This guide contains material that has been prepared to assist Commonwealth entities to apply the principles and requirements of the Public Governance, Performance and Accountability Act 2013 and associated rules, and any applicable policies. In this guide: the principles or requirements are set out as things entities and officials ‘should’ do; and actions, or practices, that entities and officials are expected to take into account to give effect to those principles and/or requirements are set out as things entities and officials ‘should consider’ doing.
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**Audience**

This guide applies to accountable authorities of all Commonwealth entities. It is also relevant to chief financial officers, chief operating officers and their units in Commonwealth entities. The guide is also intended to support officers who manage the activities of an entity.

**Key points**

This guide:

- gives guidance on the obligations of accountable authorities under section 35 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to prepare corporate plans for their entities
- provides information on the minimum requirements, as prescribed by the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) in section 16E, for corporate plans published by entities.

This guide comes into effect on 1 July 2015 when the amendments to the PGPA Rule take effect.

**Resources**

This guide is available on the Department of Finance website at [www.finance.gov.au](http://www.finance.gov.au) and relates to the following other guidance:

<table>
<thead>
<tr>
<th>RMG No.</th>
<th>Title</th>
<th>Website</th>
</tr>
</thead>
</table>
Part 1 – Introduction

1. An objective of the PGPA Act is to establish a performance framework across Commonwealth entities that provides meaningful information to parliament and the public (section 5(b)). The PGPA Act (section 35) requires the accountable authorities of all Commonwealth entities subject to the Act to prepare and publish corporate plans every year.1

2. Corporate plans are designed to be the principal planning documents of entities. A corporate plan should set out clearly what an entity’s purposes are, what it will do to achieve its purposes and how it will know that it has achieved its purposes. The plan should inform the reader about the significant activities the entity will undertake over the period of the plan.

3. The minimum content requirements for corporate plans are set out in section 16E of the PGPA Rule. The corporate plan must describe:
   - An introduction.
   - The purposes of the entity.
   - The broader environment within which the entity works.
   - The planned performance of the entity (and any subsidiaries that contribute to achieving its purposes), including details of the methodology, data and information that it will use to measure and assess its performance.
   - The capability of the entity, including the plans and strategies it will implement to achieve its purposes.
   - The entity’s risk oversight and management systems.

4. This guide provides information on the minimum requirements for corporate plans, as set out by the PGPA Act and the PGPA Rule. The guidance recognises that it is the accountable authorities of entities who are responsible for developing and tailoring their corporate plans to suit their entities’ particular circumstances.

Part 2 – The role of corporate plans in the enhanced Commonwealth performance framework

5. The enhanced Commonwealth performance framework addresses performance planning, measurement and reporting through three main concepts: entity, purposes and activities. At its most basic, the framework is focused on each entity covered by the PGPA Act. Each entity is required to identify its purposes, which include its objectives, functions and role. Lastly, the framework focuses on the activities of the entity, which are its core areas of effort and the actions that it undertakes to pursue and fulfil its purposes.

6. The corporate plan is one of two core elements of the enhanced Commonwealth performance framework. The corporate plan is developed at the beginning of the reporting cycle and sets out an entity’s strategies for achieving its purposes and how success will be measured. Annual performance statements are produced at the end of the reporting cycle and provide an assessment of the extent to which an entity has succeeded in achieving its purposes. Figure 1 shows the two elements of the framework and the annual cycle.

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1 An entity’s enabling legislation (or existing practices) may already address the planning documentation that addresses the minimum requirements of the PGPA Act and PGPA rule corporate planning requirements. However, these documents may be known by other names (e.g. strategic plan, etc.).
7. Many of the minimum content requirements for entities’ corporate plans are linked to the content requirements for annual performance statements (see PGPA Rule section 16F and Resource Management Guide No. 134 Annual performance statements for Commonwealth entities). This alignment recognises the close relationship between the two elements of the framework: the annual performance statements report on the actual results achieved in the reporting period against the planned performance measures set out in the corporate plan.

8. The requirements for corporate plans are designed to allow each entity to present planning information at the level of detail it believes will best inform the reader of the results the entity intends to achieve over the term of the plan.
Part 3 – Key priorities and objectives of the Australian Government

Public Governance, Performance and Accountability Act 2013

34 Key priorities and objectives of the Australian Government

The Australian Government may, from time to time, publish a statement setting out its key priorities and objectives.

