



**Australian Government**

**Department of Defence**  
Capability Acquisition and  
Sustainment Group

**CASG GROUP FUNCTIONAL POLICY**

**MANDATORY REQUIREMENTS FOR THE PERFORMANCE  
EXCHANGE PROGRAM**

**VERSION: 2.0**

**Approving Authority:** Deputy Secretary CASG  
**Business Process Owner:** Assistant Secretary Supplier Analysis and  
Engagement  
**Business Process Authority:** Director Supplier Performance

**Approval Date:** September 2018

CASG Policies are issued under the CASG Manual (CP) 001 – CASG Quality Management System

---

**DOCUMENT HISTORY**

<b>Part Amended</b>	<b>Amendment Reason<sup>1</sup></b>	<b>Authorisation Reference Objective Id</b>

**Review Date:**

Not less than once every two years from date of approval digital signature.

---

## MANDATORY REQUIREMENTS FOR THE PERFORMANCE EXCHANGE PROGRAM

### REFERENCES

- A. [Public Governance, Accountability and Performance Act, 2013](#)
- B. [Performance Exchange Procedures](#)

### INTRODUCTION

1. The Performance Exchange Program (the Performance Exchange) involves periodic reporting of Defence and industry performance to CASG Senior Executives, Project Directors, Systems Program Office Directors and their industry partners. This reporting supports decision makers to continually improve performance management between CASG and their industry partners. It also supports CASG's obligations to comply with Reference A.
2. The Performance Exchange is managed within the Commercial Division of CASG by the Performance Exchange Management Team, led by Director Supplier Performance. Requests for assistance and advice in relation to the Performance Exchange are to be forwarded to: [Performance.Exchange.Scorecard@defence.gov.au](mailto:Performance.Exchange.Scorecard@defence.gov.au).

### BACKGROUND – OVERVIEW OF THE PERFORMANCE EXCHANGE PROGRAM

3. The Performance Exchange, formerly known as the Company Scorecard Program, was introduced by the then head of the Defence Material Organisation in 2001, as a mechanism to understand and report on performance achieved by Defence and industry.
4. The purpose of the Performance Exchange is to enable better performance outcomes through the measurement, reporting and management of Defence and industry performance.
5. The key objectives of the Performance Exchange are to:
  - a. build a shared understanding of performance;
  - b. deliver a fit for purpose performance measurement and reporting system;
  - c. facilitate better decision-making; and
  - d. enable effective Defence, government and industry engagement that best leverages industry's capability.
6. The Performance Exchange operates in the following ways:
  - a. the Performance Exchange Management Team collects performance data from relevant Defence and industry business units on a periodic basis. This data is used to generate reports that show performance against individual and joint performance requirements for consideration and action by the originating Defence and industry business unit;
  - b. performance reports are made available to tender evaluation teams to enable the evaluation of tenderer past performance; and
  - c. the Performance Exchange Management Team provides CASG Senior Executives and industry partners with reports that support project, program and portfolio level performance engagement and management. Program and portfolio level reports identify performance trends across Projects/System Program Offices, Branches and Divisions and their industry equivalents to inform a more coordinated approach to performance management.
7. Benefits of the Performance Exchange include:
  - a. improved risk and issue management through early and enhanced identification, reporting and resolution;
  - b. reduction in project, program and portfolio management costs due to greater opportunities to drive consistency in performance;
  - c. greater assurance of value and benefits realisation through more reliable

- understanding and visibility of performance drivers; and
- d. improved relationships between CASG and industry through open and regular dialogue and a collaborative and non-adversarial approach to performance management.

### **SCOPE**

8. This Policy applies to all CASG Personnel who are accountable or responsible for contract management and industry partners where it is a requirement of their Agreements.

### **Definitions**

**Table 1: Definitions**

<b>Term</b>	<b>Definition</b>
Agreement	means commercial arrangements, including but not limited to contracts and purchase orders, for the delivery of goods or services in support of Defence materiel capability.
CASG Personnel	means all CASG staff involved in contract management, including Commonwealth Officers (Australian Public Servants and Australian Defence Force personnel from Army, Navy and Airforce) as well as persons engaged under a contract where compliance is a term of their contract.
CASG Senior Executives	means CASG Personnel at the SES Band 1/ 1 Star level or higher.
Date of Effect	means the date that this Policy was approved.
Performance Exchange Management Team	means the team with responsibility for managing the Performance Exchange Program. The team leader of the Performance Exchange Management Team is Director Supplier Performance.
Performance Exchange Procedures	means the Performance Exchange Procedural Manual available at <a href="http://www.defence.gov.au/casg/DoingBusiness/Industry/Industryprograms/PerformanceExchangeScorecard/">http://www.defence.gov.au/casg/DoingBusiness/Industry/Industryprograms/PerformanceExchangeScorecard/</a> .

