



RESERVE BANK OF AUSTRALIA



Submission to the Inquiry into Public Governance, Performance and Accountability Act 2013 Rules Development

Joint Committee of Public Accounts and Audit

March 2014

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) consolidates into a single piece of legislation elements of each of the *Commonwealth Authorities and Companies Act 1997* (CAC Act), which currently applies to the Reserve Bank of Australia (RBA), and the *Financial Management and Accountability Act 1997*, which does not apply to the RBA.

The PGPA Act is principles based and will be supported by rules made under section 101 of the PGPA Act (the Rules). The current draft of the Rules that are proposed to take effect on 1 July 2014 forms Attachment C to the submission by the Department of Finance to this inquiry of the Joint Committee of Public Accounts and Audit.

This submission provides an overview of the role that the RBA has had in the process of the development of the Rules.

Consultation on Rules

Since September 2013, the RBA has actively participated in each of the four consultation sessions held in Sydney by the Department of Finance (Finance) with a number of entities that will be subject to the PGPA Act.

At each of those sessions, Finance representatives have provided detailed briefings on the PGPA Act reforms generally and on the process of the development of the Rules and related material.

At the latter three of those sessions, there has also been specific discussion in relation to the then current drafts of various Rules.

In addition, the RBA has made a number of written comments on various draft Rules. Finance has responded carefully to each of those comments.

Consultation on Other Matters

The powers and functions of the RBA, the Reserve Bank Board and the Payments System Board under the *Reserve Bank Act 1959* are such that Finance has also consulted with the RBA in relation to the amendments to be made to the Reserve Bank Act as a consequence of the PGPA Act and in relation to the possibility of a rule of a technical nature that applies to the RBA (as noted in clause 23 of the submission by the Department of Finance to this inquiry).

The amendments proposed to the Reserve Bank Act will be made under the forthcoming Consequential and Transitional Bill referred to in clauses 45 to 48 of the submission by the Department of Finance. As noted in that submission, a further draft of this Bill is expected to be circulated in late March.

Any RBA-specific rule will be considered in conjunction with the Consequential and Transitional Bill.

Reserve Bank of Australia
18 March 2014