



Inquiry into Caretaker Conventions

Answer to question taken on notice

Asked by: MS LEANNE CASTLEY MLA

Addressed to: CHIEF MINISTER

Redirected to:

In relation to: ACT Public Service and Expenditure exceeding forecasting

Hearing: 11 June 2025

Uncorrected Proof Transcript pp 38

Transcript provided: 17/06/2025

Answer Due: 25/06/2025

ANDREW BARR MLA took on notice the following question(s):

MS CASTLEY: Sure, okay. Chief Minister, I am just wondering if I can have some questions for you now. Outside the caretaker period, what is the usual process by which an agency would inform Chief Minister or Treasury about expenditure that is significantly exceeding forecasts that have been made, and/or risks to the financial position?

Mr Barr: Well, that would vary depending on the agency and its appropriation and the terms in which it operates; whether it has own source revenue, for example. Probably best I take that on notice to provide you with a—rather than just an off the top of my head answer.

MS CASTLEY: Yes, okay, and is it something that your office would be informed directly by another minister's office, or would the information come to you in your office through Treasury and then to—

Mr Barr: Well, generally through Treasury, and more often than not on the formal quarterly reporting, or half-yearly reporting requirements. Many agencies have own source revenue, and so their budget management involves both their government payment for output—that is what comes off the budget that is appropriated for them—as well as their own source revenue. And so they are expected to operate within the revenue resources that they have that are multiple, often, and are not just the territory government. In some instances there is a stream of commonwealth funding as well. So it is a much more devolved set of financial arrangements in that directorates and agencies within directorates are responsible for their own financial management, for their own reporting. We do not have a large commonwealth finance department-style operation when it comes to ACT Treasury.

ANDREW BARR MLA: The answer to the Member's question is as follows:

The *Financial Management Act 1996* (FMA) requires that the Treasurer presents the Legislative Assembly quarterly financial statements within 45 days after the end of each quarter. These statements provide a consolidated view of the year-to-date budget compared to the actual result with associated variance commentary. Agency level revenue, expenses and operating results are also provided as part of the reports.

Treasury also has a system available for reporting of actual results throughout the financial year:

- The Treasury Actual Reporting System (TARS) allows larger agencies to provide monthly financial reporting to Treasury. Actuals are collected in TARS monthly from September through to June and various subsequent audit periods. No data is collected in July and August due to the finalisation of prior year financial statements and audits. Actuals data is collected at agency level and entity segment (controlled and territorial) against a whole of government chart of accounts and internal trading structure. Information at a lower level is not currently collected by Treasury outside of the capital works program which captures information on individual capital projects and milestones.
 - Phasing of the annual budget and updated estimated outcome is also collected in TARS (typically twice a year following a budget review or budget) to allow reporting of year-to-date actuals against year-to-date budgets (operating statement and cash flows only).
 - Variance narratives are also collected for all financial statement line items (for example, employee expenses, supplies and services, sales of goods and services) which exceed 5 per cent and \$2 million compared to the year-to-date budget for the operating statement and cash flow.

In addition to these standard reporting mechanisms, additional monthly reporting was instigated for the 2025-26 Budget process following the Supplementary Appropriation for health funding announced in the 2024-25 Budget Review.

Approved for circulation to the Select Committee on Caretaker Conventions

Signature: 

Date: 24.6.25

By the Chief Minister, Andrew Barr MLA