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Ref: MIC-S-2014024-AL

A handwritten signature in black ink, appearing to be 'J. Brunoro'.

31 March 2014

Mr David Brunoro
Committee Secretary
Joining Standing Committee of Public Accounts and Audit
House of Representatives
PO Box 6021
Parliament House
Canberra ACT 2600

Email: jcpaa@aph.gov.au

Dear Sir,

Public Governance, Performance and Accountability Rule 2014

The Moorebank Intermodal Company Limited (MIC) has been provided with a copy of the joint submission dated 21 March 2014 by Medibank Private Limited, Australian Rail Track Corporation Limited and ASC Pty Ltd regarding section 28 of the proposed Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). The effect of the section, if promulgated, would be to prohibit the Chair of a wholly Commonwealth owned company such as MIC from being a member of its Audit Committee.

We agree with the joint submission that no adequate policy reason has been put forward which would justify subjecting Commonwealth owned companies to a higher standard in terms of audit committee composition than comparable non-Commonwealth owned companies.

Having regard to our function, operating as a government business enterprise, the corporate governance standards applicable to the audit committee should generally be consistent with corresponding standards that apply to private enterprises conducting similar commercial activities. Any additional regulation should clearly be demonstrated to be necessary and to be no more restrictive than the minimum that is necessary in order to ensure effective governance and oversight.

MIC supports the request in the joint submission that section 28 of the proposed PGPA Rule be modified so as to exclude Commonwealth owned companies which are Government Business Enterprises from the prohibition in section 17(5)(a) on the Chair of the Board being a member of the Audit Committee.

We thank the members of the Committee in advance for giving consideration to our submission.

Yours sincerely

A solid black rectangular box redacting the signature of Ian Hunt.

Ian Hunt
Chief Executive Officer