9. If the Australian Government has published a statement of its priorities and objectives under section 34 of the PGPA Act, subsection 35(3) of the Act requires a corporate plan to explain how an entity’s activities contribute to achieving those priorities and objectives. This requirement only applies if the purpose(s) of the entity relate to the priorities and objectives published in the statement. In addition, for entities that have enabling legislation, the requirement only applies to the extent that compliance with subsection 35(3) is not inconsistent with compliance with the enabling legislation.

Part 4 – Relationship between corporate plans and Portfolio Budget Statements

10. The majority of Commonwealth non-corporate and corporate entities receive some level of appropriation funding. As a result, key strategic information relevant to entities appears in their responsible Minister’s Portfolio Budget Statements (PBS) that accompany the annual appropriation acts.

11. The PBSs are publications presented to Parliament by the responsible portfolio Minister. They describe, at a strategic level, what is intended to be achieved with monies appropriated by parliament. The PBS explains the estimates for the purposes of the Budget Appropriation Bills and informs Senators and Members of Parliament of changes in the proposed allocation of resources to entities within the portfolio.

12. The PBS is a document that relates to a particular annual appropriation request to the parliament. The performance information in the PBS is a strategically focused subset of the performance information reported in an entity’s corporate plan, plus any performance measures that relate to material new activities being proposed for funding by the parliament. The performance information for established programmes that are reported in an entity’s PBS must have a strategic focus, and must be able to be read across to the entity’s corporate plan for that year. It is expected that the same strategic level performance measures, relating to the outcomes and the impacts sought, will be reported in the entity’s PBS and corporate plan.

2  Portfolio Budget Statements are produced for every appropriation bill where a Commonwealth entity within a portfolio is appropriated an amount by the parliament. This includes Portfolio Budget Statements, Portfolio Additional Estimates Statement, and Portfolio Supplementary Additional Estimates Statements.
Part 5 – Subsidiaries

Public Governance, Performance and Accountability Act 2013

35 Corporate plan for Commonwealth entities

Subsidiaries

(5) If the Commonwealth entity has subsidiaries, the corporate plan must cover both the entity and its subsidiaries. In particular, for each subsidiary the corporate plan must include details of any matters prescribed by the rules, so far as they are applicable.

13. The PGPA Act requires a corporate plan to cover both the entity and any subsidiaries it has. Under section 16E (2) of the PGPA Rule, the corporate plan must include a summary of how any subsidiary of the entity will contribute to achieving the entity’s purposes.

14. In practice, corporate plans will inherently incorporate any subsidiaries an entity may have; however, this may not require each subsidiary to be separately or specifically identified in the corporate plan. Entities should determine, on a case-by-case basis, if separate identification of a subsidiary is required. The main considerations should be the significance of the subsidiary and the effect it is expected have on the fulfilment of the entity’s purposes. If the subsidiary is expected to have a significant effect or contribution, the entity should specifically address the subsidiary in its corporate plan.

Part 6 – Overview of the corporate plan

What is a corporate plan?

15. The corporate plan is the primary planning document of an entity, informed by the entity’s internal planning processes, setting out the objectives and strategies it intends to pursue in achieving its purposes over at least four reporting periods. The size and complexity of an entity determines the scope and complexity of its internal planning processes and, by extension, the content of its corporate plan. In many cases, corporate plans will be informed by an entity’s strategic, operational and even individual planning processes. The majority of corporate plans will be public documents.3

How the corporate plan fits into entity internal planning processes (the apex of entity planning)

16. Figure 2 illustrates how the internal planning processes of an entity underpin and support the publicly reported corporate plan. Planning processes at the strategic level (e.g. group and functional plans), operational level (e.g. business plans), and individual level (e.g. individual performance and development agreements) fulfil specific planning requirements within an entity. These internal plans are often too detailed and internally focused to be released publicly, and some may contain confidential or sensitive information.

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3 Most corporate plans will be public documents. However, in some circumstances plans will contain commercially sensitive information or information on national security matters and may necessitate the publication of a modified corporate plan. For information on the publication of corporate plan please see part 10 of this guide.
17. Each entity needs to decide how its internal planning processes may be best used in developing the corporate plan. This will involve determining what aspects of its internal planning give the best quality insight into its purposes, significant activities and intended results. The corporate plan is unlikely to be a simple summation of internal planning.
18. Every Commonwealth entity subject to the PGPA Act is required to produce a corporate plan at least once each reporting period. Each plan, unless otherwise prescribed by the entity’s enabling legislation, is required to cover at least four reporting periods (usually four financial years). The first of these four reporting periods is known as ‘the reporting period for which the plan is prepared under paragraph 35(1)(a) of the Act’.

