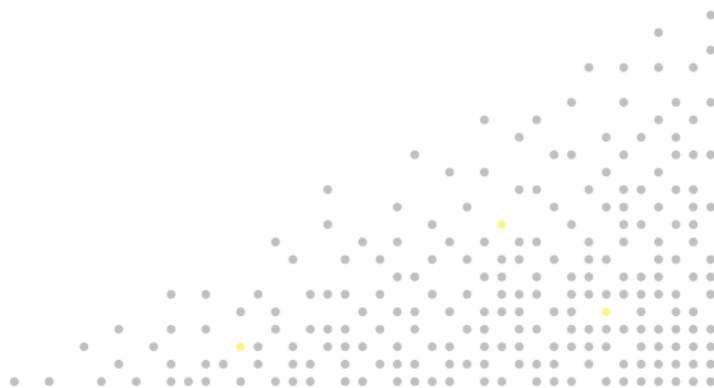




Australian Government
Department of Finance



The enhanced Commonwealth performance framework

2017-18 corporate plans

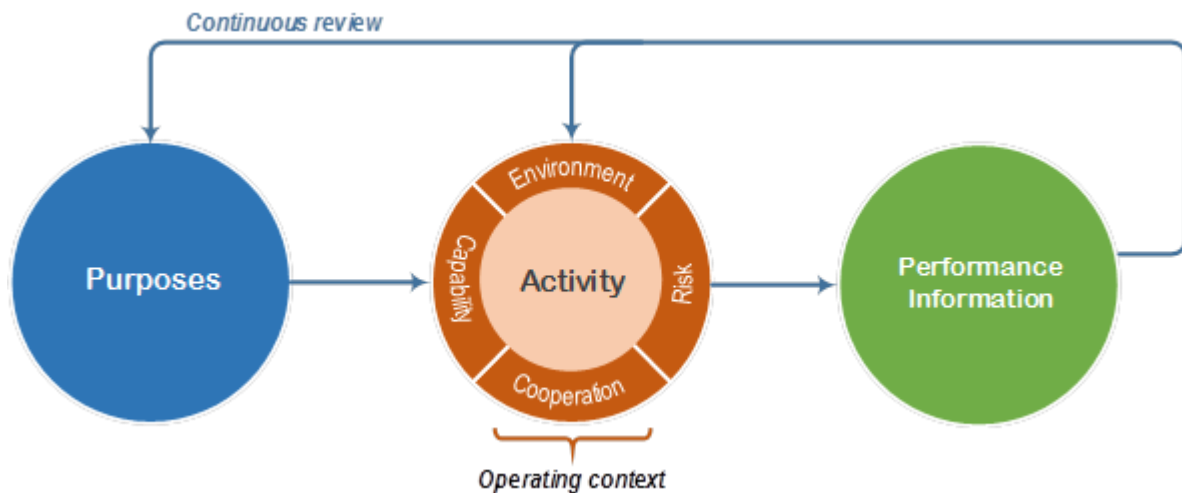
LESSONS LEARNED

This paper summarises progress on the development of corporate plans under the *Public Governance, Performance and Accountability Act 2013*. It is based on Finance's qualitative analysis of the 2017-18 corporate plans against criteria outlined in [Appendix A](#). It includes examples of better practice to assist Commonwealth entities and companies to develop planning and performance reporting frameworks and performance information.

Enquiries: pmra@finance.gov.au

The Commonwealth Performance Framework

The Commonwealth performance framework, which came into effect with commencement of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), has three inter-dependant elements – purposes, operating context and performance information used to demonstrate the achievement of purposes.



The PGPA Act defines purposes as the objectives, role or functions of a Commonwealth entity. Well-expressed purpose statements make it clear who benefits from an entity’s activities, how they benefit and what is achieved when an entity successfully delivers its purposes. Essentially, purposes describe the value an entity seeks to create or preserve.

Purposes are pursued and achieved within an entity’s operating context, which is characterised as the:

- activities undertaken by an entity to deliver on its purposes
- environment in which the entity undertakes in pursuing its purposes
- risks associated with pursuing purposes, and the way in which the entity engages with these risks
- how an entity cooperates and collaborates to achieve its purposes
- capability required to undertake activities to achieve purposes

Performance information is used to gauge the extent to which the entity is achieving against its purposes. Under the enhanced Commonwealth performance framework, performance information is more than just ‘measures’ or ‘indicators’ of success. It includes, as appropriate, a combination of quantitative and qualitative data and modes of analysis to tell the complete performance narrative in a way that is fit for purpose according to each entity.

As expressed in the explanatory memorandum for the PGPA Act, “the corporate plan is the primary planning document of an entity, setting out the objectives and strategies the organisation is to pursue and the outcomes it hopes to achieve in the coming year. The plan

should also explain how the resources of the entity will be used to achieve the priorities of government”.¹

The corporate plan and the reconciliation of performance information in annual performance statements, are the vehicles through which the accountable authority of an entity provides assurance to Parliament and the public that they are meeting the requirements of the PGPA Act. The corporate plan allows the accountable authority to meet their duty to keep the responsible Minister and Finance Minister informed of the activities of the entity.

Summary of observations

Many Commonwealth entities and companies have made progress since the publication of their first corporate plans in 2015. Entities’ corporate plans show an increasing level of maturity with plans going beyond merely complying with the minimum requirements prescribed in the PGPA Rule.

The 2015–16 and 2016-17 lessons learned papers identified particular elements in the first two sets of corporate plans that represented better practice. This year, there are good examples of entities whose corporate plans show maturity and a forward outlook that allows the reader to understand how the entity positions itself within its operating context to achieve its purposes.

There is evidence that the lessons learned from the previous sets of corporate plans have been noted and built upon in the 2017-18 corporate plans. Improvements are evident in the following areas:

- ***Integration*** – Better practice 2017-18 corporate plans showed clear alignment through the different sections of the plans. Some corporate plans were well integrated with the entity’s previous plans and enabled the reader to track the development of particular issues over time. As corporate plans continue to mature and evolve, integration is a key focus point for development in the next round of corporate plans.
- ***Clear and concise purpose statements*** – Most of the 2017-18 corporate plans include examples of clear and concise purpose statements. Examples of better practice purpose statements across a sample of Commonwealth entities are provided in Section 2 of this paper.
- ***Operating Context*** – Entities are doing a much better job of describing the environment in which they operate including discussion of enterprise risk and a recognition of the potential for change in the environment over the four-year reporting period of the plan. Examples of better practice in operating context include discussions of how the entity positions itself in relation to this environment. Section 3 of this paper highlights some of these.
- ***Focusing on improving performance information*** – Entities have worked on the quality of performance information in their corporate plans. There is a notable shift towards more outcome based measures and away from output based measurement. Good performance

¹ Explanatory Memorandum, *Public Governance and Accountability Bill 2013*, p. 31.

information is relevant, reliable and complete. Better practice examples across a diverse range of activities are included in Section 4 of this paper.

