This guide contains material that has been prepared to assist Commonwealth companies 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 companies and officials ’should’ do; and actions, or practices, that companies and officials are expected to take into account to give effect to those principles and/or requirements are set out as things companies and officials ‘should consider’ doing.
## Contents

AUDIENCE .............................................................................................................................................................. 2  
KEY POINTS............................................................................................................................................................. 2  
RESOURCES ............................................................................................................................................................ 2  
PART 1 – INTRODUCTION .......................................................................................................................................... 3  
  *What is a corporate plan?* ........................................................................................................................................ 3  
PART 2 – MINIMUM REQUIREMENTS OF THE CORPORATE PLAN ................................................................................ 3  
PART 3 – KEY PRIORITIES AND OBJECTIVES OF THE AUSTRALIAN GOVERNMENT ......................................................... 5  
PART 4 – SUBSIDIARIES ............................................................................................................................................. 5  
PART 4 – GOVERNMENT BUSINESS ENTERPRISES ............................................................................................................ 5  
PART 6 – INCLUDING OTHER INFORMATION IN THE CORPORATE PLAN ................................................................................. 6  
PART 7 – PUBLICATION REQUIREMENTS ....................................................................................................................... 6  
  *Sensitive information* ............................................................................................................................................. 6  
PART 8 – VARIATIONS TO CORPORATE PLANS – NOTIFICATION AND MINIMUM REVIEW REQUIREMENTS .............................. 7
Audience

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

Key points

This guide:

- gives guidance on the obligations of directors under section 95 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to prepare a corporate plan for a company
- provides information on the minimum requirements, as prescribed by the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) in sections 16E and 27A, for corporate plans published by companies.

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 on the enhanced Commonwealth performance framework:

|---------|------------------------------------------------------------|---------------------------------------------------------------|
Part 1 – Introduction

1. Section 95 of the PGPA Act requires all Commonwealth companies subject to the Act to prepare and publish corporate plans. Sections 16E and 27A of the PGPA Rule establish a minimum set of requirements for Commonwealth companies’ corporate plans. These requirements do not require Commonwealth companies to publish information of a commercially confidential or sensitive nature in their corporate plans. For further guidance on sensitive information, see Part 6 of this guide.

What is a corporate plan?

2. Corporate plans are the principal planning documents published by companies. A corporate plan should set out clearly what a company’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 activities the company will undertake over the period covered by the plan (usually four financial years).

3. Many Commonwealth companies already produce corporate planning documents as part of their normal governance arrangements. However, the PGPA Act and the PGPA Rule now introduce a uniform requirement on all Commonwealth companies to prepare a corporate plan to meet their obligations to their government shareholders.

4. The minimum content requirements that companies are required to address in their corporate plan are:

- the purposes of the company
- the broader environment within which the company works
- the planned performance of the company (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 company, including the plans and strategies it will implement to achieve its purposes
- the company’s risk oversight and management systems.

5. 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 directors of companies who are responsible for developing and tailoring their corporate plans to suit their companies’ particular circumstances.

Part 2 – Minimum requirements of the corporate plan

6. The requirements for corporate plans set out in the PGPA Rule are intended to be the minimum requirements for all corporate plans. Companies can address the requirements in the manner they deem appropriate for their particular circumstances. It is the responsibility of each company to decide at what level information should be presented.

7. At a minimum, companies must prepare and publish a corporate plan annually. Each corporate plan must cover a period of at least four financial years.

8. The corporate plan must contain content that addresses the minimum ‘matters for inclusion’ detailed in sections 16E(2) and 27A of the PGPA Rule, which are:
• an introduction by the directors of the company that:
  o states that the corporate plan has been prepared in accordance with the
  *Public Governance, Performance and Accountability Rule 2014*
  o specifies the reporting (financial year) for which the plan was prepared
  o specifies the reporting periods period covered by the plan (minimum of
    four financial years)

• the purposes of the company, detailing the objectives, functions or role of the
  company over the period of the plan

• the environment in which the company will operate over the period covered by
  the plan. In meeting this requirement consideration could be given to:
  o the main external and internal factors that affect or influence the
    company's performance
  o demographic, geographic or temporal factors that affect the company, and
    the regulatory or competitive environment that it operates within

