



**THE HON DR PETER HENDY MP**  
ASSISTANT CABINET SECRETARY  
ASSISTANT MINISTER FOR FINANCE

Reference: MC16-018073

The Hon Ian Macfarlane MP  
Chair, Joint Committee of Public Accounts and Audit  
Parliament House  
CANBERRA ACT 2600

*I am*  
Dear Mr Macfarlane

Thank you for your letter to the Prime Minister dated 22 February 2016 regarding the Response to JCPAA Report 454 - Recommendation 7 to the Department of Prime Minister and Cabinet.

On behalf of the Prime Minister, I am forwarding the attached Executive Minute signed by the Secretary of the Department of the Prime Minister and Cabinet, Dr Martin Parkinson PSM.

Yours sincerely

  
DR PETER HENDY

5 / 5 / 2016



## Australian Government

### Department of the Prime Minister and Cabinet

ANDREW FISHER BUILDING  
ONE NATIONAL CIRCUIT  
BARTON

SECRETARY

## EXECUTIVE MINUTE

on

### JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT 454

*Early Years Quality Fund: Review of Auditor-General's Report No. 23 (2014-15)*

#### *General comments*

The Department of the Prime Minister and Cabinet publishes the *Guidance on Caretaker Conventions* on the department's website at [www.dpmc.gov.au](http://www.dpmc.gov.au) and typically updates the Guidance before each election to ensure it takes into account any issues that arose in, or since, the previous election period.

#### *Response to the recommendation*

##### **Recommendation 7**

The Committee recommends that the Department of Prime Minister and Cabinet update its *Guidance on Caretaker Conventions* to clarify what constitutes 'appropriate consultation' with the Opposition on grants administration matters under the caretaker conventions, including with reference to means of correspondence (post, email, telephone), correspondence address (Parliament House offices and electorate offices over election periods) and specifying officials document any follow-up.

The Department of the Prime Minister and Cabinet supports the recommendation in-principle.

The *Guidance on Caretaker Conventions* advises, at section 2.4 under the heading 'Major Policy Decisions':

If circumstances require the Government to make a major policy decision during the caretaker period that would bind an incoming government, the Minister would usually consult the Opposition spokesperson beforehand. In the past, for example, the Government has agreed to provide urgent financial assistance to drought-affected areas following consultation with the Opposition.

The *Guidance* also suggests the option of consultation with the Opposition under subsequent headings 'Significant Appointments' and 'Major Contracts or Undertakings'.

To address the Committee's recommendation we have added a new section in the 'Introduction' of the *Guidance* (updated on the department's website on 13 April 2016) to clarify what constitutes 'appropriate consultation' with the Opposition.

Because consultation with the Opposition during a caretaker period can occur in relation to policy decisions, appointments and contracts or undertakings, we have not confined the clarification to grants administration.

To avoid being too prescriptive, we have not referred specifically to means of correspondence or address. We have not specified that officials document any follow-up because consultation is carried out by the responsible Minister or their personal staff on the Minister's behalf.

The new section 1.4 of the *Guidance* is:

In circumstances when the responsible Minister consults the Opposition, that consultation should involve an explanation of why the proposed action is considered necessary during the caretaker period and an opportunity to explore different courses of action. As such, the Opposition should be provided with an appropriate amount of time to consider the issue. The Minister should ensure the Opposition spokesperson is aware that their views are being sought. While the Minister should consider any suggestions the Opposition might make, the Minister is not required to reach agreement with the Opposition before proceeding.



Martin Parkinson PSM

3 May 2016