

The Australian Government's economic response to COVID-19

RESPONSE PROVIDED Responded: Thursday 23 April 2020

Contact

Please direct enquiries relating to requests for audit through our [contact page](#).

The Auditor-General responded on 23 April 2020 to correspondence from Senator Katy Gallagher dated 31 March 2020, requesting that the Auditor-General develop an audit program related to the Australian Government's economic response to COVID-19.

Auditor-General's response



23 April 2020

Senator Katy Gallagher
Shadow Minister for Finance
Shadow Minister for the Public Service
By email: senator.katy.gallagher@aph.gov.au

Dear Senator

Thank you for your correspondence of 31 March 2020, and our subsequent discussion on 17 April 2020, regarding your request for the Australian National Audit Office (ANAO) to develop an audit program of the implementation and ongoing performance of the Australian Government's economic response to COVID-19.

In your letter you raise specific issues contained in the government's economic response to COVID-19: the government's economic stimulus package of measures to reduce the financial impact of the COVID-19 pandemic on individuals and businesses; the funding for these measures being managed through an Advance to the Finance Minister; and the delegated powers provided to the Minister for Families and Social Services through the Coronavirus Economic Response Package Omnibus Bill 2020.

I intend to develop and publish an audit program of the government's COVID-19 response, and work is now underway to develop the approach. The audit program will focus on providing Parliament with transparency and assurance on management of the response.

It is normal practice for the AAWP to take account of the audit priorities of the Parliament determined by the Joint Committee of Public Accounts and Audit (JCPAA). The COVID-19 audit approach will be outlined in a revised 2020-21 Annual Audit Work Plan (AAWP) which will be provided to the JCPAA in early May 2020 to consider the priorities of the Parliament. The draft AAWP will also be available for public consultation during May 2020. I expect that the ANAO's 2020-21 AAWP will be released in July 2020, although some COVID-19 related audits may commence before then.

I have decided to conduct assurance reviews of the Advances to the Finance Minister (AFM). These reviews will be conducted in accordance with section 19A of the *Auditor-General Act 1997* (the Act). They will provide more timely assurance to the Parliament than the annual review undertaken by the ANAO in the current circumstances in which the appropriation for Advances to the Finance Minister has been significantly increased to support Australian Government activities in light of the COVID-19 pandemic. Reports on the assurance reviews are expected to be tabled in Parliament each month.

You have drawn attention in your correspondence to the amendment agreed by the Parliament to the Coronavirus Economic Response Package Omnibus Bill 2020 giving

certain powers to the Minister for Families and Social Services. I do not consider that the specific use of such powers lend themselves to the audit and review functions of the ANAO. However, a future audit of the effectiveness of programs or activities undertaken by the government in response to COVID-19 could consider the quality of evidence developed within the public sector to inform the Minister's decisions in this area. The monitoring of the use of the powers may be something that the Parliament may wish to consider in other ways including the Senate Select Committee on COVID-19.

Yours sincerely

Grant Hehir
Auditor-General

Correspondence from Senator Katy Gallagher



Senator Katy Gallagher

Shadow Minister for Finance
Shadow Minister for the Public Service
Manager of Opposition Business in the Senate
Senator for the Australian Capital Territory

Mr Grant Hehir
Auditor-General for Australia
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

By email: grant.hehir@anao.gov.au

Dear Mr Hehir

I write to request that the Australian National Audit Office (ANAO) develop an audit program related to the Australian Government's economic response to COVID-19.

Over the past three weeks the Australian Government has announced just over \$200 billion in direct Commonwealth spending as an economic response to the COVID-19 outbreak. Over \$100 billion in balance sheet assistance has been provided to support the flow of credit to business.

As you would be aware, legislation relating to the first and second tranches of the Government's economic response to COVID-19 with financial implications of \$84 billion passed the Parliament in a single day sitting due to the social distancing and health precautions associated with COVID-19. Labor expects the third tranche valued at \$130 billion will be dealt with in a similarly expedited way.

In addition to these economic responses there have been two other areas where new arrangements have been put in place in response to COVID-19 which Labor believes would benefit from the ANAO's attention.

First, in association with the supply bills which passed the Parliament on 23 March 2020 a significantly increased Advance to the Finance Minister (AFM) was agreed providing the Finance Minister with \$40 billion to meet any urgent and unexpected expenditure. This is almost twenty times the amount provided in association with normal appropriations in any given year.

Whilst there are some agreed (but not legislated) conditions on the use of this increased AFM, Labor believes there is a strong case for close monitoring of the use of this mechanism as part of the COVID-19 response.

Secondly, the Parliament also agreed to a government amendment to the Coronavirus Economic Response Package Omnibus Bill 2020 which gives the Minister for Families and Social Services unprecedented ability to make modifications to a range of qualifications and payments under social security law until the end of this calendar year.

These powers to set and amend various pensions and eligibility for pensions have never been delegated to a Minister before and, as with other elements of the response to COVID-19, Labor believes special consideration should be given to monitoring the use of these powers, particularly in an environment when the Parliament is not able to sit in the usual way.

Due to the unprecedented amount of taxpayer funds proposed to be expended over the next two financial years, along with the novel arrangements and extra powers being provided to Ministers over coming months, Labor believes there are good reasons for you to audit the implementation and ongoing performance of the Australian Government's economic response to COVID-19.

I am happy to discuss this request with you in more detail if that is useful. The contact in my office is Mr Alex Lim, who can be contacted at Alexander.Lim@aph.gov.au

Yours sincerely

A handwritten signature in cursive script that reads "Katy Gallagher".

Katy Gallagher

Senator for the ACT

31 March 2020

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Auditor-General for Australia
Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601

By email: grant.hehir@anao.gov.au

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Yours sincerely

Katy Gallagher
Senator for the ACT
31 March 2020

Contents



Related documents



[Correspondence from Senator Katy Gallagher \(PDF\)](#)