Compliance:

- ***Understanding and meeting publication requirements*** – 156 out of 166 (94%) Commonwealth entities published their corporate plans as required on or before 31 August 2017. This compares to 97% meeting publishing date requirements in 2016. The main reasons for missing the target date were clearance and operational issues. Finance encourages entities to refer to the guidelines on publishing for the most up to date information.
- ***Four-year outlook and forward focus*** – the PGPA Rule requires that corporate plans cover at least a four-year reporting period. Those who addressed the 2017-18 reporting period only in the body of the plan did not meet the requirements of the PGPA Rule.

Finance will continue to support the work of entities and companies through communities of practice, improved guidance and other assistance. With the publication of each round of PBSs, corporate plans and annual performance statements, a better understanding will develop across the system of how these elements combine to tell a full performance story.

Links to the lessons learned papers and performance audits are provided on page five. People who have recently become involved in the Commonwealth performance framework are encouraged to access these resources.

Appendixes

Appendix A – Assessment criteria

Resources

Resource Management Guide No. 131 Developing Good Performance Information http://finance.gov.au/sites/default/files/RMG%20131%20Developing%20good%20performance%20information.pdf
Resource Management Guide No. 132 Corporate Plan for Commonwealth Entities http://www.finance.gov.au/sites/default/files/RMG_132_Corporate_plans_for_Commonwealth_entities_Mar17.pdf
Resource Management Guide No. 133 Corporate Plan for Commonwealth Companies http://www.finance.gov.au/sites/default/files/RMG_133_Corporate_plans_for_companies_Mar17.pdf
Lessons Learned 2015-16 Corporate Plans http://www.finance.gov.au/sites/default/files/2015-16_Corporate_Plan_Lessons_Learned_Final.pdf
Lessons Learned 2015-16 Annual Performance Statements http://www.finance.gov.au/sites/default/files/2015-16_APS_Lessons_Learned_Final_May17.pdf
Lessons Learned 2016-17 Corporate Plans http://www.finance.gov.au/sites/default/files/2016-17_Corporate_Plan_Lessons_Learned_Jan_17.pdf
Australian National Audit Office Performance Audit Report - Corporate Planning in the Australian Public Sector (2015-16 Corporate Plans) https://www.anao.gov.au/work/performance-audit/corporate-planning-australian-public-sector-2015-16
Australian National Audit Office Performance Audit Report – Implementation of the Annual Performance Statement Requirements 2015-16 https://www.anao.gov.au/work/performance-audit/implementation-annual-performance-statements-requirements-2015-16
Australian National Audit Office Performance Audit Report - Corporate Planning in the Australian Public Sector (2016-17 Corporate Plans) https://www.anao.gov.au/work/performance-audit/corporate-planning-australian-public-sector-2016-17
Australian National Audit Office Performance Audit Report – The Management of Risk by Public Sector Entities https://www.anao.gov.au/work/performance-audit/management-risk-public-sector-entities
Resource Management Guides – Managing Performance http://finance.gov.au/resource-management/performance/
Public Management Reform Agenda – Enhance Commonwealth Performance Framework http://www.finance.gov.au/resource-management/pmra/performance/

Section 1: Integration

An integrated corporate plan shows a logical sequence of planning information and demonstrates the relationships between the various sections of the plan. It shows an understanding of the interdependencies between the elements of the enhanced Commonwealth performance framework. In addition, an integrated corporate plan shows development from the entity's plans published in previous years.

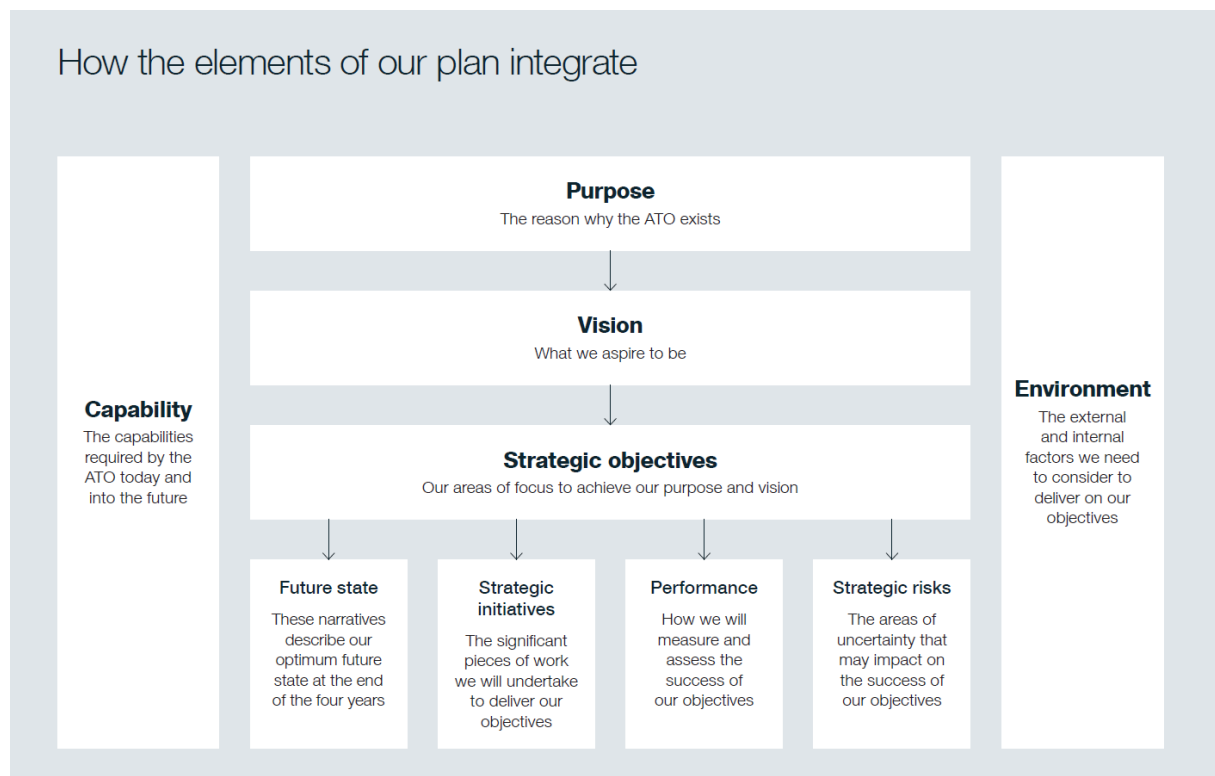
Integration is a key indicator of maturity in corporate planning. As entities enter the third reporting cycle under the enhanced performance framework, the integration of the corporate plan is an increasingly important factor. This section includes examples of clear integration from amongst corporate plans published in 2017-18.

A corporate plan should take a forward-looking view of the entity's operating context and discuss anticipated changes or otherwise in this context. This awareness should carry through the entire plan.

AUSTRALIAN TAXATION OFFICE (ATO)

The ATO has explicitly stated the interrelationship between the elements of its corporate plan, and shows how these elements work in concert.

It has provided a very readable visual explanation of the linkages underpinning the entity's corporate planning processes.



