



ACT
Government

Government Response to the Standing Committee on Public Accounts – Report 16

*Inquiry into the Appropriation Bill
2022-2023(No 2) and Appropriation
(Office of the Legislative Assembly) Bill
2022-2023 (No 2)*

Andrew Barr

Treasurer

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Introduction

Following the ACT Legislative Assembly Standing Committee on Public Accounts – Inquiry into the *Appropriation Bill 2022-2023 (No 2)* and *Appropriation (Office of the Legislative Assembly) Bill 2022-2023 (No 2)* held on 27 February 2023, the Standing Committee on Public Accounts has now released its report. The Government’s consolidated responses to this Committee’s recommendations are included below.

The Government wishes to acknowledge the role played by the Committee in scrutinising the Budget, and we have endeavoured to respond fully to the questions asked during the process.

The Government thanks the Committee for its report, which has made five recommendations on issues relating to reporting information related to bonds, infrastructure spend reporting, land release reporting and cost of living impacts, particularly for renters. In our response, the Government has:

- agreed in principle to two recommendations;
- acknowledged that two recommendations are part of existing Government policy; and
- not agreed to one recommendation.

The Government remains committed to being open and transparent in its budget papers and related documentation to ensure that our practices strengthen the integrity and accountability of the management of the Territory’s public finances. The Government’s full responses to the recommendations of the Committee are detailed in the following pages.

Response to Recommendations

Recommendation 1

The Committee recommends that the Government publish in its budget review the assumed rates for any bonds expiring in that financial year.

Government response

Agreed in principle.

The Government will give consideration to the scope of information provided in budget papers related to the estimated cost of new borrowings.

Recommendation 2

The Committee recommends that the Government publish in its budget review a year-to-date update on the actual infrastructure spend versus budget estimates for that financial year.

Government response

Part of existing Government policy.

The Government publishes quarterly capital works reports that outline actual infrastructure spend versus budget estimates for that financial year. These reports are circulated to Members of the Legislative Assembly within 60 days after the end of the financial quarter and published on the Treasury publications website alongside budget review documents.

Recommendation 3

The Committee recommends that the Government publish in its budget review a year-to-date update on the actual number of blocks released for single dwelling and multi-unit dwellings under its land release program for that financial year.

Government response

Not agreed.

The Government's annual Budget and Budget Review considers projections across the current financial year and forward estimates period. The reporting of actual results for a given financial year is provided through the Government's annual reports, facilitating appropriate scrutiny through the audit requirements outlined in the *Financial Management Act 1996*. The Government does not undertake a formal reporting process for actual results semi-annually. Such an exercise would involve significant resources.

The publication of the Budget Review involves a substantial lead time with processes beginning in October of each year. Therefore, the Suburban Land Agency (SLA) uses September data as the basis for reconsidering forward projections for Budget Review. This ensures sufficient time to

facilitate robust calculation, review and quality assurance prior to running through an extensive approval process that involves management, the SLA Board, Treasury, Ministers, Expenditure Review Committee of Cabinet and the Cabinet.

Using September data for actual releases only captures the first quarter of a financial year. Statutory processes are required to enable releases occur at different times throughout the year and are highly variable. Additionally, the seasonality of land releases typically results in large-scale releases being timed outside this period of data capture. It is therefore expected that first quarter land release data would provide limited insight into the impact on future projections.

Recommendation 4

The Committee recommends that, given the significant cost of living pressures facing Canberrans, the Government include as part of its budget review process an update to the Cost of Living Statement, which details the measures committed through the budget review to alleviate cost of living pressures on Canberrans.

Government response

Agreed in principle.

The Government notes that all new measures to alleviate cost of living pressures are detailed in the Budget and Budget Review papers. While the cost of living statement published as part of each Budget may refer to new measures, the main purpose of the statement is to provide an update of year-to-year changes in the drivers of cost of living pressures.

Recommendation 5

The Committee recommends that the ACT Government continue to lobby the Commonwealth Government ensure income supplements are adequate for Canberra renters.

Government response

Part of existing Government policy.

The Government acknowledges the high proportion of Commonwealth Rent Assistance recipients experiencing rental stress in the Territory. Discussions will continue with the Commonwealth Government as part of the Council on Federal Financial Relations housing program of work.