

DRAFT Budget Accountability and Oversight Committee Bill 2025

Second Reading Speech

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I move that the Bill now be read a second time.

Mr President, this Bill is about one thing above all else: restoring trust and accountability in the way Tasmania manages its public finances. This bill I introduce sits against the backdrop of a deteriorating budget position and increasing government decisions to add to the already high level of state debt. Successive warnings from Treasury, from independent economists, and from this very Parliament's committees have been met with delay, denial, or cosmetic fixes.

We are now carrying levels of debt unprecedented in this State's history, with no credible pathway back to surplus. Servicing that debt will increasingly crowd out our ability to invest in the things Tasmanians need most—hospitals, schools, housing, and infrastructure. If we do not act now, we condemn future governments and future generations to less capacity and fewer choices.

This bill is not to cut across other committees such as the Joint Standing Committee on Public Accounts but to compliment the role of this important committee with a greater focus on the decisions leading into the development of State budgets rather than on the expenditure of public monies after approval of Parliament where the Public Accounts Committee's critical work is done.

Members would also note the reference to a role for the Tasmanian Audit Office and a provision to enable the Auditor-General to report or provide an opinion on targets established in any relevant report to Parliament made by the Auditor-General. This does not offend any provisions in the Audit Act 2008 in that there is no power to direct the Auditor-General, rather it will enable reporting against targets set in relation to performance indicators that would assist to improve the efficiency or effectiveness of expenditure by the General Government Sector or a statutory authority.

The bill seeks to fill a gap in the current assessment and reporting frameworks to enable the development of measures that are outcomes focused and can promote the improvement, the efficiency and the effectiveness of expenditure of public money. This would enable agencies and statutory authorities to report data to show a clear link between expenditure of money and outcomes achieved as a result of that expenditure. With the establishment of such measures, these can be reported against and subsequently audited.

Purpose of the Bill

This Bill establishes a Parliamentary Standing Committee on Budget Accountability and Oversight.

The purpose is clear: to give Parliament - and through Parliament, the people of Tasmania - a stronger, continuous mechanism to evaluate government financial management, test fiscal sustainability strategies, and recommend measures to repair and protect the State's finances and improve outcomes for Tasmanians.

Unlike the annual cycle of Budgets, Revised Estimates Reports and other financial reports, this Committee will provide an ongoing, standing framework for scrutiny.

Functions and Powers

Mr President, the Committee will have a range of functions and powers that are clearly outlined in clause 6 of the bill. In broad terms the Committee will scrutinise budget papers, forward estimates, agency financial positions, and Treasurer's reports. The Committee will also consider the establishment of targets in respect of:

- steps to be taken by the Government, or a statutory authority, to promote the sustainability of public sector finances;
- the management of public sector net debt;
- measures to improve the efficiency or effectiveness of Government expenditure.

The Committee will have the power to examine, review and report on:

- measures taken to achieve fiscal sustainability and other publicly stated fiscal objectives;
- measures taken to achieve any publicly stated measure of budget repair and fiscal sustainability;
- measures taken to improve the efficiency or effectiveness of Government expenditure.
- measures taken to ensure the adequacy and stability of sources of revenue for the Government;
- the development of the budget or budget papers; and
- the process of parliamentary scrutiny in respect of the budget.

The Committee will have the power to examine, review and report on existing, or proposed, legislation relating to, or impacting on, public sector finances. This will be important to identify legislative barriers to open and transparent reporting of matters related to the management of public sector finances.

The Committee may consider or report on other strategies to improve the ability of the Government, or a statutory authority, to achieve fiscal sustainability and make recommendations to the Government, or a statutory authority, in respect of any matter that is within the functions of the Committee.

The Committee may also inquire into, consider or report on any matter referred to the Committee by either House of Parliament.

Following due consideration, if the Committee does set a target the bill requires the Treasurer to take the target into account when developing a budget for the relevant financial year and specify the steps taken to reach the target. This will ensure that when targets are not met, there is explanation, accountability, and corrective action.

Furthermore, if the Committee establishes a target as outlines under subsection 6(1)(c), the Auditor General may, in any report or opinion include a statement as to whether, in the opinion of the Auditor General, the target was met in the relevant financial year.

It will have the power to inform itself in any manner it sees fit. Importantly, its reports will be tabled in Parliament, and government will be required to respond within three months—closing the loop of accountability that is too often left dangling.

The remit is broad enough to ensure the whole state sector can be considered to ensure a meaningful approach is taken and avoids consideration of important matters in isolation. It is also important to note that much of the debt held on behalf of the State sits outside the General Government Sector.

Relationship with the Public Accounts Committee

This Committee will not duplicate the work of the Public Accounts Committee. Instead, it will complement and strengthen it, with a sharper focus on budget repair and fiscal sustainability. Where issues overlap, consultation will ensure cooperation, not conflict.

Review of the Act

Mr President the bill provides for a review of the Act after eight years to be completed before nine years after the commencement of the Act, notionally two full election cycles. Before the review commences, the Minister and the Committee must agree on both the person to undertake the review, being a person who is appropriately qualified for the task and the terms of reference for the review. The Committee is to consult with Public Accounts Committee on these matters before an agreement is reached. There are provisions for consultation should parliament be prorogued at the time the review is scheduled.

Committee Membership and Meetings

Mr President, the provisions in Schedule 1 relate to the membership and meetings of the Committee and are in line with other Joint Standing Committees including the Joint Standing Committees on Public Accounts, Subordinate Legislation and Integrity.

Conclusion

In summary, Mr President, we are long past the point where good intentions are enough. Every recent Treasury report has made plain the scale of our challenge: expenditure growth consistently outpacing revenue; forward estimates that are increasingly unreliable; health demand pressures acknowledged but unfunded; and billions in debt piling up without a credible repayment plan.

The truth is this: without structural repair, without discipline, and without sustained parliamentary oversight, the problem will only deepen.

Tasmanians deserve more than slogans about “pathways to surplus.” They deserve evidence that decisions are being tested against clear fiscal principles, with independent scrutiny applied not just at election time, but at all times.

This bill is not about one party or one government. It is about Parliament creating an enduring mechanism to hold governments of any persuasion to account. Minority government, majority government, coalition or otherwise, the discipline of a standing committee with this mandate will endure beyond the life of any single Parliament.

Mr President, Tasmanians know instinctively that our budget challenges are serious. What they want from us is seriousness in response.

This Bill offers Parliament a way to step up, to strengthen oversight, and to repair the budget. It makes accountability continuous, transparent and unavoidable.

Mr President, I commend the Bill to the House.