### **Key Terms**

9. The word '**must**' is an important word used throughout this Policy to identify whether the requirements are mandatory. **Must** – means that the requirement is mandatory with no exceptions.

---

### **Policy Directive 1: Mandatory CASG participation in Performance Exchange Program**

10. In order to enable the measurement, analysis and reporting of industry performance, all CASG business units with Agreements in place at or above the relevant thresholds for Acquisition, Sustainment and Services must participate in the Performance Exchange Program in accordance with Reference B.

11. Participation thresholds are outlined in Reference B, available at <http://www.defence.gov.au/casg/DoingBusiness/Industry/Industryprograms/PerformanceExchangeScorecard/>.

---

### **Policy Directive 2: Industry mandatory participation in Performance Exchange Program**

12. In order to enable the measurement, analysis and reporting of Defence performance, all Industry partners with Agreements in place at or above the relevant thresholds for Acquisition, Sustainment and Services contracts must participate in the Performance Exchange Program in accordance with Reference B.

13. Participation thresholds are outlined in Reference B, available at <http://www.defence.gov.au/casg/DoingBusiness/Industry/Industryprograms/PerformanceExchangeScorecard/>.

---

### **Policy Directive 3: Appropriate use of performance data and reporting**

14. Performance Exchange information and reports must only be used for approved purposes.

15. The ability to enable performance through reliable performance reports is dependent on continual access to accurate performance data from Defence and industry participants.

16. Information and reports made available to CASG business units, CASG Senior Executives and Industry partners, must only be used for the purposes of performance management and improvement and tender evaluation as set out in Reference B.

17. The distribution of performance reports will therefore be limited to the following recipients and approved purposes:

- a. Project and SPO Directors, Industry Managers and CASG Managers will be provided with the Performance Scorecards for their respective project or product;
- b. Performance reports will be made available to Defence Tender Evaluation Working Groups to support tender evaluation;
- c. Branch Heads will be provided with program level performance reports upon request and will include analysis of performance against key performance themes across their Projects and System Program Offices;
- d. Division Heads will be provided with portfolio level performance reports, including analysis of performance against key performance themes across their Programs;
- e. Heads of Defence Industry will be provided with company level performance reports, including analysis of performance against key performance themes across CASG Divisions; and
- f. DEPSEC CASG will be provided with a CASG portfolio level performance report, including analysis of performance against key performance themes across CASG Divisions.

18. The availability of performance data, performance scorecards and performance reports on any other basis will be considered on a case-by-case basis, following endorsement by a CASG Senior Executive at the SES Band 1/ 1 Star level.

19. Requests for access to performance data, performance scorecards and performance reports can be sent to [Performance.Exchange.Scorecard@defence.gov.au](mailto:Performance.Exchange.Scorecard@defence.gov.au) once endorsement by a CASG Senior Executive at the SES Band 1/ 1 Star level has been obtained.

## RESPONSIBILITIES

20. Assistant Secretary Supplier Analysis and Engagement is the Business Process Owner of the Performance Exchange Program and the Directorate of Supplier Performance is responsible for maintaining and updating this Policy.

## MONITOR AND REVIEW

21. The content of this Policy will be reviewed when any of the identified References are updated or amended, and no less than every two years.

## WORKSPACE HEALTH AND SAFETY/ENVIRONMENTAL ISSUES

22. There are no WHS and environmental issues that are pertinent or relevant to this Policy.

## TRAINING AND COMPETENCIES

23. Performance Exchange Program awareness and information sessions will be held periodically by the Performance Exchange Management Team prior to the commencement of data collection processes.

## POINT OF CONTACT

24. The point of contact for this document is Director Supplier Performance, Supplier Analysis and Engagement Branch. All requests for information regarding this Policy and the Performance Exchange Program can be forwarded to [Performance.Exchange.Scorecard@defence.gov.au](mailto:Performance.Exchange.Scorecard@defence.gov.au).