

**STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS –
REPORT 78 – 2019-20 BUDGET CYCLE – PART 1: ESTIMATES HEARINGS AND
RELATED MATTERS**

Recommendation 1: The Treasurer develop guidelines for the reporting of individual special purpose accounts with a defined purpose in the Budget Papers.

Not supported.

The requirements for publication of special purpose account (SPA) statements are largely outlined in Section 17 of the *Financial Management Act 2006*, which states that:

Section 17 – Special purpose statements and trust statements for accounts, preparation of etc.

- (1) The accountable authority of an agency is to prepare –*
 - (a) a special purpose statement for a special purpose account operated by the agency that is referred to in section 10(a) or 16(1)(d); and*
 - (b) a trust statement for a special purpose account operated by the agency that is referred to in section 10(f) or 16(1)(c).*
- (2) A special purpose statement or a trust statement is to contain the information prescribed by the Treasurer's Instructions for the special purpose account concerned.*
- (3) The accountable authority is to send the special purpose statement or trust statement to the Treasurer.*
- (4) When the Treasurer approves the special purpose statement or trust statement, the accountable authority is to send a copy of it to the Auditor General.*

Treasurer's Instruction 1103 *Statements of Financial Position* requires that:

- (15)(ii) For each ... special purpose account, there shall be disclosed:*
 - (a) the purpose of the special purpose account;*
 - (b) the balance of the special purpose account at the beginning of the financial year;*
 - (c) total receipts;*
 - (d) total payments;*
 - (e) the balance of the special purpose account at the end of the financial year; and*
- (iii) Agencies shall disclose the information specified in paragraph 15(ii) of this instruction for each ... special purpose account.*

In addition, Treasurer's Instruction 950 *Publication of Special Purpose Statements and Trust Statements* requires approved SPA statements to be included in the accountable authority's annual report.

As part of the Budget process, Treasury assists agencies with disclosure of SPAs, consistent with the legislative provisions.

SPA guidelines used in preparing the 2019-20 Budget advised agencies to disclose the relevant Act associated with the SPA and how the account is utilised (where applicable). Generally, SPAs that receive Parliamentary funding from the Consolidated Account should be disclosed in an agency's Budget Statements, unless there are nil balances for the line item 'Receipts – Appropriation' in each of the relevant years (Actual, Budget, Estimated Actual and Budget Estimate). Other SPAs may be disclosed at the discretion of the agency (such as where funding is received from a particular industry or body that warrants disclosure).

Key SPAs established to deliver specific Government policy outcomes are reported on in the Appendix 3 of Budget Paper Number 3 and in the Mid-year Review, with outcomes also reported in the Quarterly Financial Results Reports and the Annual Report on State Finances. This information is generally presented as an Appendix that focuses on the major/material SPAs used for the achievement of high-profile activities, with the balances and transactions in and out of these accounts forming part of the overall consolidated projections/outcomes.

The current Treasurer's Instructions and guidelines are considered sufficient to provide transparency while avoiding unnecessary duplication, and are consistent with the legislative requirements.

Recommendation 2: The Treasurer release a corrigendum to correct any known errors in the Budget Papers.

Supported – for material errors.

When material errors occur in the Budget Papers it is usual practice for Treasury to release a corrigendum correcting those errors once they are identified (most recently for the 2016-17 Budget, when general government expense movements were incorrectly labelled in Budget Paper No. 3: *Economic and Fiscal Outlook*, and in the 2015-16 Budget when three errors in Budget Paper No. 2: *Budget Statements* were identified and corrected).

However, the issuance of corrigenda for minor errors with no material impact on the Budget (e.g. a spelling error) will add no additional value to the consideration of the Budget.

It is noted that the errors in the 2019-20 Budget Papers identified by the Committee did not adversely affect the Committee's consideration of the Budget Estimates.

Accordingly, the Government intends to continue the current practice of only correcting material errors.