



12 APR 2007
PAB.

SENATOR THE HON NICK MINCHIN

Minister for Finance and Administration
Leader of the Government in the Senate

Mr Phillip Barresi MP
Chairman
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

12 APR 2007

Dear Phillip,

On behalf of the Australian Government, I provide the attached response to recommendations 2, 3 and 6 of the Joint Committee of Public Accounts and Audit's Report No. 372 *Corporate Governance and Accountability Arrangements for Commonwealth Government Business Enterprises*.

The response to the outstanding recommendations was delayed until the implementation of the Review of the Corporate Governance of Statutory Authorities and Office Holders (Uhrig Review) had progressed to an advanced stage.

Yours sincerely

Nick Minchin

Response to the recommendations:

Recommendation 2

That all portfolio Ministers be removed from their government business enterprise shareholder responsibilities, but remain as the responsible Minister under GBEs' enabling legislation. The Government's shareholder interests in GBEs should be represented by, and be the responsibility of, the Minister for Finance and Administration.

Disagree.

The shareholder oversight of Government Business Enterprises (GBEs) should be considered on a case-by-case basis and be individually tailored to suit the circumstances of the business. A number of factors should be taken into consideration in determining the most appropriate shareholder arrangement for a GBE, including the Government's objectives for the entity, the regulatory environment and the industry in which the GBE operates.

Recommendation 3

That the Minister for Finance and Administration amend the 1997 Governance Arrangements for Commonwealth Government Business Enterprises to include a section that all Ministerial directions to GBE boards should be in writing and tabled in both Houses of Parliament within 15 sitting days.

Agree.

All Ministerial directions to GBEs will be required to be in writing and tabled in both Houses of Parliament within 15 sitting days.

The 1997 Governance Arrangements for Commonwealth Government Business Enterprises will be amended to reflect this.

Recommendation 6

That the Minister for Finance and Administration develop draft guidelines for the scrutiny by Parliamentary Committees of commercially confidential issues relating to GBEs. The draft guidelines should be submitted to the Joint Committee of Public Accounts and Audit for approval.

Disagree.

The Australian Government considers that there already exists an appropriate regime for the scrutiny by Parliamentary Committees of commercial-in-confidence issues

relating to GBEs. With respect to Senate Committees, the Senate agreed a motion on 30 October 2003 that the Senate and Senate Committees shall not entertain any claim to withhold information from them on grounds that it is commercial-in-confidence, unless the claim is made by a Minister and is accompanied by a statement setting out the basis for the claim, including a statement of any commercial harm that may result from the disclosure of the information. As with Senate Committees, House of Representatives and Joint Committees also have the ability to request commercial-in-confidence information relating to GBEs for their scrutiny. The House of Representatives and Joint Committees consider (and ultimately decide on) any request to withhold commercial-in-confidence information based on the factors applying in each case.