19. For example, a corporate plan prepared by an entity for the 2015-16 financial year should be titled as that ‘entity’s 2015-16 corporate plan’ and that plan must contain content that addresses the minimum requirements from 2015-16 to 2018-19 (minimum four reporting periods). For the following reporting period (2016-17), the entity will again prepare a corporate plan and this plan should be titled as that ‘entity’s 2016-17 corporate plan’. This updated corporate plan must contain content that addresses the minimum requirements from 2016-17 to 2019-20 (minimum four reporting periods).

20. The four-year horizon for a corporate plan allows an entity to outline its medium-term strategic direction, including detail about its significant activities, capability and risks. It also allows an entity to identify the key challenges and decision points and any trade-offs that may be required in achieving its purposes.

21. The PGPA Rule sets the minimum term for corporate plans. However, it does not preclude an entity from producing a corporate plan that covers a longer period if that best addresses the entity’s specific requirements.

22. Paragraph 35(1)(a) of the PGPA Act states that the corporate plan for a Commonwealth entity must be prepared at least once each reporting period. As a reporting period is usually a financial year, this means that the corporate plan must be prepared each financial year. The plan must start on the first day of the first reporting period to which it relates. Subsection 16E(6) allows for a corporate plan to be varied during the reporting period (see Part 11 of this guide for more information).

23. The intention of the corporate plan is to be the primary public planning document of the organisation. This Guide recognises that entities may wish to add further content that is relevant to explaining how they plan to deliver upon their specified purposes. Entities should feel free to include any additional information that, at their own discretion, assists this purpose.

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4 After the 2015-16 reporting period this entity’s will also produce its annual performance statements for that period that should be titled as that ‘entity’s 2015-16 Annual performance statements’. These statements will report the entity’s actual performance in the 2015-16 reporting period against its performance measures for that reporting period (i.e. the first period covered by the 2015-16 corporate plan) as prescribed in the entity’s 2015-16 corporate plan.
Minimum content requirements

24. Subsection 16E(2) of the PGPA Rule sets out the minimum content requirements for all corporate plans. Corporate plans must cover at least the following six matters:

- Introduction (statement of preparation and period of coverage).
- Purposes.
- Environment.
- Performance.
- Capability.
- Risk oversight and management.

Part 7(a) – Introduction (statement of preparation and period of coverage)

Public Governance, Performance and Accountability Rule 2014

16E Corporate plan for Commonwealth entities

Matters that must be included in corporate plan

(2) The following table sets out the matters that must be included in the corporate plan:

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Matters to be included</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
<td>The following:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) a statement that the plan is prepared for paragraph 35(1)(b) of the Act;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) the reporting period for which the plan is prepared;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) the reporting periods covered by the plan.</td>
</tr>
</tbody>
</table>

25. The corporate plan must include an introductory statement that:

- states that the plan has been prepared for paragraph 35(1)(b) of the PGPA Act. The statement may also refer to any other legislation applicable to the preparation of the plan
- specifies the reporting period for which the plan is prepared (usually the first financial year of the minimum four-year period covered by the plan; e.g. 2015–16)
- specifies the reporting periods covered by the plan (usually four financial years; e.g. 2015–16 to 2018–19).

Example statement of preparation

I/We, as the accountable authority of [entity name], present the [year for which the plan is prepared] [entity name] corporate plan, which covers the periods of [minimum four-year period], as required under paragraph 35(1)(b) of the Public Governance, Performance and Accountability Act 2013 and [reference to sections of other applicable legislation].
Part 7(b) – Purposes

Public Governance, Performance and Accountability Rule 2014

16E Corporate plan for Commonwealth entities

Matters that must be included in corporate plan

(2) The following table sets out the matters that must be included in the corporate plan:

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Matters to be included</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Purposes</td>
<td>The purposes of the entity.</td>
</tr>
</tbody>
</table>

26. The corporate plan must state the entity's purposes over the next four years.

27. The PGPA Act defines purposes as including ‘the objectives, functions or role’ of an entity. The aim of the purposes statement is to give context to the significant activities that the entity will pursue over the period covered by the plan.