AUSTRALIAN BUILDING AND CONSTRUCTION COMMISSION (ABCC)

(See following page for example)

The ABCC has a well-integrated plan with a clear forward focus. The structure of the plan follows a logical sequence. ABCC presents its purposes up front in the document – this consists of a statement around its role, the purposes as stated in the *Building and Construction Industry (Improving Productivity) Act 2016*, and the core activities used to achieve its purposes.

The plan then outlines the entity's operating context and describes the change anticipated within this environment and how it will position itself to manage this change.

The ABCC has included a visual representation of its purposes and core activities to emphasise that the performance information it produces is relevant to judging its achievement of purpose.

5. Performance

5.1 Mapping of role, purposes and activities

ROLE	To promote an improved workplace relations framework to ensure that building work is carried out fairly, efficiently and productively for the benefit of all building industry participants, without distinction, and for the benefit of the Australian economy as a whole.		
PURPOSES	To enforce workplace relations laws in the building and construction industry through the provision of education, assistance and advice, and where necessary, civil penalty litigation in the courts.		
	To ensure compliance with Building Codes by educating the industry, monitoring compliance, and where appropriate, seeking rectification by or sanctions against non-compliant contractors.		
CORE ACTIVITIES	Education, assistance and advice	Compliance	Enforcement
ENABLING ACTIVITIES	Information and analysis		
	Corporate services		

5.2 Overview of activities

The ABCC's three core activities are:

- 1. Education, assistance and advice**
Educate building industry participants about their rights and responsibilities under Australian workplace relations laws and Building Codes.
- 2. Compliance**
Conduct activities that assess and improve compliance with Building Codes, including seeking rectification by, or sanctions against, non-compliant contractors.
- 3. Enforcement**
Where necessary pursue civil penalty litigation in the courts for alleged breaches of workplace relations law.

These core activities describe the services that the ABCC provides to the building and construction industry in order to achieve its purpose. The primary key performance indicators (KPIs) that assess the ABCC's delivery of these external-facing services are contained in the Portfolio Budget Statements and this Corporate Plan. Other internal measures are reflected under the same headings in the agency's Business Plan.

The ABCC's core activities are supported by two enabling activities:

- 4. Information and analysis**
Analyse internal and external information sources to support the agency's goal of being an intelligence-led organisation.
- 5. Corporate services**
Support the business by providing quality corporate services.

The agency's enabling activities provide the support required to ensure that the business makes strategic decisions based on solid evidence, and has the personnel, training, equipment and resources required to achieve the best possible outcomes. The enabling activities are outlined in the Corporate Plan for context. The KPIs associated with these internal functions are contained in the Business Plan.

The KPIs and targets set out in the ABCC's 2017-18 Corporate Plan have been selected on the basis of legislative and policy requirements, research, and past performance data. The ABCC's performance will be evaluated using various methodologies, including data analysis and external surveys. In line with the requirements of the PGPA Act, the ABCC will assess its performance against these targets in the annual performance statement, which will be provided to the Minister for Employment and published in the Annual Report.

DEPARTMENT OF PARLIAMENTARY SERVICES

(See pages 10 and 11 for example)

The Department of Parliamentary Services (DPS) combines the elements of its corporate plan into 'Outcomes, Activities and Results' sections based on strategic themes. These are presented in a concise format describing the activities, contributing outputs and intended results by which it achieves its purpose. Performance criteria are accompanied by relevant details from the department's operating context.

In this example DPS acknowledges that to enhance Parliament's engagement with the community, it needs to take account other activities and events that are taking place within its operating environment. The contributing outputs table includes Canberra Festival events that occur during the planning period. These events provide opportunities for DPS to engage with the Australian community, and require planning for potentially increased visitation to Parliament House during those times.

OUTCOMES, ACTIVITIES AND RESULTS

Enhance the Parliament's engagement with the community

HIGH LEVEL ACTIVITIES

- Improve electronic access to parliamentary information
- Improve the accessibility and quality of services for visitors to APH, and
- Support international parliamentary strengthening initiatives.

CONTRIBUTING OUTPUTS

Activity	KPI Reference (figure 8, p. 16)	Responsible Division	2017–18				2018–19				2019–20				2020–21			
			Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Visitor and school tours and events	3, 4, 5, 6, 7, 8	Chief Operating Officer																
30th Anniversary of APH	1, 2, 3, 4, 5, 6, 7, 8	Chief Operating Officer																
Canberra Festival parallel program	1, 2, 3, 4, 5, 6, 7, 8	Chief Operating Officer																
• Enlighten																		
• Floriade																		
• Design Canberra																		
Delivery of captioning services	12, 13, 14	Information Services Division																
Delivery of Hansard services	12, 13, 14	Information Services Division																
Delivery of Audio Visual services	12, 13, 14	Information Services Division																

INTENDED RESULTS

- Enhance our visitor experience and community engagement including the use of social media and emerging technologies
- Enhance electronic access to parliamentary information for the community to engage easily with the parliamentary process, and
- Champion opportunities for parliamentary strengthening.

PERFORMANCE

Performance Criteria	Key Performance Indicators	Target	Portfolio Budget Statement (page)	2017-18	2018-19	2019-20	2020-21
Number and type of visitor interactions	1. Number of visitors	» to the same period last year	15	✓	✓	✓	✓
	2. Number of virtual visitors	» to the same period last year	15	✓	✓	✓	✓
	3. Number of visitors for DPS school tours	» to the same period last year	15	✓	✓	✓	✓
	4. Number of participants to DPS organised tours and events	» to the same period last year	15	✓	✓	✓	✓
Visitor satisfaction with APH experience	5. % of visitor feedback indicating their visit met or exceeded expectations	85%	15	✓	✓	✓	✓
	6. % of virtual visitor feedback indicating their visit met or exceeded expectations	85%	15	✓	✓	✓	✓
	7. % of school feedback indicating their visit met expectation	85%	15	✓	✓	✓	✓
	8. % of participants attending DPS tours and events feedback indicating their visit met or exceeded expectations	85%	15	✓	✓	✓	✓
Hansard Service KPIs are achieved	9. % of individual draft speeches delivered within two hours of speech finishing	85%	16	✓	✓	✓	✓
	10. % of electronic proof Hansard reports delivered within agreed timeframes	95%	16	✓	✓	✓	✓
	11. % of committee transcripts delivered within agreed timeframes	95%	16	✓	✓	✓	✓

KEY ENVIRONMENTAL CHALLENGES

Environmental Challenges	Activity	Timeframes
Challenges in partial control of DPS		
Our relationships with the other parliamentary departments	Department Head meetings	Quarterly
Client expectations	Various governance committees	In accordance with the terms of reference
Accessibility to APH for building occupants and visitors	Capital Works Plan	Ongoing
	Visitor Experience activities	Ongoing
Opportunities and challenges presented by changes in technology	ICT Strategic Plan	Reviewed every 4 years
	Parliamentary Information and Communication Technology Advisory Board	Quarterly
The safety and security of all Parliament House occupants and visitors, including the many school children who visit Parliament House each year	Security Management Board	In accordance with the meeting schedule [every 6-8 weeks]
Challenges beyond the control of DPS		
The parliamentary calendar	Our activities are scheduled around sitting and non-sitting periods	Ongoing
The Federal election cycle	No activities required in the 2017-18 reporting period	Ongoing
International and interstate visitors to Canberra	Various visitor experience activities and communications	Ongoing

CAPABILITY REQUIREMENTS

Customer focus	Communication	Innovation	Accountability	Leadership
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ENTERPRISE RISKS

- DPS fails to maintain and support the functioning of APH.