• the planned performance of the company over the period of covered by the plan.
  In meeting this requirement consideration could be given to:
  o details of significant activities that the company will undertake to fulfil its
    purposes
  o the company's goals and/or targets
  o how the performance of the company will be measured and assessed to
    demonstrate how well the purposes of the company will be fulfilled

• the capability of the company, detailing the key strategies and plans the company
  will implement to achieve its purposes over the period covered by the plan - in
  meeting this requirement consideration could be given to the current capability of
  the company
  o how the capability needs of the company may change over the term of the
    plan
  o the strategies and plans that will be put in place to address the current and
    future needs of the company - strategies and plans may include
    consideration of Workforce, Capital and ICT capability

• risk oversight and risk management of the company over the period of the plan.
  In meeting this requirement consideration could be given to:
  o how risk management is incorporated into the company's approach to the
    fulfilment of its purposes; as identified above.
  o the risk management practices and measures that will be implemented
    over the period covered by the corporate plan.
Part 3 – Key priorities and objectives of the Australian Government

9. Subsection 95(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 a company relate to those priorities and objectives, then the company's corporate plan must set out how the activities of the company will contribute to achieving their priorities and objectives.

Part 4 – Subsidiaries

10. The PGPA Act requires a corporate plan to cover both the company and any subsidiaries it may have. Under section 16E of the PGPA Rule, the corporate plan must include a summary of how any subsidiary of the company will contribute to achieving the company's purpose.

11. In practice, summarising the activities of subsidiaries may not require each subsidiary to be separately or specifically identified in the corporate plan. Companies should determine, on a case-by-case basis, if separate identification of a subsidiary or its activities is required. The main considerations will be the significance of the subsidiary’s activities and the effect they have on the fulfilment of the company's purposes. If the activities of a subsidiary have a significant effect, the company should specifically address those activities in its corporate plan.

Part 4 – Government business enterprises

Public Governance, Performance and Accountability Rule 2014

Section 5 Government business enterprise

(2) Each of the following Commonwealth companies is a government business enterprise:

(a) ASC Pty Limited (ACN 008 605 034);
(b) Australian Rail Track Corporation Limited (ACN 081 455 754);
(d) Moorebank Intermodal Company Limited (ACN 161 635 105)
(e) NBN Co Limited (ACN 136 533 741);

even if the company changes its name.

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


14. 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 6 – Including other information in the corporate plan

15. Companies may include any additional information that they consider to be relevant to explaining how they plan to deliver upon their specified purposes.

Part 7 – Publication requirements

16. From the 2015–16 financial year onwards, companies must publish their corporate plans on their websites by 31 August each year.\(^1\)

17. Company directors are also 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

18. If the corporate plan includes commercially confidential or sensitive information, a supplementary corporate plan may be prepared for publication on the company’s website that excludes such matters.

19. Information may be considered for omission from the publicly available corporate plan if the information relates to Australia’s defence, national security or law enforcement activities and:
   a. release of the information would cause competitive detriment to a company
   b. the information is not and should not be in the public domain
   c. the information is not required to be disclosed under another law of the Commonwealth, a state or a territory
   d. the information is not readily discoverable.

20. The existing practice of GBEs of preparing and publishing a statement of corporate intent in place of publishing a full corporate plan, in the interest of not disclosing commercially sensitive information, will remain a valid approach for GBEs under subsection 16E(4) of the PGPA Rule. For more information on statements of corporate intent, see www.finance.gov.au/publications/governance-arrangements/docs/GBE_Guidelines.pdf.

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

---

\(^1\) Publication timeframes may vary according to the legislation the company is subject to. Under the PGPA Rule companies are required to publish their corporate plan by the last day of the second month of each reporting period (i.e. 31 August). However, this may change where other relevant legislative requirements have authority.
22. Corporate plans must be reviewed at least annually. However, they may also be updated on an as needed basis should the company deem it necessary. At any time, directors may vary corporate plans at their own discretion, to reflect changes to purposes, activities or operating environment of the company.

23. If a corporate plan is varied during the reporting period, then a revised copy of the plan must be prepared as soon as practicable and provided to the responsible Minister and the Minister for Finance by the accountable authority or director before publishing in accordance with the requirements in subsection 16E(6) of the PGPA Rule.