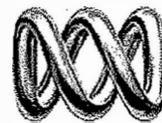


10 November 2017



ABC
Australian
Broadcasting
Corporation

Ms Elizabeth Alexander AM
Mr David Thodey AO
Att: Review Secretary
PGPA Act Review
Department of Finance
One Canberra Avenue
FORREST ACT 2603

Office of the Chairman
ABC Ultimo Centre
700 Harris Street
Ultimo NSW 2007

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Sydney NSW 2001

By email: PGPAActReview@finance.gov.au

Dear Ms Alexander and Mr Thodey

Thank you for the invitation to the Australian Broadcasting Corporation (ABC) to make a submission to the Independent Review of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The ABC appreciates the opportunity to comment on this legislation, noting that this submission is made in the context of the application of the PGPA Act to the ABC as a corporate Commonwealth entity and as an independent statutory authority as established under the *Australian Broadcasting Corporation Act 1983* (the ABC Act).

Before making any substantive comments, I would like to mention that ABC staff involved in financial, compliance and reporting work have found Department of Finance Public Management Reform Agenda (PMRA) information sessions to be of great value. The Corporation welcomes the establishment of similar forums and mechanisms for informing Commonwealth entities about updates and amendments, so that staff effectively respond.

We have compiled a table, which sets out pre- and post-PGPA requirements, the impact of changes, and possible solutions. You will find this table in **Appendix 1**.

The ABC's response is based on its legislative position as an independent public broadcaster. While publicly funded, the ABC operates on a triennial funding basis that acknowledges the planning and production requirements of running a sophisticated media business. A number of the comments provided in the Appendix relate to timing issues associated with the PGPA requirements, which do not necessarily align with the ABC's triennial funding arrangements.

Under Section 8 of the ABC Act, it is the duty of the ABC Board to ensure that the functions of the Corporation are performed efficiently and with the maximum benefit to the people of Australia, and for the ABC Board to maintain the independence and integrity of the Corporation. The ABC's primary position, therefore, is that accountability provisions set out in the PGPA Act cannot impinge on the national broadcaster's duty to independently administer its functions in the best interests of the Australian community.

The ABC's review submission suggests solutions that would benefit all agencies' operations.

I trust you will find our submission of assistance. If you would like any additional information from the ABC, in the first instance I would ask that you contact Mr Michael Millett, Director of Government Relations, [REDACTED]

Yours sincerely

[REDACTED]

Justin Milne
Chairman
Australian Broadcasting Corporation

PGPA Act and Rule independent review – ABC submission
Appendix 1

#	Issue	Pre-PGPA	Post-PGPA	Impact	Solution
1	Non-alignment of funding and planning periods	<p>The ABC's Corporate Plan was published every three years, lagging its triennial funding period by one year, with some certainty of funding for the Plan period.</p> <p>The Plan was considered a 'living document', to be updated as necessary according to any changed budgetary or other matters.</p> <p>Content and format of the ABC's Corporate Plan was determined by the ABC.</p>	<p>The ABC's Corporate Plan, in a standard format, is updated annually and covers a rolling four-year period.</p> <p>As the ABC runs on a triennial funding period, an annual Corporate Plan with four-year forward estimates can therefore extend multiple years beyond certain funding arrangements.</p>	<p>Information provided by the ABC, when provided in this manner – an annual Plan with four-year projections – has become less meaningful, as it may not be reflective of the Corporation's actual funding environment.</p> <p>Additional costs and resources are required to update the Corporate Plan annually.</p>	<p>The ABC remains cognisant that it is unique in its (fully publicly funded) three-year funding arrangement.</p> <p>In light of this, a possible solution might be that legislation regarding the Corporate Plan cycle have the flexibility to allow the Corporation and all other agencies to link that cycle to their funding cycle.</p> <p>This would have the effect of establishing the core PGPA objective of providing a framework "within which all Commonwealth entities have the flexibility to develop their own systems and process to support their operations". Further, the information presented in the ABC's Corporate Plans would be more meaningful, and resources more deftly applied to their creation and upkeep.</p>
2	Quick turnaround from Budget to publishing of Corporate Plan	<p>No requirement to have the Corporate Plan published annually (following internal approval and submission to the Minister) by 31 August.</p>	<p>The ABC's contribution to the Portfolio Budget Statements spans several months in the lead-up to publication and announcement in the May Budget.</p> <p>The ABC's Corporate Plan is due to be published by 31 August of its relevant financial year.</p>	<p>Additional yearly work undertaken by the ABC to consult, revise, update and seek appropriate sign-off for an annual Corporate Plan.</p> <p>Difficulty in revising Corporate Plans by their due date (August), if the Plan is impacted by Budget changes (May).</p> <p>Performance information included in the PBS may differ from the Corporate Plan.</p>	<p>Flexibility in legislation to enable the ABC to align its Corporate Plan with its budgetary period, with updates to the Plan only as required following annual Budgets, or in other circumstances as is necessary.</p>

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3	Duplication of performance information in PBS and Corporate Plan	PBSS included a greater number of high level non-financial performance measures, often more than the ABC's Corporate Plan.	PBS performance information was streamlined, providing only a strategic subset of Corporate Plan performance information.	As the performance information in the PBS (published May) is a strategic subset of Corporate Plan information, but is published prior to the Corporate Plan (which is published in August), that subset of information may not reflect what is finally contained in the published version of the Corporate Plan. Late Budget decisions and any subsequent ABC strategic rethink of Corporate Plan content may result in differences in the information provided in the PBS and the Corporate Plan.	The ABC's suggestion would be that the requirement that non-financial performance information be included in the PBS be reassessed, and that rather the Corporate Plan should be the principal document for non-financial performance information.
4	Inclusion of an Annual Performance Statement (APS)	No requirement for an APS	Requirement for inclusion of annual performance statement, requiring approval of the governing body.	Added additional processes not specifically required previously. Duplication of performance reporting. Requires specific 'sign-off' by the governing body, leading to longer lead times to ensure appropriate oversight.	A possible solution is removing the requirement for an APS, if the effect of its inclusion in agencies' annual reports has not been to provide more meaningful information to the parliament and the public. Reporting on the Corporate Plan and all performance information is captured in the Annual Report.