



Australian Maritime Safety Authority (AMSA) comment - Independent review of PGPA Act and Rule

Purpose

The purpose of this document is to provide input into the review of the *Public Governance, Performance, and Accountability Act 2013* (PGPA Act) and Rule as detailed in the terms of reference at <http://www.finance.gov.au/pgpa-independent-review/>.

Background

AMSA is the national agency responsible for maritime safety, protection of the marine environment, and maritime and aviation search and rescue. AMSA is a statutory authority established under the Australian Maritime Safety Authority Act 1990 (AMSA Act).

Formerly subject to the Commonwealth Authorities and Companies Act 1997 (CAC Act), AMSA is now a Corporate Commonwealth Entity (CCE) subject to the PGPA Act.

AMSA is a comparatively small CCE, employing approximately 450 people in 19 locations across Australia.

Impact - transition

Transition from the CAC Act to the PGPA Act introduced several new or expanded compliance requirements for AMSA, including:

- duties of Accountable Authorities
- duties of officials
- compliance with the Commonwealth Procurement Rules
- commitment of Expenditure of Money

In response, AMSA implemented a structured transition program to ensure all the new/expanded areas were captured and reflected in AMSA's management system. Related work included (not exhaustive):

- a comprehensive review and restructure of AMSA's internal documentation and hierarchy (policies, procedures etc) to reflect and cascade from the model accountability authority instructions (AAIs) promoted by the Department of Finance (Finance)
- realignment of key corporate documentation, e.g. corporate plan, annual report, to reflect the new PGPA Act and Rule requirements
- a review and promotion of non-financial performance measurement arrangements
- redesign of AMSA's compliance monitoring and reporting arrangements
- development of a Board Audit Committee rolling annual work program to provide assurance to the Accountability Authority (the AMSA Board) that AMSA is discharging its obligations adequately against the various sections of the PGPA Act.

While the transition to the PGPA Act has delivered benefits (see page 2 comments), the transition program represented significant additional workload over a 6-8 month period, primarily for AMSA's corporate functions, e.g. Finance, Governance.

Impact – on going

There is an ongoing requirement to monitor external information sources for updates on the PGPA Act, Rules and related resource management guides (RMG). Although this is a reasonable expectation on entities, noting the significant effort required during the initial transition AMSA favours small, incremental change.

Benefits

At a conceptual level, the operationalisation of the PGPA Act and Rule have:

- promoted uniformity and consistency in the way the duties of AMSA officials are articulated, including clear linkages to relevant legislation
- provided a clear line-of-site and consistency between non-financial performance information detailed in Portfolio Budget Statements, Corporate Plan, Annual Report and Annual Performance Statements
- increased interest and improvement emphasis on:
 - non-financial performance measurement
 - describing and managing risk through formal mechanisms such as risk registers

Specific comments in response to Terms of Reference questions

Annual report – earlier delivery and tabling

As a small non-material agency, the key constraint on AMSA's annual report production timeline is the ability of the Australian National Audit Office (ANAO) to audit and clear the financial statements. Within reason, AMSA believes it could meet earlier deadlines, however, without associated assurances from the ANAO AMSA has significant reservations. AMSA recognises the benefit of having annual reports available for senate estimates.

Board Audit Committee (BAC)

On behalf on the Accountable Authority, the AMSA BAC plays a significant governance oversight role ensuring AMSA is discharging its obligations under the PGPA Act and Rule.

The AMSA BAC has instituted an annual rolling work program that methodically examines AMSA's response to key PGPA requirements. While this has increased the workload for the BAC and those parts of AMSA which support the Committee, AMSA also gains considerable value from the robust discussions subsequently generated at the BAC, and the insight Committee members bring from their exposure to other entities.

Cooperation

Operationally, AMSA cooperates with several other agencies on a daily basis. There is little evidence that the introduction of the PGPA Act has practically improved matters in regards to cooperation or 'joined-up-government'. Perhaps this is an area which may benefit from further emphasis and guidance.

Enhanced Commonwealth performance framework

While the introduction of the PGPA Act has increased emphasis on non-financial reporting, it is evident that there is a wide variation on how performance is reported across entities, and the quality of that reporting.

As a safety regulator, AMSA is subject to the Regulator Performance Framework (RPF) – including the annual reporting requirements. AMSA has also been subjected to an externally directed RPF review in the last 12 months.

For a small entity, reporting to meet both PGPA Act and RPF requirements is burdensome. AMSA has provided feedback to the Department of Prime Minister and Cabinet (who are responsible for the RPF) recommending that:

- RPF reporting requirements for small entities are reviewed, including reducing the frequency; and/or
- RPF reporting is subsumed into PGPA Act non-financial reporting arrangements – preferred.

Support provided to Commonwealth entities

AMSA has utilised the following support provided by Finance, and found all of them helpful:

- Resource Management Guides
- regular communities of practice
- one-on-one feedback in relation to corporate plans and annual performance statements

In response to the Belcher 'Red Tape Review', AMSA notes that the ANAO removed eleven [better practice guides](#) (BPG) from their website in mid-2017. While AMSA understands the rationale for this decision, the ANAO BPG were a useful single repository of guidance on several matters with linkages to the PGPA Act, e.g. the Public Sector Internal Audit BPG. If the agencies with lead accountability for the various guidance have or are in the processing of developing BPGs, it would be useful to have a centralised index that agencies can access.

Point of contact

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