

Question No: 140

Question: Government Consolidated Statements

Date: 11/08/92
Member: Mr EDE
To: TREASURER

When does the Northern Territory government propose to introduce the publication of Whole of Government Consolidated Statements, detailing Whole of Government Assets and Liabilities held by Northern Territory government departments, statutory authorities, companies and other agencies, which would be in line with practices in New South Wales, Victoria and South Australia.

ANSWER

The Northern Territory already provides several whole of government reports. However, these are essentially reports of whole of government financial flows rather than financial stocks. There are 4 whole of government presentations -

- (a) the traditional budget format which shows financial flows by administrative unit;
- (b) the traditional budget format showing financial flows by category of cost;
- (c) the Economic Transactions Framework presentation which shows financial flows for general government, public enterprises and total public sector by an agreed uniform national standard (derived essentially from category of cost); and
- (d) the Government Purpose Classification which shows financial flows by the nationally and internationally recognised functional classifications (derived essentially from programs).

In regard to whole of government reports on financial stocks (which, if taken far enough, yield a balance sheet) the information presently provided is not as comprehensive. The aggregation of disparate data (for example the 'value' of a road and the 'value' of a piece of rural land) does not necessarily lead to meaningful and useful information for public sector management. Information is published each year on the major public sector liabilities of debt and superannuation in the Treasurer's Financial Statements and the report of the Commissioner of Superannuation, respectively.

All departments are required to provide information in their annual reports on outstanding creditors and debtors as well as employee entitlements. At the same time the NT Treasury, in conjunction with all state treasuries and the Commonwealth, has been working towards a uniform budget presentation throughout Australia. This may lead to the reporting of a consolidated statement of financial assets and liabilities by 1993-94.

The information on the stocks of assets in the Territory can be improved and steps are progressively being taken to allow this to occur. However, this is more to facilitate the management of the assets rather than to be in a position to add the value of each agency's assets to present a consolidated whole of government statement. Until it can be shown that consolidating these numbers across government produces useful information for decision makers, there would appear to be no reason to devote resources and attention to the production, at considerable expense, of this type of

information.