Section 2: Purpose Statements

The quality of purpose statements in the 2017-18 corporate plans sees further progress in the improvement seen in 2016-17 corporate plans. This section includes better practice of examples of purpose statements.

Purpose statements are most effective where they are stated up front in the document and presented as a standalone section or under the heading 'Purpose'.

Good purpose statements are succinct, expressed in plain English and identify what the entity does, why it does it and whom it does it for. In cases where the purpose of the entity is derived from its enabling legislation, the strongest statements referenced the legislation in addition to emphasising the above characteristics.

Embedding the purpose statement in the introductory letter or not distinguishing purposes from mission or vision statements can impede a clear read in the document. It can impede the integration of purposes across subsequent sections of the corporate plan.

DEPARTMENT OF FINANCE

Purpose

Finance assists the Australian Government to achieve its fiscal and policy objectives by advising on expenditure, managing sustainable public sector resourcing, driving public sector transformation and delivering efficient, cost-effective services to, and for, government.

Finance's purpose statement is contained in a single succinct sentence. It tells you what the entity does, why it does it, and whom it does it for. The statement sets the context for the entire corporate plan and is clear enough to be integrated through subsequent sections of the corporate plan to show the link between the purpose and capability, activities and performance.

2. Purpose

The purpose of the NLC is to enable and assist Indigenous people within the NLC region to acquire and manage land and seas and promote economic and community development.

2.1. Our Vision and Guiding Principles

Our Vision

A Territory in which the rights and responsibilities of every Traditional Owner are recognised and in which Aboriginal people benefit economically, socially and culturally from the secure possession of their lands, seas and intellectual property.

Our Guiding Values

We will:

- Consult with and act with the informed consent of Traditional Owners in accordance with the Land Rights Act;
- Communicate clearly with Aboriginal people, taking into account the linguistic diversity of the region;
- Respect Aboriginal law and tradition;
- Be responsive to Aboriginal peoples' needs and effectively advocate for their interests;
- Be open, transparent and accountable;
- Behave in a manner that is appropriate and sensitive to cultural differences;
- Act with integrity, honesty and fairness;
- Uphold the principles and values of social justice; and
- Treat our stakeholders with respect.

The NLC successfully conveys its purpose in one sentence. It has successfully integrated the purpose throughout the rest of the document. The corporate plan goes on to describe its vision and guiding values, but distinguishes these from the purpose statement.

A very interesting and laudable development is that all of the indigenous land councils have sought to align purpose statements, with small variations between the individual councils according to their requirements. This is reflective of sector-based approach that is beginning to emerge in other areas as well.

Our purpose

Our purpose is to provide safe, secure, efficient and environmentally responsible air navigation and aviation rescue fire fighting services that are valued by the aviation industry and community on behalf of our owner, the Australian Government.

We operate in accordance with the requirements of the *Air Services Act 1995* (the Act) and the *Public Governance, Performance and Accountability Act 2013* and in response to the Government's Statement of Expectations (Appendix A) issued as a notice of strategic direction to the Board of Airservices Australia under Section 17 of the Act.

A key legislative obligation under the *Air Services Act 1995* is to foster and promote civil aviation. In fulfilling this obligation in an ever changing operating environment, our service delivery must not become an operational or economic impediment to the growth of the aviation industry.

Airservices Australia's purpose section opens with a clear statement that encapsulates its purpose in one sentence. This is followed by contextualisation in relation to its enabling legislation. The statement allows the reader to gain an immediate understanding of the entity's purpose as well as its legislative basis.

Section 3: Operating Context

This section presents better practice examples from the sections of corporate plans that speak to an entity's operating context. This includes environment, risk, cooperation and the capability required to achieve its purposes.

The 2017-18 corporate plans show a clear improvement on previous years in how operating context is presented and how entities position themselves to achieve their purposes.

Environment

The strongest examples of discussion of environment showed a forward focus, anticipating and outlining the changes expected in the entity's operating environment as well as considering enterprise risk.

Where entities presented a comprehensive and detailed overview of their operating environment, there was a higher degree of integration throughout the corporate plan as a whole. Operating environment factors were referenced in subsequent sections including capability, activities and performance in an insightful way.

ATTORNEY GENERAL'S DEPARTMENT

(See following page for example)

AGD structured its corporate plan around 6 strategic priorities and provided an analysis of its operating environment for each of these. Each section of the AGD corporate plan follows the same structure as the example rendered here.

The discussion links back to AGD's purposes, lists key aspects of the operating context, looks forward and anticipates the potential changes in that context. AGD outlines the key trends in its environment and lists how the entity intends to position itself in terms of opportunities and challenges.

This section is succinct, and its clear presentation allows the reader to make a judgement on how the entity is positioned to achieve against its purposes.

Our environment

To support the Attorney-General as First Law Officer, we remain acutely aware of the social, economic, security and political environments in which we operate. Globalisation and technological advancement will challenge our legal frameworks to keep pace with change, and global events will impact on our international relations. Meeting these challenges will require greater international cooperation.

Domestically, changes in the Commonwealth legal services market will affect how the department is positioned to best support the Attorney-General as First Law Officer, and manage Commonwealth legal risk.

The opportunities and challenges over the next four years are outlined below.

