



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY



STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), SUZANNE ORR MLA,
MARK PARTON MLA

Inquiry into referred 2015–16 Annual and Financial Reports
ANSWER TO QUESTION [REDACTED] ON NOTICE 11
27 February 2017

Asked by Alistair Coe MLA:

Chief Minister, Treasury and Economic Development Directorate 2015-16 Annual Report, Economic and Financial Management, Output 2.1

In relation to: meeting obligations

1. How does the Directorate meet its obligations to oversee the ACT's financial relations with the Commonwealth, States and the Northern Territory when other areas of the ACT government cannot meet timeframes to provide key data and cannot provide reliable data?

Mr Andrew Barr MLA: The answer to the Member's question is as follows:—

- The Federal Financial Relations Unit located in the Treasury maintains a general oversight of federal financial relations and consequential flow of federal funding which totalled \$1.9 billion to the ACT in 2015-16.
- This Unit also works in tandem with other elements of the Treasury and the Directorate more widely including the Policy Unit responsible for COAG deliberations and its supporting administrative fora.
- From an operational perspective, the Unit is guided in its task via the provisions of the *Intergovernmental Agreement on Federal Financial Relations* (IGAFFR):
 - This includes managing the ACT Government's participation in the 2015-16 deliberations of the Standing Council on Federal Financial Relations (CFFR) and supporting Heads of Treasuries and associated forums including Deputy Heads of Treasuries, GST Administration Sub Committee, GST Policy & Administration Sub Group and the Heads of Treasuries National Partnership Network.
- All have an integral role to play including monitoring federal funds channelled to the ACT Treasury via the Federal Treasury in the form of General Revenue Assistance, Specific Purpose Payments and National Partnership Payments. A full reconciliation of payments is provided to CFFR annually supported by a number of associated data bases.

- The same Unit directed the ACT's participation in the Commonwealth Grants Commission (CGC) processes regarding the distribution of the GST Pool between all States and the two Territories in accordance with the principle of horizontal fiscal equalisation. This included seeking extensive data from all ACT Directorates within very tight timeframes and was fully compliant with all CGC requests.
- Importantly, it should be noted, data requirements by other federal agencies such as the Productivity Commission for the purposes of compiling the annual Review of Government Services (ROGS) Reporting fall outside the purview of the IGAFRR and have no bearing on federal financial funding arrangements.
- Indeed, an underlying pillar of the ~~States~~ and Territories participation in the ROGS exercise was that it should not be used for the purposes of distributing federal funding.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: 

Date: 15.3.17

Mr Andrew Barr MLA
Treasurer