

EXPLANATORY STATEMENT

Issued by the Authority of the Minister for Finance

Public Governance, Performance and Accountability Act 2013

Public Governance, Performance and Accountability (Relevant Company) Rule 2016

Section 85 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) provides the Finance Minister with the authority to form, or participate in forming a relevant company on behalf of the Commonwealth. A relevant company is a company of a kind prescribed, including its objects or proposed activities, by a PGPA rule. Section 101 of the PGPA Act provides that the Finance Minister may make rules by legislative instrument to prescribe matters giving effect to the Act.

The *Public Governance, Performance and Accountability (Relevant Company) Rule 2016* (rule) would provide the legislative authority for the Commonwealth to form, or participate in forming, a relevant company whose objects or proposed activities are to predominantly develop and commercialise a prototype 10-qubit silicon quantum integrated circuit. This would allow the government to develop a practical quantum computing system as part of its National Innovation and Science Agenda.

Details of the rule are set out at [Attachment A](#). A Statement of Compatibility with Human Rights is at [Attachment B](#).

The rule is a legislative instrument for the purposes of the *Legislation Act 2003*.

The rule will commence on the day after registration on the Federal Register of Legislation.

Consultation

The Department of Industry, Innovation and Science has been consulted.

Details of the *Public Governance, Performance and Accountability Act 2013 (Relevant Company) Rule 2016*

Section 1 – Name

This section provides that the title of the rule is the *Public Governance, Performance and Accountability (Relevant Company) Rule 2016*.

Section 2 – Commencement

This section provides that each provision of the rule specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table.

The whole of the rule will commence on the day after it is registered on the Federal Register of Legislation.

Section 3 – Authority

This section provides that the instrument is made under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Section 4 – Definitions

This section provides that in the rule ‘Act’ means the PGPA Act.

Section 5 – Relevant company

This section provides that a company is a relevant company if it is of a kind mentioned in column 2 of the table and its objects or proposed activities are of a kind mentioned in column 3 for the corresponding item.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

The *Public Governance, Performance and Accountability (Relevant Company) Rule 2016* is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the legislative instrument

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) establishes a framework for regulating resource management by the Commonwealth and relevant entities. Section 101 of the PGPA Act provides that the Finance Minister may make rules by legislative instrument to prescribe matters giving effect to the Act.

The *Public Governance, Performance and Accountability (Relevant Company) Rule 2016* (rule) would establish a rule under section 85 of the PGPA Act. The rule would provide the Commonwealth with the legislative authority to form, or participate in forming, relevant companies mentioned in section 5 of the rule.

Human rights implications

The rule does not impinge on any applicable rights or freedoms.

Conclusion

The rule is compatible with human rights as it does not raise any human rights issues.

**Senator the Hon Mathias Cormann
Minister for Finance**