



JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT

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24 March 2014

Senator Cory Bernardi  
Chair  
Senate Finance and Public Administration Legislation Committee  
PO Box 6021  
Parliament House  
Canberra ACT 2600

Dear Senator Bernardi

**JCPAA Inquiry into Public Governance, Performance and Accountability Act 2013  
Rules Development**

Thank you for your correspondence of 6 December 2013 to the Joint Committee of Public Accounts and Audit (JCPAA) concerning the timing of tabling of annual reports for public sector agencies in the context of the new *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

I note the range of concerns you raise about this matter, particularly in the context of the Committee's inquiry into the PGPA Act 2013 rules development and the Committee's role in approving Requirements for Annual Reports developed by the Department of Prime Minister and Cabinet.

The Committee deliberated on this matter and agreed to seek a response from the Department of Finance. I can now convey this response to you in your capacity as Chair of the Senate Finance and Public Administration Legislation Committee. The extract relating to this matter from the correspondence received from Mr David Tune, Secretary, Department of Finance, on 3 March 2014 is copied below (other sections of the correspondence pertained to private Committee matters).

*You have also sought Finance's comments on concerns about the timing of the tabling of annual reports under the PGPA Act and the possibility that the implementation of arrangements may lead to annual reports not being available to Parliamentary Committees for Supplementary Budget Estimates hearings. These concerns were raised by the Chair of the Senate Standing Committee on Finance and Public Administration Legislation Committee, Senator Cory Bernardi.*

*Finance notes the concern and provides the following comments in response.*

*Annual reporting requirements for Commonwealth entities are set out in section 46 of the PGPA Act. This provision replaces requirements currently contained within section 9 of the Commonwealth Authorities and Companies Act 1997 (CAC Act). No*

*equivalent provision exists within the Financial Management and Accountability Act 1997 (FMA Act), although a requirement for departments and executive agencies to comply with the Annual Reporting Guidelines, issued by the Department of the Prime Minister and Cabinet (PM&C) with the agreement of the JCPAA, is included within sections 63 and 70 respectively of the Public Service Act 1999. While not explicitly required to do so, other agencies operating under the FMA Act also comply with the Annual Reporting Guidelines.*

*Given the differing existing requirements for entities operating under the FMA and CAC Acts, the PGPA Act has sought to bring entities under a single approach for annual reporting. While the provision is intended to be read consistent with the existing practice of tabling annual reports before the end of October each year (and providing a statement to Parliament if this cannot be achieved) it can be understood why Senator Bernardi is concerned about the potential for the wording of the provision to be used to delay the presentation of the annual report of an entity.*

*Finance appreciates the importance of the annual reporting requirements in meeting accountability obligations to Parliament and the significance placed on them by Parliamentary committees. Finance proposes to examine how best to amend section 46 the PGPA Act to ensure that normal practice will continue to be that Commonwealth entities are to provide their annual reports to their Ministers with sufficient time for the Ministers to table the reports before the end of October, and prior to Supplementary Budget Estimates hearings unless valid reasons exist. Subject to receiving policy approval, Finance will provide the JCPAA with proposed amendments to the PGPA Act provision to achieve this objective.*

The JCPAA has informed Finance that this response has been conveyed to you as Chair of the Senate Committee.

The Committee will continue to monitor progress on this matter in its briefings with Finance. Please contact David Brunoro, Committee Secretary (6277 2316), should you have any queries about these matters.

Yours sincerely

Dr Andrew Southcott MP  
Committee Chair