement in 2.2.3). Definition of 'key initiatives' has been included in the Guidance.
2.3 Long-term planning	2.3	2.3	New minimum mandatory requirements. Guidance has been updated to reflect mandatory requirements.

All other sections of the PMF remain unchanged.