



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Public Governance and Resources
Legislation Amendment Bill (No. 1) 2015**

Second Reading

SPEECH

Tuesday, 17 March 2015

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Date Tuesday, 17 March 2015
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Questioner
Speaker Leigh, Andrew, MP

Source House
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Responder
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Dr LEIGH (Fraser) (18:20): I rise today to speak to the Public Governance and Resources Legislation Amendment Bill (No. 1) 2015. This bill is another stage in the financial framework reform process that Labor commenced when in government. We initiated a review process—the Commonwealth Financial Accountability Review—which involved two years of detailed consultation and consideration of issues, culminating in the development and passage of the Public Governance, Performance and Accountability Act 2013.

The new legislation, which replaced the old Financial Management and Accountability Act and the Commonwealth Authorities and Companies Act, established an integrated financial management framework for entities within the Commonwealth. The concept was to design an appropriate framework that would improve the performance, accountability and risk management across government. The 44th Parliament has dealt with a number of pieces of legislation relating to the implementation of the framework governed by the Public Governance, Performance and Accountability Act 2013, which Labor has supported.

The bill before the parliament today continues the reform process we put in place to ensure the continual effective operation of the financial framework. This bill may be the first in a series of bills that may be introduced and developed, in the future, that would continue to improve the financial framework arrangements. This would be similar to the series of financial framework legislation amendment bills that Labor put through the parliament when we were in government to deal with similar issues to the previous financial framework legislation.

The vast majority of the amendments that are contained in this bill are housekeeping items of a technical nature and are uncontroversial. Some of the proposed changes that are in this bill relate to amendments that were unable to be made at the time that the Public Governance, Performance and Accountability Act took effect on 1 July 2014, for various reasons. As a result of further consultation with relevant entities, these amendments can now be made to the relevant legislation to ensure that they interact properly with the new financial framework.

I will go briefly through the contents of the bill. Schedule 1 of the bill amends sections of the Public Governance, Performance and Accountability Act 2013 which relate to definitions, corporate plans, arrangements for GST and streamlining the administration of transfers of functions between non-corporate Commonwealth entities. These amendments ensure a continuation of the arrangements that were in place under the previous financial framework, as well as providing sufficient flexibility in relation to corporate plans. Schedule 2 of the bill amends sections of the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Act 2014 which relate to reporting periods, Commonwealth repayments and other items which ensure the improved operation of the financial framework legislation. I will return to schedule 3.

Schedule 4 of the bill ensures that the Clean Energy Regulator and the Climate Change Authority are listed entities for the purposes of the new financial framework. These are sensible and necessary amendments to make. Schedule 5 of the bill amends 22 acts, including the Australian National Registry of Emissions Units Act 2011, the Financial Framework (Supplementary Powers) Act 1997 and the National Land Transport Act 2014 to align and harmonise them with the Public Governance, Performance and Accountability Act to ensure that there is consistency with the new financial framework. These amendments do not change any of the policies or statutory functions contained in the legislation that is sought to be amended.

Schedule 6 of the bill makes amendments to a series of acts, which are—in the main—minor, technical in nature and uncontroversial, such as amendments to the Reserve Bank Act, the Industrial Chemicals (Notification and Assessment) Act, the Future Fund Act and the Health Insurance Act. There are also amendments to the Air Services Act, which will provide Airservices Australia with an increased ability to manage foreign currency risk effectively. That is by managing foreign currency exposure on operating expenses including insurance premiums and technical support services worth around \$5 million to \$15 million per year. Similar statutory powers to manage foreign currency risk already reside with the Export Finance and Insurance Commission, the Reserve Bank and Australia Post.

Schedule 6 also includes amendments to the Australian Trade Commission Act, relating to the inclusion of domestic tourism as part of the Austrade chief executive officer's functions. I understand that the Shadow Minister for Tourism, the member for Grayndler, will have more to say in relation to this amendment. He is a passionate champion of tourism. Schedule 7 of the bill relates to transitional provisions relating to legislative instruments and transitional rules that the Minister for Finance can make. Again, these are uncontroversial.

Now we have referred this bill to the Senate Finance and Public Administration Legislation Committee to give us assurance that there are no issues with the legislation before us today. Particular sections of the bill that we are seeking assurance on include schedule 3, which relates to the removal of body corporate status from the Clean Energy Regulator and the Climate Change Authority. For amendments in Schedule 6 relating to the Auditor-General Act, the proposed amendments there would expand the current exemptions to disclosing information on proposed audit reports to drafts, extracts of proposed reports and any other reports, including drafts, which are created for the purpose of preparing a proposed audit report.

The current exemption means that unless the Auditor-General's permission is granted, people who have been provided with a proposed audit report for comment cannot provide it to others. There is a two-year imprisonment penalty attached to this unauthorised disclosure. The amendments in this bill would also extend the imprisonment penalty to the unauthorised disclosure of the drafts and other extracts that I described earlier. We just want to be sure that there are no issues with these provisions of the bill.

It is appropriate that this bill is being debated in the week when the next so-called repeal day is scheduled. I would remind the House of the situation the last time the parliament dealt with legislation relating to public governance: when Labor successfully moved amendments to save the Commonwealth Cleaning Services Guidelines, only to see them abolished in another way 24 hours later. The same government that gave \$1.1 billion in new tax breaks back to multinationals cut the pay of the cleaners who clean their offices by \$2 an hour. That is an amount that probably is not much to those of us who enjoy the jobs of representing our constituents in this place, but I can assure honourable members that losing \$2 an hour is a considerable pain felt by those who work as cleaners.

Labor understands the necessity of a well-functional financial framework. Pending the results of the Senate committee's inquiry, we will be providing our support for this bill as it is necessary for the continual improvement of the financial framework and a further aspect of the reform process that we put in place when we were in government.