



Australian Government

Geoscience Australia

Attention: Review Secretariat

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Dear Ms Alexander AM and Mr Thodey AO,

***Public Governance, Performance and Accountability Act 2013 and Rule Independent Review***

Thank you for the opportunity to provide comment on the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and Rule Independent Review draft report.

Geoscience Australia is generally supportive of the recommendations put forward in the draft report with the exception of:

**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.**

Geoscience Australia sees benefit in maintaining a minority of internal members on the audit committee as they can provide a detailed understanding of the business complexities and issues facing the entity. This intimate level of knowledge is not possible from external members no matter how thorough or frequently they are briefed and inducted into the business.

There is likely to be a significant cost in establishing an entirely external panel that would not be viable for many small entities. Additionally, the Canberra area is likely to have only a relatively small pool of suitable candidates available which will further exacerbate the likely cost and make it difficult to obtain members and schedule meetings.

The report itself acknowledges these issues - "We recognise that the business of government is complex." (page 10); "This may limit the number of audit committee members in Canberra with deep corporate or relevant non-public sector experience." (page 24).

A suggested amendment is to recommend that at least one member of the audit committee must be external (in the meaning not being an official or employee of a Commonwealth entity).

Please contact Stuart Barr, Director Governance and Risk, on 02 6249 9131 if you require further information or clarification on this response.

Yours sincerely



**Vanessa Graham**

Chief Finance and Human Resources Officer

21 June 2018