28. When constructing their purposes statements, entities should consider all sources that contribute to defining their objectives, functions or role, such as:
   - key government priorities and objectives (statements made under section 34 of the PGPA Act)
   - Portfolio Budget Statements (outcomes and programmes)
   - enabling legislation
   - Administrative Arrangement Orders
   - other relevant legislation
   - other sources (e.g. national partnership agreements).

29. The purposes of an entity should be stated in a relevant and concise manner. Whenever possible, the purposes statement should be relevant for the medium to long term rather than simply a list of short-term goals. It may talk about the entity's significant activities during the period covered by the plan and the high-level results those activities are expected to achieve, including the wider social, economic and environmental effects.

30. If relevant the statement must include any key priorities and objectives relevant to the entity that have been published in a statement by the Australian Government under section 34 of the PGPA Act. Subsection 35(3) of the PGPA Act requires that if the Australian Government has published a statement of its key priorities and objectives under section 34 of the PGPA Act, and the purposes of an entity relate to those priorities and objectives, then the entity’s corporate plan must set out how the activities of the entity will contribute to achieving those priorities and objectives. Subsection 35(4) says that if the entity has enabling legislation, then subsection 35(3) applies only to the extent that compliance with that subsection is not inconsistent with compliance with that enabling legislation.
31. Entities may also address other legislative requirements and other specified outcomes, targets or directions of government that they may be subject to. These inclusions should be balanced against the interests of keeping the purposes statement concise.

**Purposes statement**

Entities may consider the following information in formulating their purposes statement, which should be concise and relevant for the medium to long term:

- the purposes ascribed to the entity in existing authoritative documents (e.g., by the parliament in any enabling legislation, by the Council of Australian Governments or joint ministerial councils, in the outcomes statements of appropriations legislation and Portfolio Budget Statements, and in descriptions published in the Administrative Arrangements Order)

- the role of the entity as described in published documents such as annual reports or previous corporate plans (in which the role may be expressed as the entity’s vision, mission, aspirations or values)

- the primary functions and responsibilities of the entity and its goals for the years ahead, including key priorities and objectives relevant to the entity that have been included in a statement published by the government under section 34 of the PGPA Act (subject to the provisions to subsection 35(4) of the Act).

**Part 7(c) – Environment**

**Public Governance, Performance and Accountability Rule 2014**

**16E Corporate plan for Commonwealth entities**

*Matters that must be included in corporate plan*

(2) The following table sets out the matters that must be included in the corporate plan:

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Matters to be included</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Environment</td>
<td>The environment in which the entity will operate for each reporting period covered by the plan.</td>
</tr>
</tbody>
</table>

32. The corporate plan must discuss the environment in which the entity will operate over the period of the plan. The environment statement should provide an explanation of the nature and intricacies of the environment in which the entity operates. This could include demographic, geographic or temporal factors that affect the entity and its work, and the regulatory or competitive environment that it operates in.

33. An entity could also discuss the main external and internal factors that affect or influence its performance. For example, the entity may describe the conditions, circumstances and trends that may affect its capacity to achieve its purposes or the demand for, or supply of, its services. These may include macroeconomic and microeconomic factors (productivity, efficiency, labour supply and revenue), administrative factors (legislation, regulations and government policy), technological factors (computer software and automation) and social factors (changes in consumer preferences and trends).
34. If some of these environmental issues relate to the risks faced by the entity, they should be identified in a way that allows for a clear read between this item and item 6 of subsection 16E(2) (see Part 7(f) of this guide).

**Environment statement**

When explaining their environmental context, and its potential effect on performance, entities could consider and address the following broad categories of environmental factors (and their ability to respond to those factors):

- **factors in full control of the entity** – factors in the environment that affect the entity’s performance, but that the entity can respond to and address

- **factors in partial control of the entity** – factors in the environment that affect the entity’s performance, but that the entity is able to respond to, and have a limited effect on, but that may be leveraged or utilised, in some way, to achieve a desired result

- **factors beyond the control of the entity** – factors in the environment that affect the entity’s performance, but that the entity cannot respond to or affect, but that have a substantial impact on its ability to deliver a desired result.

