



**Adrian Pederick MP**  
Member for Hammond

**House of Assembly**  
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Public Finance and Audit (Treasurer's Instructions) Amendment Bill

**Mr PEDERICK ( Hammond ) ( 12:21 ):** I rise to support the Public Finance and Audit (Treasurer's Instructions) Amendment Bill 2014. This is a bill that was introduced into parliament only on 29 October. The bill is attempting to clarify matters relating to the application and scope of Treasurer's Instructions and makes minor amendments of a statute law revision nature. The amendments seek to improve general understanding about the relationship between Treasurer's Instructions and provisions of an act providing a public authority with functions and powers.

I was very interested in the member for Schubert's information in regard to the Art Gallery of South Australia's buying art and operating outside of its own parameters. It will be interesting to see whether that is something that can be captured under this bill.

I am of the understanding that WorkCover has obtained legal advice that indicates that it believes that provisions in the WorkCover Corporation Act mean that it does not have to comply with the Public Finance and Audit Act or Treasurer's Instructions. I find that interesting when WorkCover is a public authority for the purpose of the Public Finance and Audit Act and is therefore intended to be subject to the requirements of that act and Treasurer's Instructions.

The government has advised our shadow treasurer that the Solicitor-General disagrees with WorkCover's interpretation and that the bill is intended to ensure that WorkCover and any other public authority have to comply with the Public Finance and Audit Act and Treasurer's Instructions. I note from the second reading explanation that it is about making a framework for the financial management of public finances. As I indicated earlier, it also provides:

The ability for the Treasurer to issue instructions binding public authorities is central to providing a framework that advances accountability, integrity and transparency for the benefit of the State.

It goes on to state that the main essence of the bill is as follows:

...to make it clear that a general provision in an Act establishing a public authority, such as a power to enter contracts (or even a more specific provision such as a requirement to have a particular body approve a contract), will not override a requirement of Treasurer's instructions applying to the public authority, for example, requiring an approval of the Treasurer or delegate to be obtained for entry into a contract.

As indicated, these amendments are designed 'to improve general understanding about the relationship between Treasurer's Instructions and provisions of an Act providing a public authority for functions and powers'.

There is an attempt to clarify the scope of Treasurer's Instructions so that it is clear that they may regulate any matter related to the receipt, expenditure or investment of money, the acquisition or disposal of property, or the incurring of liabilities by the Treasurer and public authorities. I note a couple of amendments that have been made to section 41(4) 'delete subsection (4)' and substituting several amendments in subsections (6) and (7). Subsection (6) provides:

Treasurer's instructions are to be interpreted as being consistent with an Act conferring functions or powers on a public authority if it is possible for the public authority to comply with both the Act and the Treasurer's instructions in the performance or exercise of the functions or powers.

Subsection (7) provides:

In particular, if an Act confers on a public authority power to enter a contract or manage or apply a fund or other powers relevant to the receipt, management or expenditure of money, the acquisition or disposal of property or the incurring of liabilities, the authority must, in exercising the power, comply with Treasurer's Instructions (including by obtaining any approval required by the instructions) unless it is not possible for the authority to do so and to also comply with any requirements relating to the exercise of the power under the Act.

I think there is some concern when I read words 'unless it is not possible for the authority to do so'. I would be interested in the Treasurer's comments in regard to that and why there would be certain instances where someone, as an authority, could not comply with this bill if it becomes law.

Apart from the fact that we are trying to tidy up the public audit functions of this act and the whole realm in regard to Treasurer's Instructions, we need to be absolutely certain that these are complied with and that there is no wriggle room. What I can see here is that there is wriggle room, so I will be very interested in the Treasurer's comments in regard to where authorities may still not need to comply, because that will lead into

another legal argument similar to the WorkCover case, where they believe that they do not have to comply with the current legislation.

With those few words I support the legislation, but seek some explanation in regard to some of the comments made in the bill, and I wish it speedy progress through the house.