



Australian Government

Department of Finance

Matt Yannopoulos PSM
Secretary

Our Ref: EC26-000603

Mr Josh Burns MP
Chair
Joint Committee of Public Accounts and Audit
By email: jcpaa@aph.gov.au

Dear Mr Burns

Thank you for your letter dated 30 March 2026 on behalf of the Joint Committee of Public Accounts and Audit (the Committee), requesting the Department of Finance (Finance) amend its response to Recommendation 8 of the Committee's *Report 512: Report of the inquiry into the administration of Commonwealth regulations* (Report 512). We also thank the Inquiry Secretary and the Committee Secretary for subsequently meeting with First Assistant Secretary Garbin on 9 April 2026 to discuss the Committee's expectations and clarify its intent in seeking an updated response to Recommendation 8.

Finance has further considered the Committee's request that it provide an updated Executive Minute to reflect a position of not agreeing to Recommendation 8, rather than agreeing with qualification. Finance does not wish to amend its response and maintains the position of 'agreed with qualification'.

Finance has various initiatives in place to provide assurance the Regulatory Policy, Practice, and Performance Framework (the Framework) is effective in driving fit-for-purpose regulatory systems. In early 2026, we released the Regulator Maturity Model and the Best Practice Handbook on Standards and Conformance Policy as the first tools under the Framework.

Our approach focuses on initiatives within Finance's resourcing, scope and sphere of influence. Finance uses the information we gather through our insights pathways to understand how the Framework is functioning across the Commonwealth and to identify emerging challenges, opportunities, and system-wide trends. These insights allow us to adjust where necessary to ensure the Framework remains fit-for-purpose in driving better regulation and regulatory systems, and to strengthen the Framework through publication of supporting tools. Specifically, we:

- developed the Framework's principles to target identified regulatory issues and opportunities to modernise and continuously improve regulatory systems

- support and convey the Government’s expectations to Commonwealth regulatory entities and policymakers to operationalise the Framework’s principles across the regulatory lifecycle and drive better regulatory systems
 - provide and continue to develop practical guidance materials, tools, and networks to support regulatory entities to apply the Framework’s principles and evaluate their own capabilities
- have robust pathways in place to continuously gather insights about:
 - emerging regulatory issues
 - whether the Framework’s principles remain relevant
 - the user experience in using the Framework and supporting tools.

In our previous correspondence, we outlined the approaches Finance uses to drive fit-for-purpose regulatory systems. Below, I provide further details to the Committee with assurances to maintain robustness of our approaches.

Robust approaches to assure the Framework is fit-for-purpose

Finance is of the opinion that, in accordance with Recommendation 8, it undertakes a range of initiatives to provide appropriate and proportional assurance that the Framework remains fit-for-purpose.

Development of the Framework

Finance conducted extensive research and consultation to inform development of the Framework to ensure its principles and approach were targeted and fit-for-purpose.

We considered various resources to identify key regulatory issues and opportunities, including Royal Commission findings, ANAO reports, international and national developments, and media about regulation and regulatory performance. Additionally, we undertook significant consultation with regulatory and policy agencies to inform development of the Framework and to understand how the Framework could support their regulatory reform efforts and evidence-informed approaches to regulatory policy, practice and performance.

Finance then sought feedback on the draft Framework from a wide variety of regulatory expert stakeholders, including Commonwealth regulatory entities and policy agencies, central agencies, and academia. Feedback from stakeholders, including from 12 agency heads, such as the Fair Work Ombudsman, ACMA, and the heads of ASIC, ACCC and APRA, indicated broad support across Government for the Framework and the proposed approach.

Setting expectations

In our regulatory enablement function, Finance supports through a variety of channels the Government’s expectations that Commonwealth entities operationalise the Framework’s principles and continuously maintain their regulatory systems throughout the regulatory life cycle.

Finance provides guidance and advice to support ministers, departments and regulators to issue or refresh Ministerial Statements of Expectations (SOEs) for regulators, and corresponding Regulator Statements of Intent (SOIs). Responsible ministers issue SOEs to set out guidance on the Government’s priorities for regulatory entities, including performance. The regulator responds to the expectations set out in an SOE through an SOI, which outline how it intends to meet those expectations and how it will demonstrate progress.

Finance provides guidance on issuing SOEs and SOIs and best practice regulatory performance reporting in the *Resource Management Guide 128: Regulator Performance* (RMG 128), a tool under the Framework. In late 2025, RMG 128 was updated to support departments and regulators to align SOEs and SOIs with the Framework's principles. Finance is currently progressing further updates to RMG 128 to address recommendations made by the ANAO to strengthen its guidance on the SOE and SOI process. We reinforce our guidance materials by providing advice and assistance to portfolio managers and regulatory entities as they work through the SOE and SOI process. Moving forward, we will continuously review and refine RMG 128 based on our experience in supporting the process and to address emerging needs.