**Part 7(d) – Performance**

**Public Governance, Performance and Accountability Rule 2014**

**16E Corporate plan for Commonwealth entities**

*Matters that must be included in corporate plan*

(2) The following table sets out the matters that must be included in the corporate plan:

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Matters to be included</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Performance</td>
<td>For each reporting period covered by the plan, a summary of: (a) how the entity will achieve the entity’s purposes; and (b) how any subsidiary of the entity will contribute to achieving the entity’s purposes; and (c) how the entity’s performance will be measured and assessed in achieving the entity’s purposes, including any measures, targets and assessments that will be used to measure and assess the entity’s performance for the purposes of preparing the entity’s annual performance statements under section 16F.</td>
</tr>
</tbody>
</table>

35. The corporate plan must provide a summary of how an entity intends to fulfil its purposes over the period covered by the corporate plan. This detail must also include the planned performance measures, targets and assessments that the entity will use to assess its performance in achieving its purposes.

36. The performance information generated through these mechanisms provides meaningful information to parliament and the Australian public about the performance of the entity and whether it is achieving its purposes. It can also be a useful tool for line managers,
senior managers and accountable authorities to understand the impact of the activities they are responsible for, and to identify opportunities for better practice.

37. The performance information that an entity commits to collecting in its corporate plan should convey a coherent message and tell a meaningful story about what will be achieved over the periods of the plan. A good performance story answers the following questions: What did we do and how much? How well did we do it? Who was better off and why?

38. In general, a rich story will draw upon diverse sources for evidence. It will be told at different levels of detail and to different audiences at different times. It is clear that the extent to which performance information is good performance information in specific circumstances is critical to telling a meaningful performance story in those circumstances. Resource Management Guide No. 131 Developing good performance information outlines the key considerations in this area.

39. Commonwealth entities and accountable authorities should also note that the performance information for established programmes that are reported in an entity’s PBS should be maintained as a subset of the performance information reported within their corporate plans. PBS performance information has a strategic focus, and must be able to be read across to the entity’s corporate plan in any one year. It is expected that the same strategic level performance measures, relating to the outcomes and the impacts sought, will be reported in the PBS and an entity’s corporate plan.

Planned Performance information

40. An entity can make its own choice about how to structure and present the planned performance information it intends to include in its corporate plan (and report on in its annual performance statements).

41. Planned performance information (including any performance measures) should address each reporting period covered by the corporate plan. However, this does not require all aspects of performance to be addressed for every reporting period covered by the plan. Entities have flexibility in how they present their planned performance information over the periods covered by the corporate plan.

42. A corporate plan must approach planned performance so that it can be acquitted (at the end of the reporting period) in the entity’s annual performance statements. Beyond the first reporting period, (i.e. the forward three or more years), entities may present their planned performance information in a manner that best represents the intentions of the entity over that term.

43. Figure 4 shows a set of categories that could be used in structuring the performance information in corporate plans. This approach is offered as a suggestion only. It presents the required elements in items 2 and 4 of subsection 16E(2) of the PGPA Rule in a clear and structured way. This approach also allows for a clear read to the annual performance statements at the end of the reporting period (see Resource Management Guide No. 130 Overview of the enhanced Commonwealth performance framework).
Activities

44. When developing performance information for its corporate plan, an entity may identify the efforts it will undertake in pursuing the purposes of the entity as ‘activities’. Activities is a concept that is intended to act as a vehicle to be used by entities to compartmentalise what they are going to do to fulfil their purposes. As such, an activity is defined as a distinct effort of an entity undertaken to achieve a specific result (fulfilling purposes).

Activities: Identification

45. How an entity identifies its activities will determine the level at which it undertakes its performance measurement and the level at which it reports its actual performance within the annual performance statements.

46. Smaller entities that have a single purpose, and engage in a single significant activity, do not need to identify minor or supporting activities. They will still need to provide information to meet the core minimum requirements for the corporate plan, but only for their single activity. Large entities that undertake a more complex range of activities will need to identify multiple significant activities in their corporate plans. These entities will need to be careful to select only the most significant activities or key activity areas to avoid their corporate plans becoming overly detailed.

47. Each activity may have specific intended results and non-financial performance measures, including targets. These measures should be selected to give an understanding of an activity's intended result, what it will deliver to the community or specific target group and how it proposes to measure effectiveness and efficiency.
Activities: Intended results

48. Entities should clearly identify the intended results of each significant activity they undertake. The intended results should relate to, be consistent with and facilitate the fulfilment of the entity’s purposes.

