



Parliamentary Standing Committee of Public Accounts

Media Advisory

Tuesday, 10 September 2024

Tabled Reports:

- 1. Short inquiry into the Tasmanian Government's use of provisions of the Financial Management Act 2016 to fund election commitments in 2021, and**
 - 2. Statement of Understanding - Parliamentary Standing Committee of Public Accounts and Auditor-General of Tasmania**
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The Parliamentary Standing Committee of Public Accounts (Committee) tabled two reports today.

Short inquiry into the Tasmanian Government's use of provisions of the *Financial Management Act 2016* to fund election commitments in 2021

Following the Tasmanian 2018 election the Tasmanian Integrity Commission released a report criticising the Liberal Party of Australia (Tasmania Division) (Liberal Party) grants program ahead of the 2018 election. Following the 2021 election, the Australian Broadcasting Commission undertook an investigation into the Liberal Party's 2021 State Election policy commitment to establish a Local Communities Facilities Fund in April 2022. A follow-up ABC report in November 2022 made allegations that 'a total of 111 projects worth \$2.47 million did not go through Parliament'.

This Report details the funding mechanisms utilised to fund the election commitments which included provisions in the *Financial Management Act 2016* (FMA), specifically section 21, seeking approval from the Governor to approve funding from the Treasurer's Reserve and the 2022-23 State Budget.

The Committee noted the provisions in section 21 of the FMA which requires that requests for additional funding from the Treasurer's Reserve is 'for expenditure, the need for which could not, in the opinion of the Treasurer, reasonably have been foreseen and which is necessary for efficient financial administration -'.

Whilst the Committee found the use of the Treasurer's Reserve to fund some of the 2021 election commitments was lawful, the use of this mechanism avoids deliberative scrutiny by Parliament prior to the expenditure being approved. Actual expenditure from the Treasurer's Reserve is only able to be retrospectively scrutinised and approved by the Parliament. The funding from the Treasurer's Reserve in 2021 of the 111 election commitments, was the only time between 2010 and 2021 where election commitments had been funded in this manner.

The Committee made ten findings and recommended that outside of the annual budget appropriation bills, when possible, election commitments be funded by way of a Supplementary Appropriation Bill, rather than a request for additional funding from the Treasurer's Reserve, to allow for timely deliberative scrutiny by Parliament.

Statement of Understanding Parliamentary Standing Committee of Public Accounts and Auditor-General of Tasmania

The fourth iteration since the parties entered into on 29 March 2007, the Statement of Understanding between the Committee and the Auditor-General of Tasmania is a keystone document that underpins the common mission of the parties to enhance public sector accountability and performance. The Committee and the Auditor-General seek to achieve

this mission through providing assurance, promoting probity, efficiency and effectiveness in the management of, and reporting on, public resources.

The Committee looks forward to maintaining its important relationship with Tasmania's supreme audit institution into the future.

The Members of the Committee are:

Legislative Council

Hon Ruth Forrest MLC (Chair)

Hon Luke Edmunds MLC

Hon Bec Thomas MLC

House of Assembly

Mr Simon Behrakis MP

Mr Mark Shelton MP

Mr Josh Willie MP (Deputy Chair)

Further information about the Committee is available on the [Committee website](#).

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