
The Parliament of the Commonwealth of Australia

Report 438

Advisory Report on the Public Governance, Performance and Accountability Bill 2013

Joint Committee of Public Accounts and Audit

June 2013
Canberra

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Foreword

On 16 May 2013, the House of Representatives Selection Committee referred the Public Governance, Performance and Accountability Bill 2013 to the Joint Committee of Public Accounts and Audit (JCPAA). The Selection Committee outlined the reasons for referral as ‘to ensure that combining the two Acts into a single Act does not impose additional and unnecessary reporting requirements on bodies subject to the Act and does not reduce transparency or remove important oversight where it is appropriate’.


The JCPAA believes all these issues are satisfied. What the Committee thinks are issues for consideration are timing; the development of detailed rules; and ongoing consultation to assist agencies and other affected bodies through this change process.

The Commonwealth Financial Accountability Review is an important reform for Australia’s public sector, and looks to be broadly supported by key stakeholders and political parties. However, what is acknowledged is a level of nervousness in the transition from the general concept of reform to this principles-based legislative framework, and then to the next stage of detailed rules.

These stages of transition need to be handled carefully, with ongoing time for listening to and talking with all 196 affected Commonwealth entities a priority, along with ensuring that the Parliament is fully informed.

It is a choice for a minister, a government and a parliament whether to progress the legislation now. If so, commitments given by both the Finance Minister and the Finance department regarding the development of the rules in detail, along with ongoing consultation, will be critical to the success or failure of this important reform.

Rob Oakeshott MP
Chair



Membership of the Committee

Chair Mr Robert Oakeshott MP

Deputy Chair Ms Gai Brodtmann MP

Members Hon Dick Adams MP

Mr Jamie Briggs MP

Mr Darren Cheeseman MP

Mr Harry Jenkins MP

Ms Laura Smyth MP

Hon Alex Somlyay MP

Mr Josh Frydenberg MP

Ms Deborah O'Neill MP

Senator Mark Bishop

Senator Dean Smith

Senator Anne Ruston

Senator Louise Pratt

Senator the Hon Kim Carr
(from 14 May 2013)



Membership of the Sectional Committee

Chair Mr Robert Oakeshott MP

Deputy Chair Ms Gai Brodtmann MP

Members Senator Mark Bishop
 Senator Dean Smith
 Senator Anne Rushton

Committee Secretariat

Secretary Mr David Brunoro

Inquiry Secretaries Ms Vikki Darrough
 Mr James Nelson

Research Officer Ms Elina Gilbourd

Administrative Officers Ms Jazmine Rakic
 Ms Karen Underwood



Terms of reference

On 16 May 2013 the House of Representatives Selection Committee referred the Public Governance, Performance and Accountability Bill 2013 for inquiry and report.



List of abbreviations

ABC	Australian Broadcasting Corporation
ANAO	Australian National Audit Office
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CFAR	Commonwealth Financial Accountability Review
Finance	Department of Finance and Deregulation
FMA Act	<i>Financial Management and Accountability Act 1997</i>
IBA	Indigenous Business Australia
JCPA	Joint Committee of Public Accounts
JCPAA	Joint Committee of Public Accounts and Audit
PGPA Bill	Public Governance, Performance and Accountability Bill 2013
PS Act	<i>Public Service Act 1999</i>
SBS	Special Broadcasting Service



List of recommendations

Recommendation 1

That the objectives of the Bill be supported, but the timing of its passage be a matter for the broader Parliament to determine.

Recommendation 2

That the issues highlighted in the referral from the Selection Committee have been examined and do not, at this stage, look to be reasons for rejection of the Bill.

Recommendation 3

That the Committee supports the introduction of additional coherence to the system – including through improving the planning, performance and accountability processes – and specifically supports the introduction of:

- more mature approaches to risk management;
- the concept of earned autonomy;
- positive obligations to cooperate and partner with others;
- better recognition of the resource management cycle of planning through to evaluation; and
- the intent of improved performance reporting and transparency to the Parliament and the public.

Recommendation 4

That, if the Bill is passed during this Parliament, that the process outlined by the Finance Minister regarding public and parliamentary consultation be closely followed.

Recommendation 5

That, if a decision is made to delay passage of the Bill, priority should be given to its consideration within the first six months of the next parliament; and that the opportunity should be taken to consult stakeholders and progress work on the rules with a view to providing:

- insight into what they look like and contain; and
- some confidence to agencies and the Parliament as to their impact.

Recommendation 6

That consequential amendments will be required to the enabling legislation of entities to ensure their independence is not compromised.

Recommendation 7

That the options developed by the Australian Government Solicitor for amendment to the Explanatory Memorandum to clarify maintenance of independence, as outlined in Supplementary Submission 9.2 from the Department of Finance and Deregulation to the Joint Committee of Public Accounts and Audit, be accepted and included in a revised Explanatory Memorandum.

Recommendation 8

That:

- evaluation requirements for the overall financial framework be explicitly included in the Bill and Explanatory Memorandum; and
- the Parliament, through the Joint Committee of Public Accounts and Audit, conduct a detailed inquiry into the financial framework following the completion of the evaluation.

Recommendation 9

That a statement on greater transparency is included in the Explanatory Memorandum, as per the Australian Information Commissioner's evidence to the Joint Committee of Public Accounts and Audit's inquiry into the Bill.

Recommendation 10

That all relevant documents are prepared in plain English and in language consistent with other relevant legislation, where practicable.

Recommendation 11

That other suggested amendments highlighted during the inquiry be further considered and changes made as appropriate.