49. A concise statement explaining a significant activity’s intended results may address some key questions about the activity, such as:
   - What issue, area of need, goal or intention has been identified for the activity?
   - What is known about the issue, area of need, goal or intention?
   - What is the scope of the issue, area of need, goal or intention?
   - How will the activity achieve its intended results?

Activities: Delivery strategy

50. Entities should consider outlining their strategies for achieving the intended results for each significant activity, including major projects and initiatives, and how they link to activities and assist the fulfilment of the entity’s purposes.

51. Entities could indicate the timeframe for the activity and its intended results. For example, if the activity has a 10 year timeframe, the strategy may take this into account. Entities may also wish to include evidence of actual and planned progress, against their strategy to assist in explaining how it is being implemented.

Activities: Resourcing

52. Entities may also consider specifying the resources they will allocate to each significant activity to achieve their intended results.

53. What resourcing information is included in an entity’s corporate plan is at the discretion of the entity. However, entities should remember that demonstrating how public resources have been applied to achieve their purposes (and what outcomes and impacts have been achieved with those resources) are key to public accountability.

54. Entities may consider including resourcing information such as:
   - the level of expenditure expected to be incurred by the activity over the four-year period of the corporate plan
   - the level of human resources (full-time equivalents) expected to be deployed on the activity, over the four-year period of the corporate plan.

Activities: Performance measurement and assessment

55. Entities must explain how they will measure and assess their performance in achieving their purposes over the reporting periods covered by the corporate plan.

56. Performance measurement is a way of monitoring and demonstrating an activity’s results. The sum of all significant activities’ performance should demonstrate the overall performance against its purposes statement. Good planned performance measures will give the reader a clear understanding of what success will look like and how it will be assessed. The annual performance statements will tell the reader about actual performance in the designated reporting period (usually a single financial year).

57. There are many methods that entities may use to measure performance. For further guidance, see Resource Management Guide No. 131 Developing good performance information.
Proposed structure for activity performance measurement reporting

The corporate plan should make clear what is being measured, when it will be measured, how it will be measured, and what the intended results are for each significant activity or key area of activity. The following format is offered by way of suggestion only. However, its adoption will allow entities to clearly articulate their intentions for the current and future years and will facilitate the production of the annual performance statements at the end of a reporting period.

When presenting performance measures in a corporate plan, entities should consider providing the following information for each measure.

<table>
<thead>
<tr>
<th>Description</th>
<th>a clear and concise explanation of the performance measure (i.e. what will be measured)</th>
</tr>
</thead>
<tbody>
<tr>
<td>When</td>
<td>an explanation of when, and over what term, the measurement will occur</td>
</tr>
<tr>
<td>Method</td>
<td>an explanation of the method that will be used to measure performance (for further guidance on methods for measuring performance, see Resource Management Guide No. 131 Developing good performance information)</td>
</tr>
<tr>
<td>Rationale</td>
<td>an explanation of how the measurement or approach will assess the performance achieved by the activity and why the method or methods chosen are suited to the activity</td>
</tr>
<tr>
<td>Target</td>
<td>details of what is expected to be achieved by the activity and how the measure will be able to determine whether target has been achieved</td>
</tr>
<tr>
<td>Previous result</td>
<td>details of any previous outputs of the measure to provide longitudinal perspective and context to current targets and goals</td>
</tr>
<tr>
<td>Related programmes</td>
<td>for entities that produce PBSs, details of related PBS programmes that the activity contributes to</td>
</tr>
</tbody>
</table>
Regulator Performance Framework

58. The Commonwealth Government’s Regulator Performance Framework (RPF) establishes a uniform set of performance measures for assessing regulator performance. The framework is administered by the Department of the Prime Minister and Cabinet and requires all Commonwealth regulators to be assessed and report against six key performance indicators: reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency, and continuous improvement.

59. Entities may use the performance reporting requirements of the enhanced Commonwealth performance framework (the corporate plan and annual performance statements) to address the reporting requirements of the RPF. If a regulatory function forms a significant activity of an entity, the entity should consider including the key performance indicators and the evidence that addresses the requirements of the RPF in its corporate plan and annual performance statements. However, entities should note that addressing the requirements of the RPF will not fulfil the minimum requirements for corporate plans under the PGPA Rule.

