

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Finance and Administration

November Estimates Hearings 2003-04 – 4 November 2003

Question: 21G

Outcome 1 Sustainable Government Finances, Output 1.1.2 Financial Reporting

Topic: OECD Puma Conference (20-21 February 2003)

Hansard page: N/A

Written Question on Notice: 4 November 2003

Senator Forshaw asked:

How will this process impact upon the measure of budget balances (ie cash versus fiscal versus headline)? Will harmonisation mean that there will only be one measure of the budget balance?

Answer:

Like the existing Generally Accepted Accounting Standards (GAAP) and Government Finance Statistics (GFS) frameworks, both accruals and cash flows would continue to be reported under a harmonised framework.

Under proposals being developed by the Australian Accounting Standards Board, the key budget measures of fiscal balance and underlying cash would continue to be reported on the face of the financial statements.

The proposed standard is still under development. The Australian Government and State and Territory Governments are being consulted during the course of the development of the standard and will also have the opportunity to comment on an exposure draft version of the standard.

Date: 15 January 2004

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