



Performance Update - developing 2016-2017 corporate plans

Updated Guidance

The Corporate Plan guidance (RMG 132) is being updated in key areas based on lessons learned from the 2015-16 corporate planning process. The key areas being updated are:

- **Purpose** (Purpose statements should be concise and readily understood. They should state who benefits from the activities of an entity and how and when the purpose is achieved)
- **Four year outlook** (An entity's corporate plan, including information on performance and targets, risk and capability must cover at least four reporting periods - usually four financial years)
- **Relationship between corporate plans and Portfolio Budget Statements** (There should be a clear read between corporate plans and PBSs through mapping program performance information in PBSs to purposes in corporate plans)

Community of Practice Sessions

Finance is continuing the regular Performance Community of Practice sessions with the next ones to be held in Canberra, Sydney and Melbourne in the week beginning 27 June 2016. These will focus on updates to the corporate plan guidance, a discussion on the structure of corporate plans and issues related to the publishing of 2016-17 plans. Finance is seeking input from entities on issues and questions to be addressed at these sessions. For further information about these sessions and/or to provide issues and questions to be addressed please email pmra@finance.gov.au.

Lessons Learned from 2015-16 Corporate Plans

Finance released a Lessons Learned paper in February 2016, based on feedback from entities in developing 2015-16 corporate plans, as well as an analysis of a subset of plans by Finance. Please consider these lessons when developing your next plan. The document is available at <http://www.pmra.finance.gov.au/>

A Focus on Structure

A key issue we encourage entities to consider in developing their 2016-17 corporate plans is the structure of their plan.

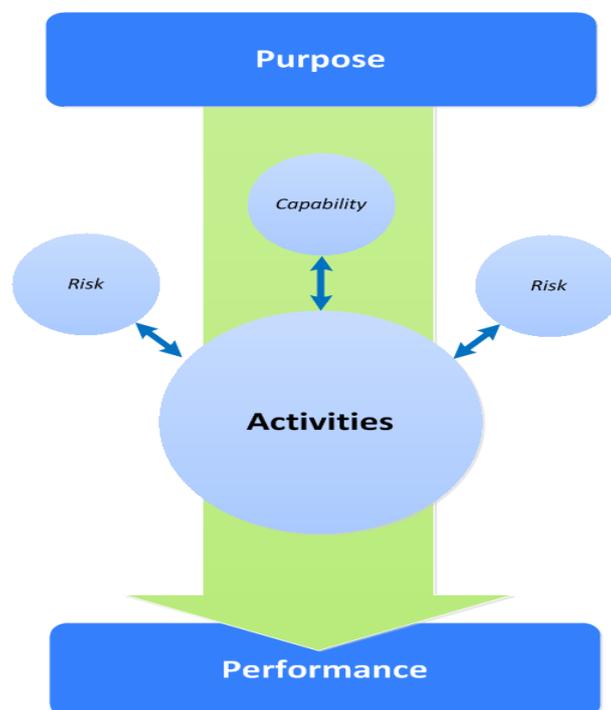
Many entities based the structure of their 2015-16 corporate plans on the minimum requirements as set out in the PGPA Rule. This approach resulted in many entities not fully describing the environment in which they operate, and how this environment impacts and shapes the activities they undertake to achieve their purposes.

A preferred approach is for entities to use their purposes as an anchor for the structure of the plan. This approach is illustrated in Figure 1 below - "Relationships between corporate plan minimum reporting requirements".

This approach acknowledges that the environment in which an entity operates, including risks specific to that environment and the capability required to operate in that environment will influence what activities an entity undertakes to achieve its purposes. Rather than explaining environment, capability and risk exposure in separate sections, the preferred approach is to weave a discussion of these elements into the context in which the entity operates and the activities undertaken. This is likely to make for a clearer and more cohesive entity performance story.

Further, an entity's corporate plan does not need to describe everything it does to deliver its purpose. It should focus on the high-level activities through which the results captured by its performance framework are achieved. A discussion of activities should provide a practical understanding of how purposes are pursued. Each activity should be explicitly linked to a purpose, together with the contribution it makes to purposes.

Figure 1 Relationships between purposes, other minimum corporate plan requirements and performance



Examples of corporate plans that adopt this or a similar approach are the 2016-17 Australian Maritime Safety Authority corporate plan and the 2015-16 Reserve Bank of Australia corporate plan.

2016-20 Australian Maritime Safety Authority (AMSA) corporate plan

AMSA presents five discrete strategic challenges, which can be viewed as sub-purposes, in its corporate plan. For each challenge AMSA presents an integrated discussion of the minimum corporate plan reporting requirements including its specific operating environment, the types of risks to be managed and specific capabilities required to undertake activities needed to meet each challenge. AMSA also presents how their performance in meeting each challenge will be measured, including targets, and alignment where relevant to their Regulator Performance Framework reporting obligations. Their integrated approach is illustrated by the 'plan-on-a-page' featuring on pages 35-36 of their 2016-20 plan. The plan is available at <https://www.amsa.gov.au/forms-and-publications/about-amsa/publications/Corporate-Plans/index.asp>.

2015-16 Reserve Bank of Australia (RBA) corporate plan.

The RBA presents seven purposes in its 2015-16 corporate plan. For each purpose the RBA describes the environmental factors that influence the achievement of the purpose (including associated risks), performance expectations specific to that purpose and the capability required to achieve each purpose. Embedded in this discussion are activities undertaken to achieve the purpose. The plan is available at <http://www.rba.gov.au/about-rba/corporate-plan.html>.