



Australian Government
Department of Social Services

Roxanne Kelley
Chief Operating Officer

[REDACTED]

PGPA Act and Rule Independent Review Secretariat
Department of Finance
One Canberra Avenue
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Dear Review Secretariat

Thank you for the letter of 30 May 2018 seeking submissions to the Independent Review of the *Public Governance, Performance and Accountability Act 2013* and Rule. The Department of Social Services (the department) wishes to provide feedback in relation to recommendations on audit committees, executive remuneration and contractors and consultancies.

The contact officer for this submission is Mr Russell de Burgh, Acting Chief Finance Officer. Mr de Burgh can be contacted at Russell.deBurgh@dss.gov.au.

Yours sincerely

[REDACTED]
Roxanne Kelley

25 June 2018

Please find below the Department of Social Services response to the draft Independent Review on the *Public Governance, Performance and Accountability Act 2013* and Rule.

Recommendation 15. The independence of audit committees should be strengthened by requiring all audit committee members to be independent, with independence defined as not being an official or employee of a Commonwealth entity

The department's Audit and Assurance Committee has an independent chair, three independent members and two departmental officers. It is noted that the implementation of this recommendation may create additional costs and risks for agencies. It is important that members understand the business of a department.

Recommendation 34. Accountable authorities should disclose executive remuneration in annual reports on the following basis, as shown in Appendix C to this report:

(a) the individual remuneration, including allowances and bonuses, of the accountable authority and their key management personnel, in line with the disclosure of ASX listed companies; and

(b) the number and average remuneration (including allowances and bonuses) of all other senior executives and highly paid staff, by band, consistent with the reporting arrangements in place up to 2013–14.

The department currently reports executive remuneration by bracket on its external website and in the annual report. In addition, the Accountable Authority remuneration package is approved and reported by the Remuneration Tribunal.

Should this recommendation be accepted, further guidance may be required on the definition of 'key management personnel' in relation to a public sector entity to ensure consistency of approach across agencies.

Recommendation 37. Non-corporate Commonwealth entities should provide the following information on expenditure on contracts and consultancies in their annual reports:

(a) total aggregate expenditure on contracts and consultancies and the number of new and ongoing contracts in the reporting period (extending the current reporting requirements for consultancies to contracts in general); and

(b) lists of all organisations and/or individuals that receive 5 per cent or more of the entity's total expenditure on contracts and consultancies, respectively (or, where this includes fewer than five organisations/individuals, the five organisations/individuals that receive the greatest level of expenditure).

The department currently provides significant reporting in relation to contracts and consultancies, including: Senate Order reporting, AusTender reporting, annual report disclosure, financial statements, Indigenous procurement reporting, and property and grants.

Consideration could be given to a review of current reporting requirements with the aim of simplification, streamlining and removal of duplication.