

A. Full responses from agencies

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the Premier and Minister for Trade; the Treasurer and Minister for Investment; Director-General, Department of the Premier and Cabinet; and the Under Treasurer.



Comments received from the Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: 00605-2021

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Email: [REDACTED]

Dear Mr Worrall *Brendan*

Thank you for your email of 12 February 2021 to the Honourable Cameron Dick MP, Treasurer and Minister for Investment regarding the report to Parliament on *State Finances: 2020*. I have been asked to respond on the Treasurer's behalf.

I note your proposed report makes two recommendations:

QAO recommendation 1: We recommend that the Financial Accountability Act 2009 be amended to include a statutory timeframe for the certification and tabling in parliament of the consolidated Queensland Government financial statements each year.

We also recommend that in an election year, the financial statements are certified prior to 31 October to allow for tabling prior to the state election.

The Report on State Finances (ROSF) is a lengthy and complex document, covering two reporting frameworks. Its preparation is also dependent on audited agency financial statements, which are only finalised by 31 August.

The proposed approach is practical in a non-election year and Treasury will work to ensure we meet a certification date of 31 October.

However, the recommendation also proposes in an election year that the statements are tabled prior to the election. Given that the election date will always be close to 31 October and the caretaker period would begin in early October, the statements would need to be certified at least two weeks earlier in mid October. While we support the need for transparency, this timeframe presents challenges for the production and certification of this complex report.

1 William Street
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone +61 7 3035 1933
Website www.treasury.qld.gov.au
ABN 90 856 020 239

The size and complexity of the document would make it difficult for Queensland Treasury to prepare, and the Treasurer to give it due consideration in this compressed timeframe. Queensland Treasury will work with the QAO to finalise the statements as soon as possible in these special circumstances, however the tabling date is likely to be post 31 October.

QAO recommendation 2: We recommend that the Queensland Future Fund Act 2020 be amended to include a requirement for financial statements to be prepared, audited, and made publicly available for each fund created under the QFF Act. These requirements could be based on those included in section 7 of the NSW Generations Funds Act 2018. These financial statements should include information on the underlying investments which support each fund.

Regarding an audited set of financial statements for the Queensland Future Fund (QFF), the legislation already deals with this issue in section 7 of the QFF Act:

Section 7 Information about Queensland Future Fund to be included in annual financial statements.

The department's annual financial statements prepared under the *Financial Accountability Act 2009*, section 62 for a financial year must include the following information about a Queensland Future Fund—

- a) details of contributions made to the fund in the financial year;
- b) details of payments made from the fund in the financial year, including the purpose of each payment and whether the payment was made in compliance with this Act.

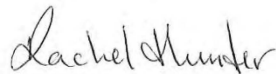
Your recommendation suggests Treasury should prepare financial statements as New South Wales (NSW) does for the Generations Fund. However, the QFF is structured in a different manner to NSW's fund.

The QFF is an investment on the Treasury Administered balance sheet. It is not an entity of itself and does not therefore warrant separate financial statements. The QFF will therefore be audited as part of the Treasury's financial statements with information provided as per section 7 of the QFF Act. Details of the asset allocation of the fund will be reported in Treasury's annual report.

If you require any further information, please contact [REDACTED]

[REDACTED] who will be pleased to assist.

Yours sincerely



Rachel Hunter
Under Treasurer

5/3/2021