60. The key performance indicators in the RPF address the administrative efficiency and effectiveness of a regulatory function, which constitute just one aspect of the purposes of an entity. To address the minimum requirements of the PGPA Rule (i.e. addressing how the entity will achieve its purposes), a more comprehensive representation of the entity, its purposes and the significant activities it intends to undertake to fulfil them, is required in the corporate plan.

61. For further information and guidance on entities’ responsibilities under the RPF, see https://www.dpmc.gov.au/office-best-practice-regulation/about/regulator-performance-framework

Part 7(e) – Capability

Public Governance, Performance and Accountability Rule 2014:

16E Corporate plan for Commonwealth entities

Matters that must be included in corporate plan

(2) The following table sets out the matters that must be included in the corporate plan:

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Matters to be included</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Capability</td>
<td>The key strategies and plans the entity will implement in each reporting period covered by the plan to achieve the purposes of the entity.</td>
</tr>
</tbody>
</table>

62. As a central planning document for an entity, the corporate plan will address the key strategies to be used to achieve the purposes of the entity. For this item, entities may describe their current capability and assess how their capability needs may change over the term of the corporate plan. They may also outline the strategies they will put in place to build the capability they need in areas such as (but not limited to) staffing, capital investment or ICT.
Workforce planning
Entities that wish to refer to their workforce planning activities could discuss aspects of workforce demand and supply such as:

- high-level trends and developments that are affecting or may affect their workforce
- current workforce capability requirements and gaps
- anticipated future workforce capability requirements and gaps
- strategies and initiatives to address key workforce capability gaps
- current and anticipated future workforce supply in terms of capacity and capability.

Capital investment strategy
If they wish to discuss their plans for significant capital investments, entities might:

- refer to investments that are expected to make a significant contribution to their resources and capability
- explain their strategies for planning for and managing their capital assets and any capital pressures they expect to experience.

ICT capability
If they wish to discuss ICT capability, entities could:

- briefly outline their technology strategy to support future business requirements. This may include key objectives and focus areas for development in ICT capability over the short, medium and long terms and consideration of the drivers for change
- explain how their technology strategy aligns with broader trends in technological development (including from a whole-of-government perspective)
- identify proposed improvements in ICT capability that are expected to be achieved through collaboration, co-investment and/or shared services between entities.

63. An entity may also use this section of the corporate plan to identify any other significant resource and organisational capacity strategies it plans to implement during the term of the plan.
**Part 7(f) – Risk oversight and management**

**Public Governance, Performance and Accountability Rule 2014**

**16E Corporate plan for Commonwealth entities**

*Matters that must be included in corporate plan*

(2) The following table sets out the matters that must be included in the corporate plan:

<table>
<thead>
<tr>
<th>Item</th>
<th>Topic</th>
<th>Matters to be included</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Risk oversight and management</td>
<td>A summary of the risk oversight and management systems of the entity for each reporting period covered by the plan (including the measures that will be implemented to ensure compliance with the finance law).</td>
</tr>
</tbody>
</table>

64. Entities should explain how risk management will underpin their approach to achieving their purposes. Appropriate risk-taking and innovation are consistent with the proper use of and management of public resources. As a strategic planning document, the corporate plan should demonstrate that effective risk management priorities have been considered and implemented.

65. Section 16 of the PGPA Act provides that accountable authorities of all Commonwealth entities must establish and maintain appropriate systems of risk oversight, management and internal control for the entity.

66. The Commonwealth Risk Management Policy, released by Comcover, applies to non-corporate Commonwealth entities to support compliance with section 16 of the PGPA Act. Corporate Commonwealth entities are not required to comply with the policy, although the policy says they may review and align their risk management frameworks and systems with the policy as a matter of good practice.

**Part 8 – Entities with enabling legislation**

67. The PGPA Act does not affect the operational independence of statutory entities as set out in their enabling legislation or the requirements imposed on them by that legislation. The enabling legislation of a number of entities sets out requirements for the preparation of their corporate plans. These include disclosure, release and variation requirements.

68. If an entity’s enabling legislation contains requirements for corporate plans that are different from the requirements of the PGPA Act and associated rules, the requirements of the enabling legislation may take priority.

