



22 June 2018

Ms Elizabeth Alexander AM and Mr David Thodey AO
Independent Reviewers of the Public Governance, Performance and Accountability Act 2013
Department of Finance
c/o PGPA Act Review Secretariat
One Canberra Avenue
FORREST ACT 2603

Draft Report - Independent Review of the PGPA Act 2013

Dear Ms Alexander and Mr Thodey

The Business Council of Australia welcomes the opportunity to comment on the Independent Review of the Public Governance, Performance and Accountability Act 2013 (Draft Report). The Draft Report contains many sensible recommendations on how to improve the operation of the PGPA Act 2013 and we support the general findings.

However, the Business Council would like to comment on the potential implications of Recommendation 24 of the Draft Report, which states:

The annual performance statement should be the primary vehicle for reporting the performance of Commonwealth entities. Duplicative performance reporting requirements – for example, those under the Regulator Performance Framework – should be reviewed and integrated to reduce the reporting burden and improve clarity.

In principle, the review team's objective to reduce unnecessary compliance costs on government due to duplicative reporting obligations is supported. However, the Business Council is concerned that Recommendation 24 could lead to a watering down of the strengthened accountability and stakeholder engagement requirements that were introduced by the government under the Regulator Performance Framework (RPF) in 2014.

In our submission to this review, we expressed our strong support for the RPF and recommended its wider adoption across Australian government agencies, and for the model to be taken up by the states and territories.

The RPF aims to ensure that regulators do not impose unnecessary costs on regulated entities in the administration of their duties. It addresses a gap in the accountability framework and recognises the importance of reducing regulatory costs for business competitiveness, job creation and consumer welfare. Now in its third year of operation, the RPF is regarded by the business community as an important mechanism for improving regulatory performance.

The RPF requires regulators to report against six specific performance indicators that are not reflected in the PGPA. These are:

- Regulators do not unnecessarily impede the efficient operation of regulated entities.
- Communication with regulated entities is clear, targeted and effective.

- Actions undertaken by regulators are proportionate to the regulatory risk being managed.
- Compliance and monitoring approaches are streamlined and coordinated.
- Regulators are open and transparent in their dealings with regulated entities.
- Regulators actively contribute to the continuous improvement of regulatory frameworks.

Consultation is a key element of the RPF. In assessing their performance against these indicators, the RPF requires regulators to consult with regulated entities and other key stakeholders. This has led to constructive engagement between regulators and regulated entities on ways to improve regulatory administration.

The Business Council strongly supports the retention of the core accountability, reporting and consultation elements of the RPF.

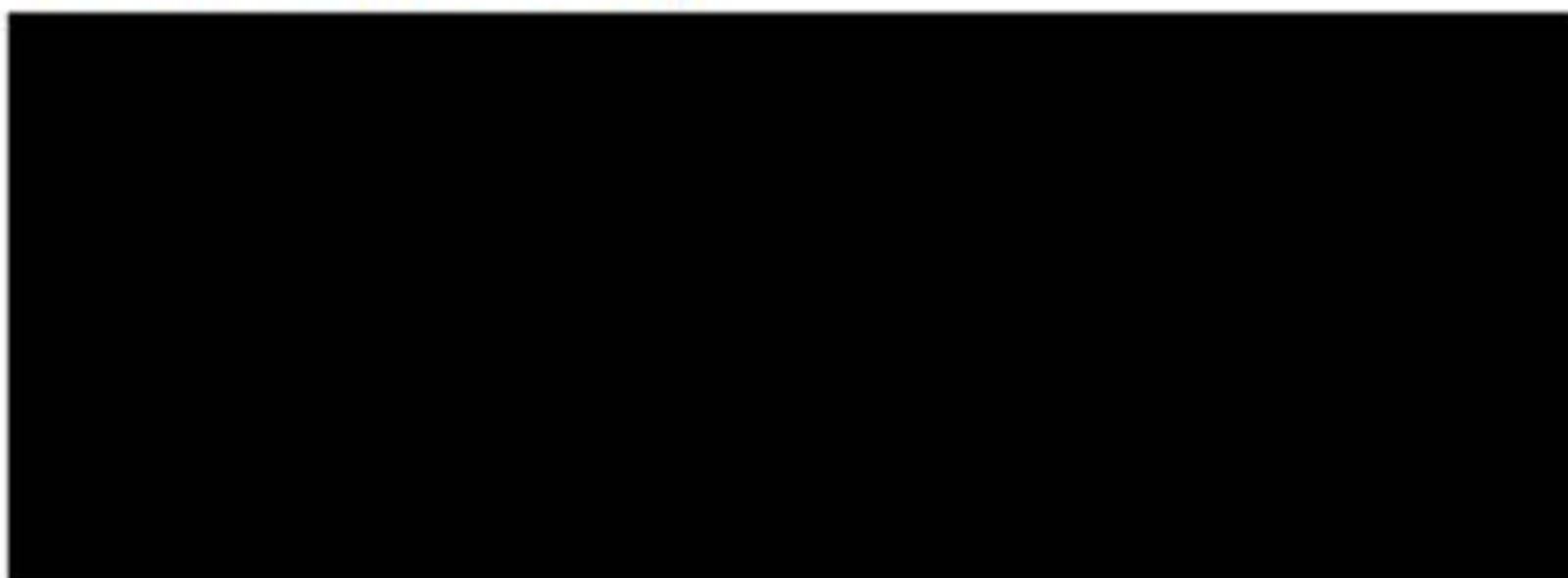
We are pleased that the Draft Report recognises the Business Council's concerns in relation to retaining the consultation requirements of the RPF. We urge the review team to also recognise the Business Council's strong view that the key accountability elements of the RPF must also be retained especially where those accountability measures are additional to, and not duplicative of, the accountability measures provided for by the PGPA Act.

The extent of any duplication needs to be clearly explained and evidence provided in the Final Report. Commonwealth entities that believe duplication exists should be asked to clearly explain which aspects of the RPF they consider duplicate their reporting obligations under their annual PGPA Act performance statements.

Thank you for the work you have done on this important review to date and for the opportunity to respond to the draft recommendations.

I trust that this information has been of assistance. Please contact me or Stephen Green (Senior Policy Adviser) at stephen.green@bca.com.au if you require anything further.

Yours sincerely



Jennifer A. Westacott AO
Chief Executive