



Australian Government
Indigenous Business Australia

10 November 2017

PGPA Act Review
Attention: Review Secretary
Department of Finance
One Canberra Avenue
FORREST ACT 2603



Dear Madam/Sir

Thank you for the opportunity to make a submission to the Independent Review of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Background

Indigenous Business Australia (IBA) was actively engaged in the development of the PGPA Act and Rules through the consultations undertaken by the Department of Finance and Parliament's Joint Committee of Public Accounts and Audit. IBA has also been an active participant in the information-sharing and community of practice opportunities sponsored by the Department of Finance to support the rollout of the PGPA Act.

IBA's previous position during development of the PGPA Act

IBA was of the view that the former financial accountability framework which applied to it (in particular, the former *Commonwealth Authorities and Companies Act 1997*) had allowed IBA to operate as a quasi-commercial body within the government sector with a necessary level of independence while remaining accountable for the expenditure of public monies. The thrust of IBA's submissions to the Commonwealth's accountability review process was any changes to the governance framework should not impact on IBA's ability to efficiently perform its statutory functions. This included a concern that a single new financial management Act for Commonwealth entities should not increase the compliance burden, which would have a disproportionate impact on a relatively small, commercially-oriented agency such as IBA.

As previously acknowledged by IBA, the responsive way in which the legislation and rules were developed, and the final form they took, largely addressed the matters raised by IBA. The first three years of implementation of the PGPA Act has borne out this assessment.

PGPA Act implementation

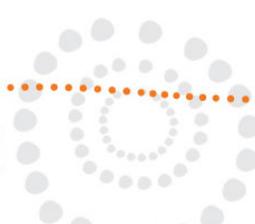
Generally, transition to the new regime occurred smoothly and did not interrupt the efficient operation of IBA, although some internal reorganisation and adjustments were necessary to ensure IBA met the requirements of the PGPA Act. This refers in particular to preparation of annual corporate plans, and updating the policies and procedures that form IBA's governance framework to specifically reflect the PGPA Act and Rules. For example, the IBA Board issued a comprehensive set of Board Governance Instructions to IBA staff, in accordance with Section 20A Accountable authority instructions, to provide clear sight of IBA's accountability framework for compliance with finance law.



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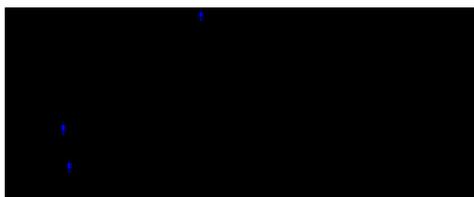
IBA took a proactive approach by developing implementation plans to ensure the organisation was compliant with the changes introduced by the PGPA Act and it would use them to drive business improvements. For example, IBA worked to steadily improve its performance management framework to focus on measurement of economic outcomes for Aboriginal and Torres Strait Islander peoples, which is reflected in IBA's latest corporate plan for 2017-18. This allows more comprehensive measurement and reporting on indicators such as Indigenous employment and procurement outcomes supported by IBA's activities.

Supporting implementation

IBA is pleased to acknowledge the support provided by the Department of Finance in the rollout of the PGPA Act over the past three years. This was a continuation of the better practice consultation undertaken throughout the development of the new resource management framework. Comprehensive guidance material is readily accessible and kept up to date, as well as there being opportunities to share better practice.

In conclusion, IBA is supportive of the principles-based nature of the legislation, where detailed processes for implementation are rightly left with entities, with appropriate oversight and standards applied consistently across all Commonwealth entities. It is important there is a period of consolidation and targeted consultation with statutory authorities is continued. Based on experience, IBA considers this provides a safeguard for ensuring the ongoing implementation of the PGPA Act, or any proposed changes, does not produce unintended impacts on the ability of statutory authorities to efficiently perform their duties.

Yours sincerely



Rajiv Viswanathan
Chief Executive Officer