69. Similarly, if an entity already produces a product, under its enabling legislation or otherwise, that can be modified to meet the minimum requirements, e.g. a strategic plan, then the entity can put that product forward as its corporate plan. This product could then perform a dual purpose.
Part 9 – Government business enterprises

Public Governance, Performance and Accountability Rule 2014

Section 5 Government business enterprise

(1) Each of the following Commonwealth entities is a government business enterprise:
   (a) the Australian Government Solicitor;
   (b) the Australian Postal Corporation;
   (c) Defence Housing Australia.

70. Section 5 of the PGPA Rule identifies those Commonwealth entities that are government business enterprises (GBEs) for the purposes of the PGPA Act.

71. GBEs are required to prepare corporate plans in accordance with the minimum requirements set out in section 16E of the PGPA Rule, but are also to refer to the Commonwealth Government Business Enterprise – Governance and Oversight Guidelines (the GBE Guidelines). The guidelines are available at www.finance.gov.au/publications/governance-arrangements/docs/GBE_Guidelines.pdf.

72. GBEs that fully comply with the GBE Guidelines (with specific reference to the corporate planning requirements contained therein) will meet the minimum requirements for corporate plans under the PGPA Act and associated rules.

Part 10 – Publication requirements

73. From the 2015–16 financial year onwards, entities must publish their corporate plans on their websites by 31 August each year (or the end of February for entities that operate on a calendar year basis), unless another date is specified for an entity in its enabling legislation.

74. Accountable authorities are required to provide a copy of the corporate plan to their responsible Minister and the Minister for Finance as soon as practicable after the plan is prepared.

Sensitive information

Public Governance, Performance and Accountability Rule 2014

16E Corporate plan for Commonwealth entities

Corporate plan must be published

(4) However, if the accountable authority considers that the corporate plan contains information that:
   (a) is confidential or commercially sensitive; or
   (b) could prejudice national security;
then only so much of the corporate plan that does not contain that information must be published under subsection (3).
75. If the corporate plan includes commercially confidential or sensitive information or information on national security matters that, if published, could prejudice the national security interests of the Commonwealth, a supplementary corporate plan may be prepared for publication on the entity’s website that excludes such matters.

76. Information may be considered for omission from the publicly available corporate plan if:

- release of the information would cause competitive detriment to an entity
- the information is not and should not be in the public domain
- the information is not required to be disclosed under another law of the Commonwealth, a state or a territory
- the information is not readily discoverable
- the information relates to Australia’s defence, national security or law enforcement activities.


78. If a corporate plan and a supplementary corporate plan, however described, are prepared, both must be provided to the responsible Minister and Minister for Finance before the supplementary corporate plan is published.

**Intelligence, security and listed law enforcement agencies**

79. Intelligence, security and listed law enforcement agencies covered by the PGPA Act may seek an exemption from the corporate planning requirements. Under paragraph 105D(3)(a) of the PGPA Act, the Minister for Finance may, by written instrument, modify requirements of the Act for an intelligence, security or listed law enforcement agency in relation to preparing and publishing a corporate plan under section 35 of the PGPA Act. The responsible Minister needs to write to the Minister for Finance seeking such a modification.
Part 11 – Variations to corporate plans – notification and minimum review requirements

Public Governance, Performance and Accountability Rule 2014

16E Corporate plan for Commonwealth entities

Variation of corporate plan

(6) If the corporate plan is varied during the reporting period for which the plan is prepared and the accountable authority of the entity considers that the variation is significant, then:

(a) this section applies to the plan as varied; and

(b) subsection (3) applies as if it requires the plan to be published as soon as practicable after the plan is prepared (instead of it requiring the plan to be published by the last day of the second month of the reporting period for which the plan is prepared).

80. Corporate plans must be reviewed at least annually; however, they may also be updated during the year if necessary. A plan should be updated to reflect any new purposes or key priorities for an entity; changes in the operating environment; new activities that warrant inclusion in the corporate plan; significant new performance measures, targets or tools that will be used to measure or assess performance; and key changes in the capability of the entity or in its risk management approach.

81. In short, if there is any new matter or material change to any item outlined in subsection 16E(2) of the PGPA Rule, it should be reflected in the annual review for the plan. At the same time, every annual review of the plan should reflect the new time horizon for the plan.

82. At any time, accountable authorities may vary corporate plans at their own discretion, to reflect changes in the operations and activities of the entity.

83. If circumstances require a corporate plan to be varied during the reporting period, and the variation is significant, a copy of the revised plan must be provided to the responsible Minister and the Minister for Finance and published on the entity's website.