



Australian Government
Department of Foreign Affairs and Trade

Secretary

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Elizabeth Alexander AM and David Thodey AO
PGPA Act Review
Attention: Review Secretary
One Canberra Avenue
Forrest ACT 2603

Dear Ms Alexander and Mr Thodey,

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

The Department of Foreign Affairs and Trade (DFAT) has welcomed the introduction of the PGPA Act. DFAT recognises the Act introduced a range of processes that are having an iterative impact on departmental operations, including through the requirements for a corporate plan and an annual performance statement.

In terms of specific benefits, the principles-based approach of the PGPA Act has provided DFAT with more fit for purpose internal controls. This has helped to facilitate red tape reduction and encouraged a sharper focus on integrating performance and risk management processes.

The emphasis on performance planning, measuring and reporting is helping to facilitate improvements in how DFAT measures its work against its objectives. As an example, DFAT is realigning its work unit performance processes to benefit from the improvements brought about by the PGPA Act.

The shift under the PGPA Act to a resource management framework that emphasises performance and accountability, rather than compliance, has enabled broad financial management reforms and more efficient resource management.

In response to the more specific alignment of 'power in relation to arrangements and commitments' (Section 23) with accountability for the performance and risk management of arrangements, DFAT has:

- enabled delegates to focus on specific arrangements;
- improved the ability of delegates and program managers to engage with risk; and
- tailored the administration of arrangements to be proportional to risk and value.

The PGPA Act has also helped DFAT to define and separate budget management and spending approval processes.

While the inclusion of specific guidance on the management of debts to the Commonwealth (PGPA Act ss63 and 64, PGPA Rule s11) has removed ambiguity, DFAT would welcome further simplification in the wording of these sections.

I would like to acknowledge the work of the Department of Finance helping to ensure the department is able to draw the maximum benefit from implementation of the PGPA Act. This includes its continued guidance and assistance on the corporate plan, portfolio budget statement and annual performance statement.

I trust this information will be of assistance to the Independent Review. Mr Joel McGregor, A/g Director Corporate Planning Section, Executive Branch, is available [REDACTED] should you wish to clarify any details of this submission.

Yours sincerely

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Frances Adamson