Finance also leverages its advisory role on new regulatory policy proposals through the Government's budget and policy process to drive better regulatory policy. We examine regulatory proposals prior to consideration by Cabinet, and in our advice to entities we encourage alignment of approaches to the Framework's principles. We also seek to engage early with agencies to provide practical and targeted advice on how to operationalise the Framework's principles into policy design before proposals reach an advanced stage. Finance is also working to update Commonwealth administrative processes to formalise the Government's expectation for alignment with the Framework through the policy process.

Additionally, in our various engagement forums across the regulatory ecosystem, Finance continuously promotes consistent, high-quality regulatory practice and performance across the Commonwealth through adoption of the Framework's principles and best practice. Further details about the regulatory ecosystem forums are provided in the section below, 'Pathways to continuously gain insights'.

Supporting guidance to regulatory entities

Through a suite of supporting tools, Finance provides practical guidance to help regulatory entities implement the principles of the Framework and assess their own capabilities.

In late 2025, Finance published two new tools under the Framework. Firstly, the *Regulator Maturity Model and Self-Assessment tool* helps Commonwealth regulators evaluate and improve their regulatory capability against the Framework's principles and measure changes to their capability over time. Regulators are expected to report results from their maturity assessments to Finance. This data provides Finance with a deeper understanding of regulatory capability gaps, assisting us to strengthen our assurance of the Framework and supporting guidance.

Secondly, the *Best Practice Handbook on Standards and Conformance Policy* provides design questions and key tools to guide policymakers when developing standards and conformance policy.

We also intend to publish a new tool, the *Regulatory Governance Guide*, in the first half of 2026. This tool is intended to support regulators and policymakers implement the Framework's principles and best practice into regulatory governance arrangements in the Australian context.

Development of these tools involves extensive consultation from a range of stakeholders, including Commonwealth regulatory agencies, academia, and state and international partners to ensure they are targeted and meet user needs. We will continue refining these tools over time and to develop new resources to address emerging regulatory issues and opportunities identified through our insights work outlined below.

Pathways to continuously gain insights

Finance continuously gathers insights across the regulatory ecosystem to ensure the Framework and guidance materials remain fit-for-purpose and meet the needs of Government, the Australian public, and the regulatory community.

Finance convenes the Regulator Leadership Cohort (RLC), currently comprising of 32 heads of Commonwealth regulators or senior officials responsible for significant regulatory systems or functions within Commonwealth departments. Meeting at least three times a year, the RLC provides a critical assurance function for the Framework and associated tools, helping to ensure they remain fit-for-purpose, practical, and responsive to real-world regulatory conditions. Additionally, the RLC has formed two working groups, the Regulator Skills and Capability Working Group and the Data and Digital Ready Regulators Working Group, to collaboratively drive best practice and uplift capability in alignment with the principles of the Framework.

In parallel, Finance convenes the Regulatory Reform Inter-Departmental Committee (IDC), a cross-agency forum of SES Band 1 and EL2 officials from regulatory and policy agencies. Meeting bi-monthly throughout the year, the IDC is a valuable forum to share best practice initiatives, identify emerging regulatory issues, and test how the Framework and associated tools are being used by regulatory agencies and whether they are meeting user needs.

Additionally, through Finance's international regulatory cooperation strategy, we engage in international forums that convene equivalent government functions, such as the UK Department for Business and Trade and the New Zealand Ministry for Regulation. This includes Finance's role as Vice Chair of the OECD Regulatory Policy Committee. Our international role provides opportunities to share and learn international best practice on regulatory reform, strengthen regulatory transparency and interoperability, and advance Australia's strategic objectives.

We also build and maintain networks with other external regulatory stakeholders and experts, including state and territory governments, academia, and regulatory interest groups. Furthermore, we continuously scan new regulatory reports, findings, and events to identify emerging regulatory issues and opportunities.

With this response, Finance considers the Committee's recommendations on this matter are addressed. Our focus will now be on the continued implementation of the Framework and the assurance activities outlined above, to ensure it remains fit-for-purpose over time.

Should you or the Committee wish to discuss this matter further, Kelly Wood, Assistant Secretary Regulatory Foundations Branch, can be contacted by email (kelly.wood@finance.gov.au) or phone (02 6215 2753).

Yours sincerely

Matt Yanopoulos PSM
Secretary

4 May 2026