



## **Australian Government**

### Australian Government response to the Senate Select Committee into the Abbott Government's Commission of Audit

Interim Report – February 2014

October 2018

## **Government Response to the Senate Select Committee into the Abbott Government's Commission of Audit Interim Report**

### **Recommendation 1**

**The committee recommends that the government include broader representation on the National Commission of Audit in order for a wider range of perspectives to be included in the process.**

#### **Response**

Between them, the Commissioners had the necessary credentials and experience within government, business and the non- government sector to undertake their duties during the life of the National Commission of Audit. They consulted widely to ensure that their analysis took thorough account of input from the public.

### **Recommendation 2**

**The committee recommends that the National Commission of Audit make public all submissions it has received, with the exception of those where a request has been made for confidentiality.**

#### **Response**

The National Commission of Audit received 289 submissions from individuals, organisations and businesses. The Commission also received submissions from the governments of each state and territory and a number of Australian Public Service departments and other entities.

Copies of published public submissions can be accessed at <http://www.ncoa.gov.au/submissions>. In accordance with the terms and conditions under which these public submissions were made, certain information, including that identified as confidential, sensitive or personal, has been redacted or marked 'not for publication' (where the entire document is affected).

### **Recommendation 3**

**The committee recommends that the National Commission of Audit make public a full list of meetings that the Commission or its secretariat has been involved in. The list of meetings should include the names of the attendees at the meeting, the date of the meeting and who requested the meeting.**

#### **Response**

The National Commission of Audit provided the Senate Select Committee with its meeting dates but did not consider it reasonable to publish a full list of meetings that the Commission, or its secretariat, were involved in.

### **Recommendation 4**

**The committee recommends that the National Commission of Audit make public the full declarations of conflicts of interests signed by the Commissioners, and the times when Commissioners were excluded from discussions or receiving submissions due to conflicts of interest.**

### **Response**

The National Committee of Audit did not consider it reasonable to make public the full declarations of conflicts of interest signed by the Commissioners and the times when the Commissioners were excluded from discussions or receiving submissions due to conflicts of interest. The Commission published its conflict of interest protocol and followed due process.

### **Recommendation 5**

**The committee recommends that the government adopt a longer timeframe for the National Commission of Audit to complete its work, in the interests of comprehensive stakeholder consultation, more rigorous analysis, and so that the Australian community understands the Commission's recommendations and the context in which they are made.**

### **Response**

The Mid-Year Economic and Fiscal Outlook, published in December 2013, provided context on the current economic and fiscal projections, against which the National Commission of Audit's recommendations were developed.

The Commission's work was always intended to assist the Government in making important decisions as part of the 2014–15 Budget process. Accordingly the Commission's terms of reference stated that the Commission was to provide an initial report to government at the end of January 2014. The final report was due at the end of March 2014, to provide sufficient time for senior ministers to consider its findings ahead of the final stages of the 2014–15 Budget.

### **Recommendation 6**

**The committee recommends that the government broaden the remit of the National Commission of Audit to include explicit consideration of government revenue.**

### **Response**

The Commission was given a broad remit to examine the scope for efficiency and productivity improvements across all areas of Commonwealth expenditure. The Commission was also asked to identify other savings or matters that the Commission considered should be brought to the Government's attention. As part of the 2016-17 Budget, the Government released a tax reform package aimed at creating jobs, driving growth, sustainability and integrity.

### **Recommendation 7**

**The committee recommends that the Commission look at current tax expenditure to find possible areas of budgetary savings for the Commonwealth.**

### **Response**

The Commission was given a broad remit to examine the scope for efficiency and productivity improvements across all areas of Commonwealth expenditure. The Commission was also asked to identify other savings or matters that the Commission considered should be brought to the Government's attention. As part of the 2016-17 Budget, the Government released a tax reform package aimed at creating jobs, driving growth, sustainability and integrity.

#### **Recommendation 8**

**The committee recommends that in the event of savings measures being accepted by government, they should be appropriately timed so any unintended consequences can be addressed in a measured way and the government is better able to respond to any rapid changes in the domestic and international environments. These savings measures should also be examined by the appropriate Senate committees prior to their implementation.**

#### **Response**

The Government takes into account timing, risk and implementation issues when making decisions in the course of developing the Budget. Senate committees could through usual mechanisms examine any measure included in the Government's annual Budget, through the committee structure, including Senate Estimates Committees.

#### **Recommendation 9**

**The committee recommends that any recommendations made by the National Commission of Audit to privatise services be subject to a full cost-benefit analysis which examines the effect on services, costs to the public, and jobs.**

#### **Response**

The potential privatisation of Commonwealth entities and assets has historically been subject to a scoping study to inform Government consideration of issues relevant to suitability of an asset for privatisation. Scoping studies generally cover a broad range of issues, including: the form and timing of any transaction, analysis of the costs benefits and implications for stakeholders of the potential privatisation.

#### **Recommendation 10**

**The committee recommends that along with the publication of the Commission's audit reports, the government provide detail on how the target in the terms of reference of a surplus of 1 per cent of GDP was selected, and detail of any alternative modelling that may have been used by the Commission.**

#### **Response**

The target in the National Commission of Audit's terms of reference of 1 per cent of GDP surplus within a decade (by 2023–24) was a commitment made by the Government in the lead up to the 2013 election.