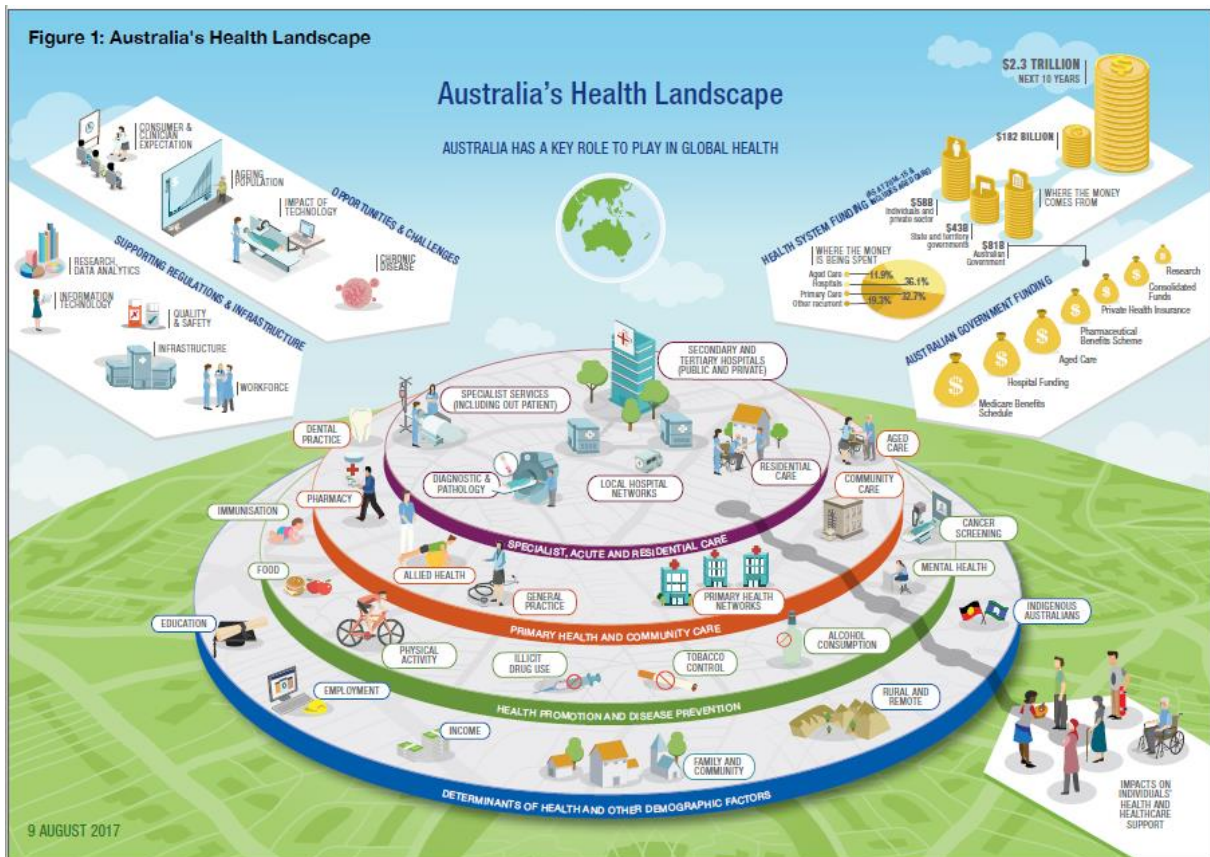
Trend	Opportunities and challenges
Globalisation	<ul style="list-style-type: none">ensuring legal frameworks keep pace with changea shifting world economy and an impact on international relationsgrowing influence of non-state actors and the rise of new forms of international law makingincreasing incidence of interstate and investor-state disputes
Rapid technological advancement	<ul style="list-style-type: none">being ready for the opportunities and challenges of artificial intelligence in the provision of legal servicesensuring the information framework is modern and appropriate for the digital information ageremaining contestable in the Commonwealth legal services market
Increasing community expectations of tailored services	<ul style="list-style-type: none">ensuring legal services across the Commonwealth are sustainable and responsive
Reforms to the Native Title Act	<ul style="list-style-type: none">improving the operation of the native title system

DEPARTMENT OF HEALTH

In the example below, Health has successfully presented its complex operating environment using a striking illustration that provides a simple and accessible picture of Australia's health landscape. It also included extensive written analysis alongside this that spoke to its wider operating environment.

Graphics are a useful tool to enhance readability and understanding. The operating environment section of the corporate plan is often the most text-heavy sections, as it has to encapsulate the various aspect that make up an entity's operating context.

Graphics can also help to streamline the document or a section of the document by encapsulating large amounts of information in a visual snapshot.



Risk

Entities are beginning to take a more detailed approach to explaining the risks that affect their operations, especially the risks inherent to their operating context. However, discussion of risk management practice and risk mitigation strategies is less insightful.

Stronger examples amongst the 2017-18 corporate plans included specific discussion of the risk management frameworks that entities have in place in the context of their particular risk environment. More mature examples took into account the specific circumstances of the entity and allowed the reader to make a judgement about how the entity was placed to manage risks.

COAL MINING LONG SERVICE LEAVE CORPORATION

(See following page for example)

Coal LSL summarised the risks that it faces within its unique operating context, how it manages its risk framework and mitigation strategies, and how it promotes good risk awareness and regularly reviews its framework.

By exploring risk issues through both an external environment and internal management prisms, Coal LSL satisfies the reader that it has a mature outlook on risk and that this is integrated into its overall planning processes.

RISK MANAGEMENT

We acknowledge the importance of meaningful dialogue on risk through maintaining and reporting on strategic, operational and project risks, and the regular review and improvement of our risk and compliance management programs.

In 2017-18, in the context of this plan, our strategic risks, as we see them, are in our ability to:

- Ensure stakeholders understand the value of the Fund and our role as a trusted educator;
- Maintain a surplus in the Fund;
- Ensure compliance with our legislation;
- Deliver efficient, effective and accurate services;
- Ensure our capability to deliver our business objectives; and
- Adapt to our new regulatory arena.

Consideration of risk information across all our activities supports a more valued, accurate and contextual view on current and emerging risk. We strive to be risk-intelligent, adopting a philosophy of learning from our mistakes and wins, and sharing this knowledge.

We will continue to review and enhance the risk framework to ensure that:

- It is aligned with organisational activities;
- It is an integrated aspect of our business and project management;
- We engage with our stakeholders in relation to shared risks;
- We have appropriate and effective mechanisms to communicate and escalate risk information; and
- There is a sound, articulated framework of accountability, responsibility and delegation for managing risk.

To achieve this, we will:

- Continue to deliver and train our employees in identifying and managing risks;
- Enable regular opportunities for our employees to discuss risks and their perceived impacts; and
- Review the risk management framework to ensure it continues to evolve.

NATIONAL FILM AND SOUND ARCHIVE

The NFSA provides a high level of detail around its approach to risk. It speaks to its risk environment, who is responsible for risk, and how it identifies and manages risk.

The NFSA also included a 'Strategic Risk Profile' (see following page), that provides a simple visual representation of its unique risk environment in the context of its strategic priorities. This provides a strong link with its purposes and functions, and shows the reader that the NFSA plans to achieve against its purpose with risk front of mind.

RISK OVERSIGHT AND MANAGEMENT

The NFSA accepts that risk is inherent in the operations we undertake to achieve our strategic priorities. We are committed to developing effective governance arrangements that recognise threats and opportunities, and to managing strategic, financial and operational risks in a way that is commensurate with our risk appetite.

Risk appetite

The NFSA has a high risk appetite which guides our approach to activities that enable us to collect, preserve and share Australia's national audiovisual collection, increase revenue generation and encourage ecologically sustainable operations.

The NFSA has no risk appetite for non-compliance with legal, professional and regulatory requirements, compromising staff safety and welfare, or for decisions with the potential to have a significant negative financial impact on the NFSA.

The NFSA commits to monitor and review its risk appetite and ensure ongoing alignment with business priorities. The NFSA's risk appetite is set out in full in the Risk Management Framework.

Roles and responsibilities

Risk management at the NFSA is everyone's responsibility – the Board, NFSA Audit Committee, Leadership Team, section managers and individual employees are responsible for risk management in their areas of responsibility. Specific duties are defined as part of the NFSA's Risk Management Framework.

Risk Management Program

The NFSA's Risk Management Policy and Framework are regularly reviewed and comply with international risk management standard ISO 31000:2009, the PGPA Act, the Workplace Health and Safety Act and Protective Security Policy Framework.

Risks are identified and managed through the NFSA Strategic Risk Profile, Financial and Operational Risk Registers and policies and procedures specific to significant business risks.

