



Australian Government



Nuclear-based science benefiting all Australians

Submission to the Independent Review of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act)

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Contact

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1. Introduction to ANSTO

The Australian Nuclear Science and Technology Organisation (ANSTO) is Australia's national nuclear research and development organisation, and the centre of Australian nuclear expertise. ANSTO operates a large proportion of Australia's landmark research infrastructure, including the OPAL multipurpose reactor, the Australian Synchrotron and the Australian Centre for Neutron Scattering. This infrastructure places Australia at the forefront of research and innovation for the benefit of public health, industry and the environment, and is used by universities, researchers and industry from around Australia and internationally.

ANSTO applies its unique expertise to lifesaving nuclear medicine production and research into areas of key national importance including minerals processing, the environment, water resources management and assisting industry to solve complex problems.

ANSTO is classified as a Corporate Commonwealth Entity (CCE) under the PGPA Act (the Act).

2. Implementation of the PGPA Act framework

2.1 Risk management

ANSTO maintains a safety and risk management culture that is informed by international best practice. By taking a structured, consistent and ongoing approach to risk and compliance management, ANSTO consistently strives to improve its risk management practices, risk awareness and the overall risk culture. Effective risk management is viewed as essential to achieving the organisation's strategic and business objectives.

As part of this approach, ANSTO commenced its Organisational Excellence program in 2011. Organisational Excellence is a business improvement initiative that has delivered an organisation-wide, fully integrated decision-making process that works to a 24-month planning horizon (including a higher-level five year organisational view). This process has identified and removed non-value adding and/or duplicative activities, created a fully documented set of unified organisation-wide processes and procedures, and delivered delegated planning and decision making.

ANSTO has also received ISO: 9001 Certification for its effective implementation of Quality Management Standards.

The Act's principled approach and the express duty it places on the accountable authority to ensure that the entity has appropriate systems of risk oversight and management in place aligns closely with ANSTO's risk management framework. Consequently, implementation of the Act in this regard has been relatively easy.

2.2 Planning and reporting

In response to the enhanced Commonwealth performance framework, ANSTO updated its existing business planning cycle to align with the reporting requirements. This cycle not only ensures that our planning meets the objectives set by Government, but that ANSTO is able to effectively respond to external and internal drivers.

ANSTO's Organisational Excellence program has also helped drive greater clarity in our planning and reporting cycles across the organisation.

Strong planning and reporting processes are key in ensuring the quality and transparency of decision making and also the best use of public resources.

3. Potential areas for improvement

3.1 Differential regulation

In recognition of CCEs unique operating environments and commercially focussed activities, the Act includes the concept of 'earned autonomy', referred to as differential regulation in the Whole-of-Government *Belcher Red Tape Review*.

ANSTO strongly supports the implementation of a differential regulation system for entities that continue to demonstrate high standards in risk management and regular improvements to operations. ANSTO considers differential regulation as a tool that would reward CCEs with a demonstrated track record of effectively engaging with risk management, encouraging them to continue to do so and thereby reap the benefits of increased productivity and innovation from continuous improvement. Differential regulation, if implemented, would also provide an incentive for CCEs that do not have mature risk management operations to work towards a more effective and beneficial system.

Subject to a number of regulators, including the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA), the Australian Safeguards and Non-Proliferation Office (ASNO), the Therapeutic Goods Administration (TGA) and Comcare, ANSTO has a high cost of compliance.

ANSTO believes that a differential regulation system would be a powerful tool to make further improvements to its effectiveness and reduce red tape and the associated cost of compliance. Therefore, ANSTO strongly supports the recommendation of the *Belcher Review* regarding the development of a framework for differential regulation.

Importantly, a thorough consultation process with all CCE's would help ensure the implementation of a system which does not inadvertently increase costs associated with regulatory compliance while still achieving the Commonwealth's objectives under the Act.

3.2 Resource Management Guides (RMGs)

Ongoing consultation is expressed to be an important feature in ensuring that the Act and its associated regulations continue to support agency operations. However, there has been an increase to the number of RMGs issued without broad consultation. These RMGs have created requirements for multiple reporting, reducing the flexibility for CCEs. The opportunity for CCEs to provide feedback or input to the drafting of Resource Management Guides (RMGs) would be an important step in ensuring that they are aligned with and support CCE operations.

3.3 Reporting

ANSTO is supportive of the need for CCEs to be accountable for their government funding and achieving their outcomes, recognising that the development of a corporate plan is crucial to that process. However, the PGPA Act Rule section 16(E) requirement to prepare a corporate plan of at least four-year duration annually is onerous, as funding, outcomes and their measurement are not likely to change annually.

ANSTO recommends that CCEs prepare four-year corporate plans with stratified start dates across all agencies. This will reduce the review burden on central agencies line functions and

Ministerial Offices. Reporting annually on their performance against that plan via the annual performance statement is a sound approach. However, while there should be no need to update the corporate plan more often than once every four years, CCEs should be permitted, at their discretion, to reflect significant changes in operations or outcomes for the entity, within the annual planning cycle.

ANSTO would be pleased to meet with the independent reviewers to further discuss the operation of the PGPA Act and the accompanying *Public Governance, Performance and Accountability Rule 2014*.