

Not For Publication: declining transparency in the federal budget

The number of budget items not disclosed in the federal budget is increasing, with a new record in 2020-21.

Rod Campbell
October 2020

INTRODUCTION

Budgets are a key part of Australia's democratic system, with budget papers giving the public a valuable opportunity to see how much money is spent and on what. Some items in federal budgets are not made public, however, and are marked 'not for publication' or 'nfp'.

Often, items claimed as nfp are still being negotiated, considered commercially sensitive, or relate to national security. While there may be circumstances where non-publication of budget information is justified, in the interests of transparency these instances should be kept to a minimum. Instead, they have become more common in recent years.

ANALYSIS

A simple way to assess the number of items considered not for publication is to search budget paper number two for 'nfp'. Doing so for this year's budget yields 348 results, a new record, as shown in Figure 1 below:

Figure 1: Count of 'nfp' – not for publication – in budget paper 2 by year



Source: Budget paper number two, each year.

As shown in Figure 1, this year's budget edged out the 2017-18 budget, which had 321 nfp mentions. In both years, the nfp mentions are spread across a wide range of areas. In contrast, the third-placed 2012-13 budget featured 72 mentions around one program, the *Stronger Futures in the Northern Territory* program aimed at addressing Indigenous disadvantage in the NT. It was still being negotiated with the NT government at the time of the budget.

While many measures in 2020-21 may relate to Covid-19 measures still under negotiation, the overall trend for items not for publication in the budget is increasing. Some examples suggest that transparency is indeed declining.

EXAMPLES

Northern Endeavour Temporary Operations Program

The Northern Endeavour is an abandoned oil platform in the Timor Sea. Formerly owned by Woodside, the company that Woodside sold the platform to has gone into liquidation, leaving taxpayers with the costs of decommissioning.¹

Despite taxpayers paying for this potential environmental disaster, the costs of it are not published in the budget papers, as shown in Figure 2 below:

Figure 2: Budget paper two extract, Northern Endeavor

Northern Endeavour Temporary Operations Program

Payment (\$m)

	2019-20	2020-21	2021-22	2022-23	2023-24
Department of Industry, Science, Energy and Resources	nfp	nfp	nfp	nfp	nfp

The Government will provide funding over two years from 2019-20 to ensure the safe and stable operations of the *Northern Endeavour* floating oil production storage and offtake facility, which is permanently moored between the Laminaria and Corallina oil fields in the Timor Sea. The funding will enable the operational activities required to maintain the facility in 'lighthouse mode', as well as critical safety maintenance works, maintenance of appropriate insurance, and advice to develop a complete long-term solution for the facility and surrounds.

The expenditure for this measure is not for publication (nfp) due to commercial-in-confidence sensitivities.

Source: Budget paper number two, p257

Australian Rail Track Corporation – equity injection

The government-owned Australian Rail Track Corporation (ARTC) owns and manages a range of railway assets. Despite the budget including a government transfer to a government corporation, this is considered not for publication, as shown in Figure 3 below:

¹ For full details of the Northern Endeavour story see Milne (2020) *Federal Govt regulates poorly and gets \$360m Northern Endeavor clean-up bill*, <https://www.boilingcold.com.au/poor-federal-regulation-allowed-the-360m-northern-endeavor-mess/>

Figure 3: Budget paper two extract, ARTC

Australian Rail Track Corporation — equity injection

Payments (\$m)	2020-21	2021-22	2022-23	2023-24
Department of Finance	nfp	nfp	nfp	nfp
Department of Infrastructure, Transport, Regional Development and Communications	nfp	nfp	nfp	nfp
Total — Payments	nfp	nfp	nfp	nfp

The Government will make an additional equity investment in the Australian Rail Track Corporation, primarily to deliver the Inland Rail project.

The financial implications of this measure are not for publication (nfp) due to commercial sensitivities.

Source: Budget paper number two, p125

As shown in Figure 3, the equity injection relates to the Inland Rail project, a heavily politicised project, with controversy relating to its economics and routes along floodplains.

Export Finance and Insurance Corporation (EFIC)

Australia’s export credit agency has a long record of funding controversial projects and minimal transparency.² Every item in this year’s budget relating to EFIC is considered not for publication, even those relating to tourism sector support, as shown in Figure 3 below:

² For just one example see Australia Institute (2017) *Common sense wins over coal - