

Government Responses to the Recommendations of

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S

120th Report to Parliament Report on the 2014-15 Budget Estimates – Part Two

CONSOLIDATED RESPONSE

Pursuant to Section 36 of the *Parliamentary Committees Act 2003*, this paper provides a response to the recommendations contained in the Public Accounts and Estimates Committee's (PAEC) 120th Report – Part Two.

Guide for readers - Following is the explanation of the format of this paper.

1		
Title		
2		
Chapter number and topic		
1	2	3
PAEC recommendation	Response	Action taken to date and commitment to further action

Row 1: Indicates the title of this paper.

Row 2: Indicates the number and topic of the response to the PAEC recommendations.

Column 1: Contains PAEC's recommendations as published in its 120th Report – Part Two.

Column 2: Indicates the Government's response to each recommendation: 'Support', 'Support-in-Principle', 'Not Support' or 'Under Review'.

Column 3: Provides an explanation of the Government's position on the recommendation indicates the actions that have been taken to date, relevant to the implementation of the recommendation and outlines commitment to further action, relevant to the implementation of the recommendation.

PAEC recommendation	Response	Action taken to date and commitment to further action
Recommendation 1, p 49 , Chapter 3: Revenue		
The Government should investigate the potential benefits of tabling the Victorian budget after the Commonwealth budget.	Support	<p>The Government has investigated the potential benefits and practicalities of tabling the Victorian budget after the Commonwealth budget. Implementation complexities include potential for legislation change and implications for the timing of Auditor-General and Parliamentary review.</p> <p>Considering these complexities and the remaining time to conduct comprehensive consultations, the Government has confirmed that the 2015-16 budget will be tabled on 5 May 2015. However, the Government will continue to investigate implementation options for a future year, subject to the preservation of Constitutional protection around budget passage.</p>
Recommendation 2, p59, Chapter 4: Borrowings, Debt and Liabilities		
The Department of Treasury and Finance continue the practice of separately reporting purchases of non-financial assets and sales of non-financial assets for all sectors in the Annual Financial Report.	Support	Purchases of non-financial assets and sales of non-financial assets for all sectors will be separately disclosed in the Annual Financial Report.
Recommendation 3, p97, Chapter 6: Asset Investment		
The Department of Treasury and Finance publish historical figures for public private partnership infrastructure investment.	Support-in-principle	DTF supports in principle publishing the value of private construction activity for PPP projects, noting that these figures represent the expected fixed construction costs that Government contracts for those PPP projects. Actual construction costs may differ and are not reported by the Government due to PPP projects being delivered by private sector contractors. DTF will consider further the implementation of this recommendation to enhance the disclosure regarding the Government's investment in PPP infrastructure.

PAEC recommendation	Response	Action taken to date and commitment to further action
Recommendation 4, p99 Chapter 6: Asset Investment		
<p>In estimating, publishing and discussing government infrastructure investment figures, the Department of Treasury and Finance build on existing disclosure by quantifying, to the extent compatible with protecting the State's financial interests, all components of government infrastructure investment for each year of the forward estimates period after the budget year.</p>	<p>Support-in-principle</p>	<p>The Government supports in principle that the budget papers should, for each component of government infrastructure investment, reflect the forward estimates period after the budget year. The Government will consider how to improve existing disclosure on all components of government infrastructure investment, to the extent compatible with protecting the State's financial interests.</p>
Recommendation 5, p110 Chapter 6: Asset Investment		
<p>The Department of Treasury and Finance include the definitions of the following terms from its website in Budget Paper No.4 (State Capital Program):</p> <p>(a) 'government infrastructure investment'; and</p> <p>(b) 'PPP infrastructure investment'.</p>	<p>Support</p>	<p>The Government supports inclusion of definitions for 'government infrastructure investment' and 'PPP infrastructure investment' in Budget Paper No.4 (State Capital Program).</p>
Recommendation 6, p110 Chapter 6: Asset Investment		
<p>The Department of Treasury and Finance continue to refine the definitions in Budget Paper No.4 (State Capital Program) to ensure that terms which are used interchangeably are not defined differently.</p>	<p>Support</p>	<p>The Government will continue to review and refine definitions in Budget Paper No. 4 (State Capital Program).</p>