The NFSA Executive assess and manage risk at the strategic level and have a risk-based approach when making key decisions, in particular regarding business planning, procurements and the implementation of programs and projects. The NFSA's **Strategic Risk Profile** is represented in figure 1 below and shows the strategic risks considered and managed in the achievement of our strategic priorities.

Risk management is integrated into everyday business activities. The NFSA has in place **Operational and Financial Risk Registers** which are monitored and reviewed regularly. Risk ownership is clearly defined in the registers and aligns to duty statements of the relevant staff members.

Policies and procedures are in place for all significant business risks and include the Business Continuity Plan, Disaster Recovery Plan, Emergency Management Plan, Collection Emergency Management Plan, Protective Security Plan, Workplace Health and Safety Arrangements, Procurement Manual, Fraud Control Plan, Rights Management and Project Management Methodology.

The NFSA is committed to the continuous improvement of our Risk Management Program. Lessons learned from audit and assurance activities and from the delivery of business projects are applied to strengthen the NFSA's resilience to manage present and emerging risks.

FIGURE 1: NFSA STRATEGIC RISK PROFILE 2017-18 TO 2020-21

NFSA STRATEGIC RISK PROFILE

NFSA Strategic Priorities	Identified Risks
1. A 'living' archive – for everyone	Failure to provide the digital access expected by users of the collection
	Relationships with stakeholders not managed effectively
	Inability to maintain relevance and cultural significance
	Failure to live the NFSA values
2. Developing leadership in the digital environment	Failure to achieve large-scale digitisation of the collection
	Inability to keep pace with sector technology and industry trends
3. Collecting and preserving	Failure to preserve the collection in time due to degradation of material
	Failure to effectively collect relevant material
	Loss of skills required to preserve obsolete collection formats
	Obsolescence of equipment required to preserve analogue collection formats
	Limited and shrinking market to source specialist supplies and/or services
4. Indigenous connections	Failure to achieve NFSA Indigenous connections outcomes
5. Capability and maximising our resources	Fiscal constraints
	Unsuccessful in generating adequate own source revenue streams
	Lack of access to sufficient funding for major initiatives, like Deadline 2025
	Inability to respond effectively to a change in resource level
	NFSA property and facilities not suitable for the long term
	Operational practices not aligned to NFSA strategic objectives

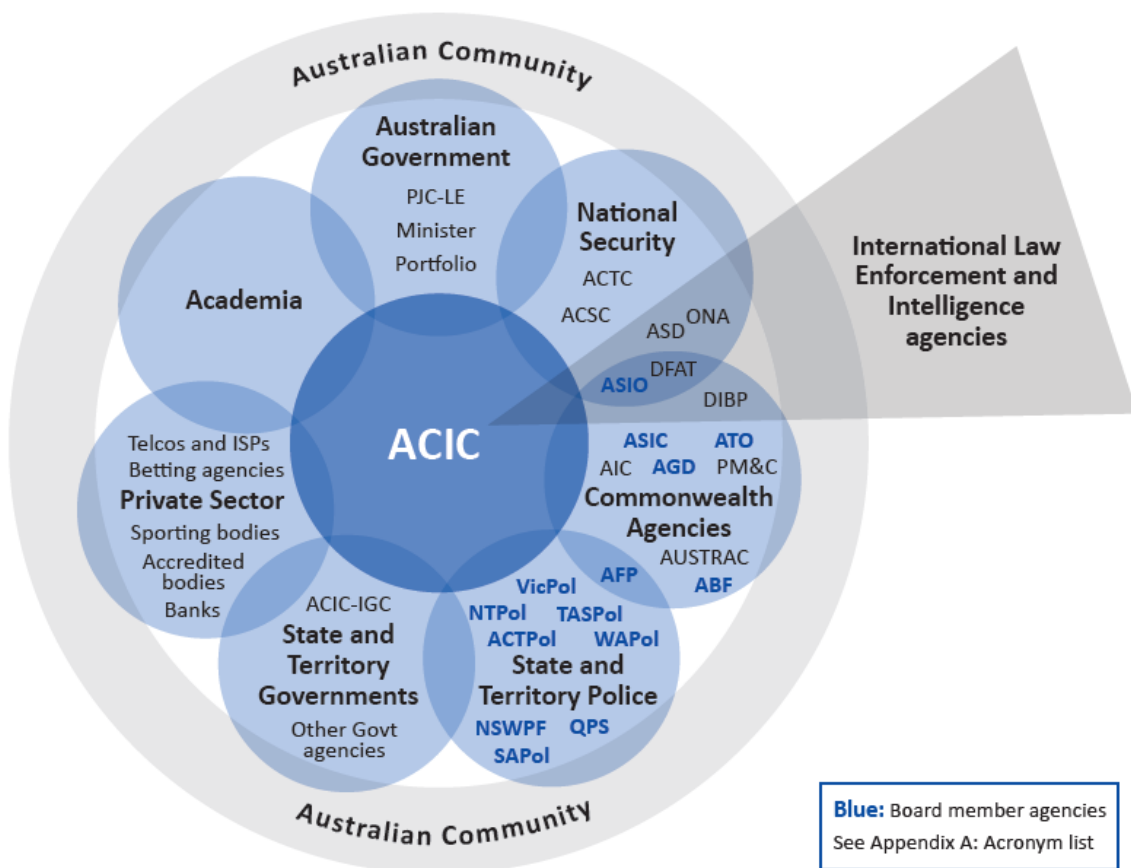
Cooperation

Those 2017-18 corporate plans that outlined the ways that the entity interacts with other entities to achieve purposes, gave a richer picture of how the entity positions itself to achieve and its role and influence within its wider government or industry context.

AUSTRALIAN CRIMINAL INTELLIGENCE COMMISSION

ACIC used a diagram to provide a visual representation of its collaborative partners and key stakeholders. This shows the reader that ACIC engages across its sector and shows how it positions itself to work with its stakeholders. The text analysis also refers to ACIC's role in terms of the wider network of law enforcement entities.

ACIC STAKEHOLDERS



CANCER AUSTRALIA

Cancer Australia's strategic 5-year outlook included a detailed summary of how it collaborates to achieve its purpose. It lists its key partners and the various collaborative partnership structures it is a part of before detailing how it plans to engage with and the benefits that are expected to result from these partnerships. This plan includes a case study (below) in relation to one of these collaborative structures. This case study presents the purpose for the partnership, why it is important, what it does and who is involved.

Priority-driven Collaborative Cancer Research Scheme (PdCCRS)

- ▶ The Priority-driven Collaborative Cancer Research Scheme (PdCCRS) is designed to fund collaborative cancer research projects consistent with evidence-based research priorities.
- ▶ Through the PdCCRS, Cancer Australia partners with organisations to coordinate and maximise funding of cancer research at a national level.
- ▶ The PdCCRS has helped to expand the available pool of funding for cancer research in Australia by attracting funding partners who may not have previously funded cancer research.
- ▶ The funding partners for the 2017 round are: Cancer Council Australia, Cancer Council NSW, Cure Cancer Australia and the National Breast Cancer Foundation.

