

8 November 2017

**Attention: Review Secretary**

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

Dear Review Secretary,

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

Thank you for the opportunity to make a submission to the Independent Review of the PGPA Act and Rule.

In relation to the first objective of the Independent Review, to assess whether the operation of the PGPA Act and Rule are achieving the objectives of the PGPA Act, we would agree that as far as the experiences of the National Transport Commission (NTC) are concerned, it is mostly achieving its intent. That is, the PGPA Act has set standards for performance and accountability for the NTC, and in response we have:

- focused directly on the purposes of the organisation and have reduced or eliminated activities that were peripheral;
- revised and improved our governance practices;
- improved the way we plan for and assess performance; and
- enhanced and rationalised our corporate reporting.

Additionally, we have more formally taken account of our need to cooperate with other government entities.

In essence, we believe that the PGPA Act and Rule have assisted the NTC to become more efficient and effective, and have helped reduce our already minimal risks. In relation to the second objective to identify change initiatives that will enhance productivity and accountability arrangements under the PGPA Act, the NTC has two related observations.

Firstly, the NTC is a very small agency (approximately 40 FTE) with limited resources, both staff and budget. Our operating environment is characterised by an organisational structure that is 'one deep' on most corporate functions and we do not have dedicated compliance personnel. As a consequence, identifying internal staff with the appropriate capabilities and 'bandwidth' to undertake PGPA Act and/or Rule related change activities in addition to their established responsibilities has often been a challenge, putting pressure on other deliverables, obligations and timelines.

At times, this problem has been addressed through the recruitment of appropriate external resources and whilst this response has been a practical and successful solution, each instance has created budget pressures and has reduced the opportunity for the NTC to further develop its internal capabilities.

Secondly, the main ongoing issue associated with complying with the PGPA Act and Rule is the reporting burden. It is accepted that under whatever regulatory regime past or present, there was and is a reporting obligation necessary to satisfy oversight requirements. However, when taken in conjunction with other reporting requirements the NTC is required to satisfy, the overall impost on the organisation is significant.

We would like to suggest that a risk-weighted approach be adopted to the compliance requirements of the PGPA Act and Rule.

As an example, the Australian National Audit Office (ANAO) recognises the small nature of several organisations it works with and recognising those organisations as not being material, deals with those agencies in a different way that is commensurate with their size and relative risk.

However, despite being a very small agency, the NTC is still required to meet the same or similar requirements of the PGPA Act as 'material' entities such as the Department of Infrastructure and Regional Development, Air Services Australia and the Australian Rail Track Corporation.

We would like to suggest that for non-material entities, less onerous PGPA 'lite' compliance requirements be established, particularly with regards to reporting requirements. Potentially the assessment criteria used by the ANAO to assess the materiality of agencies could be used for this purpose as well for consistency.

In relation to the third and final objective of the Independent Review, to examine the support provided in implementing the PGPA Act, we believe that the support has been first rate. That is, the quality of information available from the Department of Finance and contained in Resource Management Guides has been very helpful and clear. While the NTC may have some particular challenges in relation to implementing changes as they arise, it is not for the lack of clarity and detail provided by the Department of Finance in the written support documents.

However, as an entity based in Melbourne, it is often difficult to access portfolio or Department of Finance information or training sessions on aspects of the PGPA Act. Many of these sessions are hosted in Canberra and are aimed at departments of state or large statutory authorities. We acknowledge attempts are made to locate sessions in other capital cities from time to time, but we would like to suggest a greater use of collaboration technologies to help overcome the 'tyranny of distance'.

Should you require further information, please telephone Graham Giannini on

[REDACTED]

Yours sincerely

[REDACTED]

**Paul Retter AM**  
Chief Executive and Commissioner

[REDACTED]

**Carolyn Walsh**  
Chair  
Risk & Audit Committee