



Public Governance, Performance and Accountability Act 2013

OVERVIEW

The **Public Governance, Performance and Accountability Act 2013 (PGPA Act)** consolidates within one piece of legislation the governance, performance and accountability requirements of the Commonwealth. It sets out a framework for the Commonwealth management of public resources, and for the operation of Commonwealth entities and companies.

The objects of the Act are set out in section 5 of the PGPA Act - referenced below.

Division 2—Objects of this Act

5 Objects of this Act

The objects of this Act are:

- (a) to establish a coherent system of governance and accountability across Commonwealth entities; and
- (b) to establish a performance framework across Commonwealth entities; and
- (c) to require the Commonwealth and Commonwealth entities:
 - (i) to meet high standards of governance, performance and accountability; and
 - (ii) to provide meaningful information to the Parliament and the public; and
 - (iii) to use and manage public resources properly; and
 - (iv) to work cooperatively with others to achieve common objectives, where practicable; and
- (d) to require Commonwealth companies to meet high standards of governance, performance and accountability.

Commonwealth entities (departments of state, executive agencies and statutory authorities established by the Parliament) are divided into two broad categories: non-corporate and corporate. Non-corporate Commonwealth entities are legally part of the Commonwealth; corporate Commonwealth entities are legally separate from the Commonwealth, but are not companies, which form the third category of bodies within the framework. Currently there are 189 PGPA bodies.

TYPES OF BODIES	
100	Non-corporate Commonwealth entity is a Commonwealth entity that is not a body corporate.*
72	Corporate Commonwealth entity is a Commonwealth entity that is a body corporate.*
17	Commonwealth company is a <i>Corporations Act 2001</i> company that the Commonwealth controls.

The PGPA bodies are reflected, by Portfolio, in the **Flipchart of PGPA Act Commonwealth entities and companies**.



The financial and accountability controls placed on non-corporate Commonwealth entities are more detailed and intrusive than those placed on corporate Commonwealth entities, most of which have separate enabling legislation that provides a bespoke governance and accountability layer to their operations.

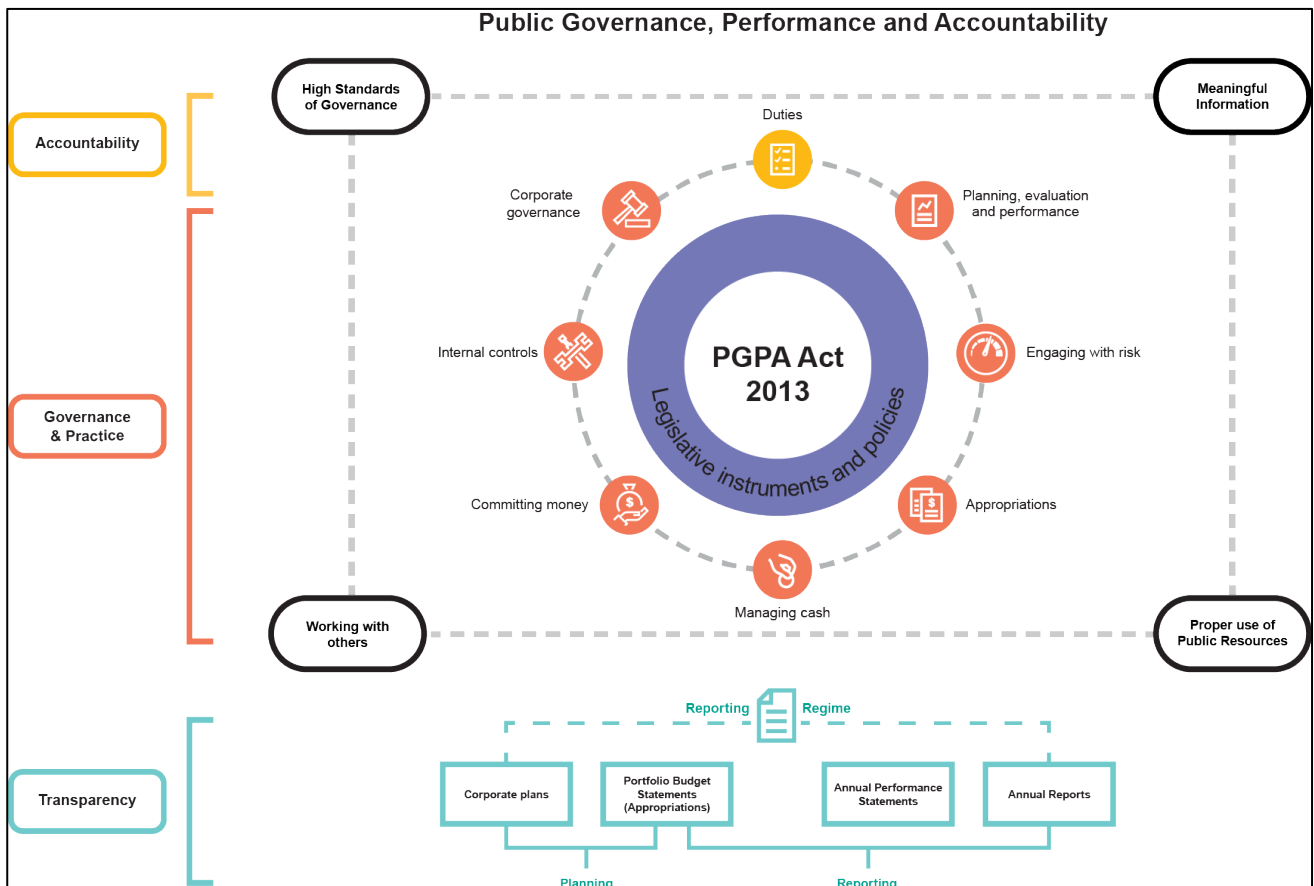
However, no matter whether a Commonwealth entity is non-corporate or corporate in its nature, there are particular requirements that go across both to bring cohesion to the operations of government. The key elements are:

- ✓ a single definition for public resources that applies to all money and property held by Commonwealth entities and a universal requirement that public resources must be used properly (**efficiently, effectively, economically and ethically**);
- ✓ a single concept of “official”, which applies to all persons who are in or form part of a Commonwealth entity;
- ✓ a uniform set of duties on all officials, which are based on the fiduciary duties in the *Corporations Act 2001*;
- ✓ a uniform set of additional duties reflect the governance responsibilities of accountable authorities of all Commonwealth entities; and
- ✓ a common set of obligations on all Commonwealth entities in relation to planning and reporting on their performance.

The PGPA Act covers three key areas that provide a strong foundation for a modern, streamlined, and adaptable Commonwealth public sector:



The image below outlines these key areas further.



Interaction with other legislation

Commonwealth companies are subject to the **Corporations Act 2001** and the requirements that relate to them are dealt with in a separate chapter of the PGPA Act.

Other legislation like the **Auditor-General Act 1997** (Auditor-General Act), the **Public Service Act 1999** (Public Service Act) and the enabling legislation for Commonwealth entities and companies of a statutory nature are to be read alongside the PGPA Act. For example, both the Auditor-General Act and the PGPA Act contain provisions that give powers to the Commonwealth Auditor-General. Both the PGPA Act and the Public Service Act impose duties on people, although the reach of the Public Service Act (which covers around 50 per cent of all Commonwealth officials) is narrower than the reach of the PGPA Act.

The Public Service Act contains other elements that go to defining the unique nature of the Australian Public Service, including the APS Values, the appointment, roles and responsibilities of Secretaries and the role of the Secretaries Board.