Capability

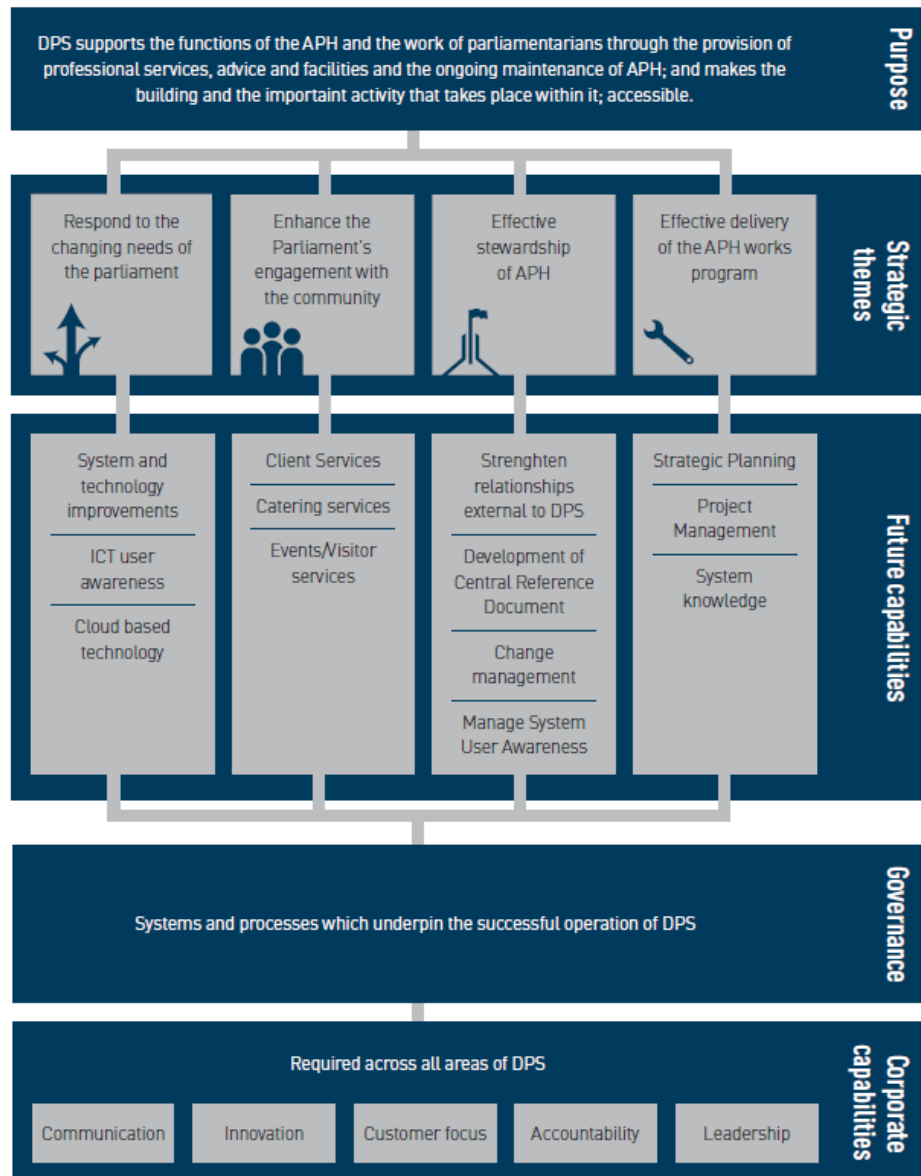
Better practice capability sections went beyond identifying workforce strategies and took an integrated approach to outlining how the entity would develop capability according to its purposes, operating context, risks, anticipated changes in the environment and technology.

The Australian Institute of Marine Science (AIMS) undertook a separate detailed analysis of each of its main capability requirements including Financial, People, Infrastructure and Intellectual Assets. ([See pp. 22-27 of AIMS 2017-18 corporate plan for example](#)).

The Bureau of Meteorology (BOM) provided further planning context around its capability including current capability, future aims and the strategies by which BOM will develop these capabilities. ([See pp. 20-24 of BOM's 2017-18 corporate plan for example](#)).

DEPARTMENT OF PARLIAMENTARY SERVICES

FIGURE 4: Corporate Plan 2017–18 future capabilities



The DPS used this diagram to complement its capability section and to show the future capabilities it requires in relation to the strategic themes of its purposes.

Its wider capability section provides an overview of current capability and identifies from this, the areas where DPS plans to enhance its capabilities to deliver on its purpose.

Section 4: Performance

To successfully convey a full and rich performance narrative, entities should include a mix of qualitative and quantitative data sources and analysis as appropriate to demonstrate their contributions to measuring performance. Bearing in mind that the information will be acquitted in the annual performance statements, the role of the corporate plan is to set the foundations upon which a reliable performance narrative can be built. The proposed measures should 'suggest' the entity's performance story and allow the reader to understand the value created by the entity using public resources.

Stronger examples of performance information included in 2017-18 corporate plans clearly identify the activities that the entity undertakes and how those activities relate to its purposes. This is followed by a clear identification of the intended outcomes and how the performance information explains the achievement of these outcomes.

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

(See following page for example)

In this example, the department states its intended outcome to increase community understanding and interaction with parliament. It speaks to cooperation with the public, with external clients and with other entities such as the Parliamentary Education Office administered by the Department of the Senate.

The performance measures that the department uses are a mix of qualitative and quantitative measures and utilise contemporary data sources including social media alongside more traditional sources such as feedback forms and publication data. This provides a strong basis from which to present a rich performance story.

02 > Community awareness

The department supports the House of Representatives and the Parliament by:

- » providing services to deliver information to the public about the work of the House of Representatives in order to inform stakeholders, and increase community understanding of, and interaction with, the House of Representatives and the Australian Parliament; and
- » supporting the Parliamentary Education Office, administered by the Department of the Senate, and to which the department makes a financial contribution.

Intended outcomes

- » Access to the work of the House and the Parliament is widely available to the public with participation rates tending to increase over time
- » Provision of seminars for external clients on work of the House of Representatives and the Parliament, with participation rates tending to increase over time
- » Schools continue to have access to galleries

Performance measures and targets	2017-18	2018→21	Data source
Community is aware of, and engages with published information about legislative and other parliamentary processes	Interaction with the work of the House increasing over time (% change on prior year)	Interaction with the work of the House increasing over time (% change on prior year)	Subscription data for departmental social media accounts, and publication circulation data
Clients are satisfied with seminars	90% of seminar participants are satisfied	90% of seminar participants are satisfied	Seminar feedback forms

Activity information

Community contacts with the department's publications

Number of seminars programs conducted

NATIONAL LIBRARY OF AUSTRALIA (NLA)

MAKE ACCESS HAPPEN

Priorities

Transform Australian lives by connecting communities to their national collection through vibrant onsite and online programs and services, developed with strategic partners and harnessing new opportunities in the digital environment.

Build respectful relationships with Indigenous communities, connecting communities with collections relating to their rich and continuing cultural heritage.

Facilitate and participate in the creation of new knowledge and works of imagination.

