



Elizabeth Alexander AM
David Thodey AO
Attention: Review Secretary
Department of Finance
One Canberra Ave.
FORREST ACT 2603

Dr Ms Alexander and Mr Thodey,

Thank you for the opportunity to provide input into the Independent Review of the PGPA Act and Rule.

I make the following general comments regarding the impact on Aboriginal Hostels Limited (AHL) of the Act and Rule since its introduction in 2014.

In terms of material impacts on AHL's legislated compliance and governance requirements, the Act has not substantially affected AHL's transition from the FMA and CAC Acts, given that:

- AHL is a Commonwealth Company established under a Commonwealth law and is not a Commonwealth entity (the PGPA Act largely applies to Commonwealth entities)
- AHL's CAC Act reporting requirements have been transferred to PGPA with minimal change.

Having said that, I can confirm a number of shifts in AHL's approach to strategic planning and risk management since the introduction of the PGPA Act. These specifically relate to the aims of the Act concerning:

- A focus on principles not process
- Introduction of risk management frameworks
- Introduction of new performance management and reporting requirements.

In the first year following the Act's introduction, AHL continued with its pre-existing corporate planning and governance arrangements with only modest changes to meet new PGPA requirements. I can confirm that in the past twelve months, AHL has substantially shifted its approach to strategic priority setting and risk management in line with the Act, including through:

- Development of a new platform of corporate priorities and reportable objectives, which has now been incorporated into AHL's most recent Corporate Plan 2017-21
- A significantly upgraded approach to risk management, including development of new enterprise risk management plan and comprehensive risk mitigation strategies.

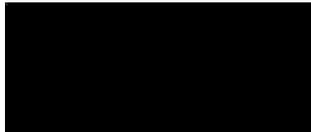
The Act calls on Commonwealth agencies to demonstrate publically the impact (rather than inputs) of expenditure within the purview of their portfolio responsibilities. I can confidently state that AHL's 2017-18 Annual Report will very closely report against the new impact and efficiency focused objectives set by AHL's Board of Directors.

Better Lives, Better Futures...

This shift has been enabled in part by processes put in train by the Department of Finance to support the intent of the Act - including through agency advisories, annual performance statements lessons learned papers, and performance framework workshops for Indigenous Portfolio Bodies.

As Chairperson of an Indigenous Portfolio Body, I would say that the PGPA Act has had an incremental yet formative impact on AHL's corporate governance platform since its introduction. I look forward to hearing more about the findings of the Independent Review.

Yours sincerely,



Dr Sue Gordon AM
Chairperson
Aboriginal Hostels Limited

26 October 2017