



Australian Government
Department of Finance

David Tune PSM
Secretary

Our Ref: SEC0009667

Mr David Brunoro
Secretary
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Mr Brunoro

Progress Report in response to Joint Committee of Public Accounts and Audit (JCPAA) Report 438 - Advisory Report on the Public Governance, Performance and Accountability Bill 2013

Prior to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) receiving Royal Assent on 29 June 2013 the JCPAA conducted hearings and provided a report (Report 438) on the features of the proposed Bill and its operation.

My department appeared before the JCPAA and undertakings were made to consult with the JCPAA during the implementation of the PGPA Act, most notably in relation to the rules (which are legislative instruments similar in form to regulations) that will underpin the operation of the Act and need to be in place for 1 July 2014, the date when the substantive provisions of the Act come into effect.

The need for rigorous consultation was also emphasised in the dissenting report from Coalition members, which recommended that "... if Parliament passes the Bill before 30 June, Coalition members require:

- (a) the commitments made by the *[then]* Minister for Finance and Deregulation in the correspondence of 28 May 2013 be closely monitored; and
- (b) a progress report on the development and drafting of the Rules be made available to the JCPAA by both Finance and the ANAO by 30 November.... ”

I note that the JCPAA has yet to be convened; however, following discussions with the Committee Secretariat, I am providing this progress report in anticipation that it may be helpful to the incoming Committee members.

I wish to inform the JCPAA that the rules are being developed in a collaborative manner through a comprehensive set of governance arrangements designed to ensure thorough consultation across the public sector on their design and implementation. In particular, there is a Project Board largely comprising senior officials from several Commonwealth Departments and agencies that oversees the overall reform agenda under the PGPA Act. In addition, several steering committees provide expert input to the design and development of specific rules. The steering committees are:

- Legislation and rules;
- Governance and risk management;
- Streamlining and reducing red tape;
- Planning and reporting;
- Appropriations and resourcing; and
- Interstate committees in Sydney and Melbourne, and ad-hoc consultations with entities based in the Northern Territory.

Importantly, the ANAO has nominated representatives to attend the Project Board (the Deputy Auditor-General) and each of the steering committees (apart from those interstate). The Australian Public Service Commission is also represented on the Project Board and several steering committees. Bilateral discussions have been held with these two agencies on particular rules of interest to them.

The rules are being progressively released for public comment on the pmra.finance.gov.au website. The public consultation period will be at least 30 days, consistent with the commitment made by the then Minister for Finance and Deregulation. Once public feedback has been considered and incorporated as appropriate, I propose to submit the package of draft rules to the JCPAA in early 2014 for its review and consideration before the rules are presented to Parliament as disallowable instruments.

While this process is consistent with commitments made by the previous Government, I also consider this will help to ensure that many of the concerns raised by Coalition members of the JCPAA, in their dissenting report, are properly addressed in relation to providing sufficient time for appropriate consideration of issues.

To further support this process, officials from my department are available to brief the incoming JCPAA, both on the progress of current reform efforts and during its consideration of the rules package. Subject to the Committee's agreement, I propose that my department organise with you to provide an early initial briefing on the development of the rules and their connection to broader public sector reform efforts.

The implementation of the PGPA Act provides the Government with the opportunity to establish more streamlined and simplified arrangements for public administration and to contribute to the more effective and efficient delivery of services and functions by the public sector. I would welcome the involvement of the JCPAA to assist in achieving this aim.

The contact in my department on PGPA Act issues is Ms Thea Daniel, Assistant Secretary, Governance Branch, who can be contacted by telephone (02) 6215 3697 or email thea.daniel@finance.gov.au.

Yours sincerely



David Tune
2 December 2013

Cc Mr Ian McPhee, Auditor-General