



Senator the Hon Katy Gallagher

Minister for Finance
Minister for Women
Minister for the Public Service
Senator for the Australian Capital Territory

REF: GR22-000006

Senator Jess Walsh
Chair
Senate Economics Legislation Committee
Parliament House
CANBERRA ACT 2600

Dear Senator ^{Jess}

In 2010, the Senate Economics Legislation Committee, in its Report titled Annual Report No. 2 2010 (the Report), made a recommendation that went to the inclusion of external scrutiny in entity annual reports (recommendation 1 refers).

When the Report was tabled a Government response was not provided nor since. In 2015, responsibility for annual reporting was transferred to the Department of Finance. I have recently been made aware of that delay in responding to the recommendation.

A Government response has been approved by the Prime Minister for tabling in the Parliament and is attached for the information of the Committee. The response outlines, as you would be aware in your capacity as a member of the Joint Committee of Public Accounts and Audit, that the recommendation has been implemented through the introduction of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), which saw the inclusion of all annual report requirements captured within the same legislation.

The PGPA Act (sections 46 and 97) introduced enhanced requirements for external scrutiny of entity activities. These sections, along with the PGPA Rule, provide an integrated and consistent set of annual report requirements for all Commonwealth entities. The Act sets out the obligations relating to planning for resource use and reporting on how effectively those resources have been applied. It also standardises the reporting deadline.

Yours sincerely

Katy Gallagher

17 FEB 2023



Australian Government

Australian Government response to the
Senate Economics Legislation Committee report:

Annual Reports No. 2 of 2010

17 February 2023

Response to the Committee's Recommendation

Recommendation 1

1.35 The committee recommends that the government, in consultation with the Joint Committee of Public Accounts and Audit, amend the annual reporting requirements for government entities to provide for more systematic reporting in relation to external scrutiny, including for parliamentary committee inquiries and reports, in line with sections B.2 and B.3 of the *ACT Chief Minister's 2007-2010 Annual Report Directions*.

The Australian Government **supports** and has implemented this recommendation.

The recommendation has been implemented through the introduction of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), which saw the inclusion of all annual report requirements captured within the same legislation.

The PGPA Act (sections 46 and 97) introduced enhanced requirements for external scrutiny of entity activities. These sections, along with the PGPA Rule, provide an integrated and consistent set of annual report requirements for all Commonwealth entities.

- Section 17AG of the PGPA Rule goes to the external scrutiny of annual reports for non-corporate Commonwealth entities.
- Sections 17BE(r) and 28E(n) deal with scrutiny requirements for corporate Commonwealth entities and Commonwealth companies.

The PGPA Act sets out obligations relating to the planning for resource use and mandates the reporting on how effectively those resources have been applied. The Act standardises the reporting deadline.

The Joint Committee of Public Accounts and Audit (the Committee) has a general oversight role regarding the PGPA Act and Rule and has played an ongoing role since its inception. The Committee reviews the rules under the PGPA Act where matters are significant and has a specific role in approving any changes to the annual report rule for Commonwealth entities under Section 46 of the Act.