



Australian Government

The Treasury

TREASURY RESPONSE TO THE 2017 AusNCP INDEPENDENT REVIEW

The Australian Government is committed to working with Australian businesses, civil society organisations and the OECD to support Australian enterprises in meeting the standards set by the OECD Guidelines for Multinational Enterprises.

In 2017, Treasury commissioned an Independent Review that evaluated the administrative structure of the AusNCP and its fit within the Australian Government. The final report made five recommendations that emphasised: increased independence and expertise in decision-making; clearer procedural guidance; improved stakeholder outreach; and dedicated resources. Thank you to all stakeholder partners for continuing to engage with Treasury and the OECD throughout 2018 on matters relating to these recommendations, including recent initiatives delivering a *refreshed website and online tools* (released in February) and revised *procedural guidance* (released in July).

The following initiatives aim to modernise the way the AusNCP operates, enhancing transparency, accountability and the independence of the complaint handling process.



Initiative 1: Introducing an independent expert examiner for specific instances

Treasury recognises stakeholder concerns about a government-only case handling model. From early 2019, an Independent Examiner will undertake all specific instance case work, including decision-making. They will use the existing Treasury secretariat for support and procurement of other professional services (such as translation, legal advice and mediation). Treasury will remain accountable to the OECD for the overall AusNCP function; however the Independent Examiner will have autonomy to make decisions independently and draw on the advice and expertise of the advisory body (below).



Initiative 2: New advisory body

To increase transparency, accountability and predictability, the Independent Examiner and secretariat will be supported by an advisory committee comprising government and external members (two corporate and two civil society positions). This body, which will replace the existing Oversight Committee, will meet biannually to consider specific instance case work and contribute to promotion activity. The Independent Examiner and secretariat will seek advice from members of the body as required.



Initiative 3: Improved procedural guidance

Revised procedural guidance was released in July 2018 to reflect Treasury's commitment to improved case handling. This guidance will be updated to reflect the Independent Examiner and advisory body roles, and stakeholders will have the opportunity to provide feedback on the draft procedures before they are finalised.



Initiative 4: Resource commitment

A departmental budget allocation has been made for the AusNCP to ensure the function remains accessible, including funds for continuation of professional services and three staff within Treasury. The final budget will be determined once arrangements for the Independent Examiner have been settled.



Initiative 5: Improving outreach and promotion

The AusNCP will undertake a minimum of two outreach activities each year and will invite members of the new advisory body to support promotional work. Regular access to stakeholder networks will strengthen the AusNCP's visibility, accessibility and access to expertise.

These initiatives will be fully implemented within the next 12 months. During this time Treasury will continue to strengthen policy connections within government and improve networks with the corporate and NGO sectors.

In developing its response to the 2017 Review, Treasury has considered the recommendations of the report, the principles that underpin these recommendations, as well as the feedback received directly from stakeholders. The result is a package of reforms that is achievable, meets the intent of the Review and delivers on Treasury's commitment to host a more contemporary NCP function.

Corporate and civil society partners are encouraged to participate in the new AusNCP advisory committee and continue to contribute feedback. Further information regarding the appointment processes for the independent examiner and advisory body roles will follow. Make sure you subscribe to www.AusNCP.gov.au to stay informed.

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