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22 May 2013

Mr D Brunoro  
Secretary  
Joint Parliamentary Committee of Public Accounts and Audit  
Suite R1.108  
Parliament House  
CANBERRA ACT 2600

Dear Mr Brunoro

Thank you for the opportunity to provide a submission to the committee's inquiry into the Public Governance, Performance and Accountability Bill 2013 (the Bill).

As you are aware, the primary purpose of the Bill is to harmonise the financial management and accountability framework applying in government. The Bill, if passed, will create a single Act to replace the two existing financial management Acts. The Bill has resulted from the Department of Finance and Deregulation's Commonwealth Financial Accountability Review (CFAR).

The Department of the House of Representatives (DHR) has welcomed and actively participated in and monitored the CFAR process. It provided written comments on issues papers and a submission, with the Department of the Senate, on the CFAR position paper. It met with the CFAR team, and invited the CFAR team to make a presentation to the parliamentary departments. In general, the department considers that the process has been managed well, with sensible outcomes. As a small agency, the department welcomes the aim of reducing the compliance and regulatory burden for agencies.

### **Independence of Parliamentary Service**

The DHR is one of four parliamentary departments established under the *Parliamentary Service Act 1999*. The parliamentary service is established under its own legislation in recognition of the independence of the Parliament from the executive government.

The committee may wish to consider whether the Bill satisfactorily protects the independence of the Presiding Officers and the parliamentary service, for example, in relation to the following provisions:

- Clause 19 – duty to keep responsible Minister and Finance Minister informed – proposed para 19(1)(b) would require the accountable authority of a Commonwealth entity to give the responsible Minister or the Finance Minister any reports, documents and information in relation to the activities of the department, as required by that Minister. The requirement to keep the Finance Minister informed in relation to *activities*, is broader than the existing requirement, under para 44(1)(b) of the FMA Act, for the Finance Minister to be informed of the *financial affairs of the agency*;

- Clause 36 – Budget estimates for Commonwealth estimates – the proposed provision to enable the Finance Secretary to give written directions to the accountable authority of a Commonwealth entity is broader than the existing requirement under the regulations for budget estimates to be prepared in the form specified by the Finance Chief Executive and for each financial year and any other periods as directed by the Finance Chief Executive; and
- Clauses 37 and 40 – records about performance of Commonwealth entities and audit of annual performance statements for Commonwealth entities – subclauses 37(3) and 40(1) enable the Finance Minister to access records about an entity’s performance and to request audit of an entity’s annual performance statements. These are new requirements.

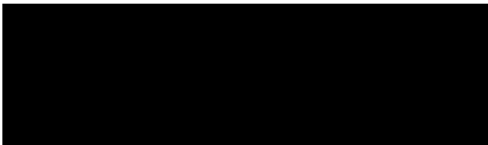
### **Other Matters**

Clause 87 provides a new mechanism to create and abolish a body corporate under the rules rather than through primary legislation or the *Corporations Act 2001*. The committee may wish to seek clarification of what entities would be covered by this provision.

Clauses 32 and Note to clause 16 – a mirror provision and Note for the Parliamentary Service could be considered.

Finally, the department seeks clarification as to whether clause 35 would be intended to apply to it. This clause requires the entity’s corporate plan to set out how the entity’s activities will contribute to achieving the key priorities and objectives of the Australian government (if a statement of such key priorities and objectives is published) but only to the extent that compliance is not inconsistent with an entity’s enabling legislation.

Yours sincerely



BERNARD WRIGHT  
Clerk of the House