Focus activities in 2017–18

Implement projects supported through the Public Service Modernisation Fund to:

- deliver the first tranche of new aggregated and digitised content;
 - update Trove delivery, discovery and engagement services to enhance user engagement with the Library's content by exploring emerging digital channels and platforms; and
 - review and improve business continuity, disaster recovery and cybersecurity capabilities.
-

Appoint an Indigenous Curator to strengthen connections between Indigenous communities and Library collections that document their continuing and vibrant culture.

Use the 50th anniversary of the opening of the Library building to engage the Australian community with the Library's collections and services.

Develop a major exhibition and associated public programs for delivery from August 2018, to generate broad public discussion about Captain James Cook and his voyages of exploration.

With the Library's Foundation Board, seek philanthropic donations to support the Library's research fellowships and scholarships program for 2018–19 to 2020–21.

Participate in, and influence governance and funding deliberations arising from, the *2016 National Research Infrastructure Roadmap* to ensure continued and effective scholarly access to large-scale digital content managed by the Library.

(See following page for Part 2 of example)

NATIONAL LIBRARY OF AUSTRALIA Cont.

Performance measurement

2017–18	2018–19	2019–20	2020–21
% change in the use of the collection*	% change in the use of the collection^	% change in the use of the collection^	% change in the use of the collection^
16.3 million interactions with the Library online	# of interactions with the Library online^	# of interactions with the Library online^	# of interactions with the Library online^
% change in participants engaging with the Library*	% change in participants engaging with the Library^	% change in participants engaging with the Library^	% change in participants engaging with the Library^
Qualitative evaluation using case studies of use and value of the collection and services	Qualitative evaluation using case studies of use and value of the collection and services	Qualitative evaluation using case studies of use and value of the collection and services	Qualitative evaluation using case studies of use and value of the collection and services

*2017–18 is the base year.

^Target is equivalent to or greater than previous year.

The NLA has divided its purpose into three strategic priorities. This example shows the performance information for Strategic Priority 2. The NLA has first presented the outcomes and impacts it intends to achieve under this strategic priority, followed by the activities that it will undertake to achieve those outcomes and the measures it will use to demonstrate that these have been effective or otherwise.

The NLA has also outlined a mix of qualitative and quantitative measures to provide the basis for a broad performance narrative in the annual performance statement. The logical structure that used by the NLA provides a good basis for analysis of results in the annual performance statements as to whether the entity has achieved against its purpose. In the example above, the NLA shows that it intends to include case studies to report on its performance.

DEPARTMENT OF FINANCE

(See following page for example)

Finance's performance information is presented in a clear format. In the example below, the performance information is tracked back to the relevant component in the department's purposes in the heading of the table. The key activities in relation to that aspect of the department's purposes are also outlined.

Finance has included reliable performance information relevant to all of the functions listed in its purposes and the key activities that help it realise its purposes, providing a clear picture of how it plans to achieve its goals.

Finance has employed the use of proxy measures to demonstrate its performance delivering policy advice. In the example on the following page, Finance presents the accuracy of budget costings against variances prescribed by the charter of budget honesty as a proxy measure to demonstrate that it has effectively understood the Government's policy objectives and that its processes, procedures and the policy analysis undertaken in the budget process is sound.

Analysis in its annual performance statements will report on this in relation to the final budget outcome and show how Finance has performed in this regard over the financial reporting cycle.

Advising on expenditure			
Activity	Performance criteria	Assessed as	Methodology
Coordinate, prepare and advise the Minister for Finance and Expenditure Review Committee of Cabinet on the delivery of the Budget and related fiscal updates, including appropriations legislation and the government's financial statements, to contribute to promoting the government's fiscal target and policy objectives.	Budget papers, related updates (e.g. the Mid-Year Economic and Fiscal Outlook) and Appropriation Bills are accurate, delivered within required timeframes and meet the government's fiscal and policy objectives and legislative obligations.	<p>Budget papers and related updates are produced in accordance with the timeframes and other requirements of the <i>Charter of Budget Honesty Act 1998</i>.</p> <p>Appropriation Bills are introduced into Parliament at times intended by government and in accordance with legislative requirements.</p> <p>Budget estimates are based on external reporting standards and any departures from external reporting standards are identified, consistent with requirements set out in the <i>Charter of Budget Honesty Act 1998</i>.</p>	<p>Demonstrated by tabling dates of Budget papers, related updates and Appropriation Bills recorded in the Hansard.</p> <p>Program estimates are reviewed and updated to take account of the best available information to maximise their reliability and accuracy.</p> <p>Budget papers and related updates outline the external reporting standards used and identify any departures from that standard.</p> <p>Significant differences between the estimated expenses and final outcome are explained and reported annually.</p>
		<p>Budget estimates are accurate (taking into account, to the fullest extent possible, all government decisions and other circumstances that may have a material effect), and explanations are provided where:</p> <p>≤ 2% difference between first forward year estimated expenses and Final Budget Outcome for first forward year</p> <p>≤ 1.5% difference between budget estimated expenses and Final Budget Outcome for budget year</p> <p>≤ 1.0% difference between the revised current year estimates at Mid-Year Fiscal Outlook and final budget outcome for the current year</p> <p>≤ 0.5% difference between the current year estimates at budget time and Final Budget Outcome for the current year.</p>	
	The government's financial statements, including monthly statements, are complete, accurate and released publicly on timeframes agreed with the government.	<p>Monthly financial statements prepared within an average of 21 days of the end of the month for which they are prepared following the release of the Final Budget Outcome.</p> <p>Consolidated financial statements are provided to Auditor-General by 30 November of each year.</p>	<p>Date of correspondence to Minister for Finance providing monthly financial statements.</p> <p>Date of correspondence providing consolidated financial statements to the Auditor-General determined.</p> <p>Measured monthly and reported annually</p>

Appendix A

2017-18 Assessment criteria

Finance used the following questions to guide its assessment of the quality of 2017-18 corporate plans.

- Does the corporate plan have a clear and succinct purpose statement?
- Does the purpose statement clearly identify who benefits from the activities of the entity and what those benefits are?
- Does the entity's purpose carry clearly throughout the corporate plan?
- Do the elements of the corporate plan integrate with each other to allow the reader to form a view that the entity is in a position to deliver on its purpose?
- Does the corporate plan look forward, does it give the reader an understanding of the potential for change in the operating context of the entity and how the entity positions itself to deal with this?
- Does the plan give the reader a clear understanding of the risks that the entity needs to manage within its operating context and the capability required to successfully achieve its purposes?
- Does the plan give a sense of how the entity works with others – across the Commonwealth, with state and territory jurisdictions, internationally, and with the private sector and not-for-profit organisations – to achieve common purposes?
- Are the activities through which the entity achieves its purposes easily identifiable?
- Is it clear how the activities contribute to achieving the entity's purposes?
- Is the performance information relevant – i.e. does it clearly demonstrate the impact of the entity's activities and whether it is achieving against its purpose?
- Is the performance information reliable – does it use information sources and methodologies that are fit for purpose and verifiable?
- Is the performance information complete – i.e. does it help stakeholders judge whether the purposes of the entity are being achieved?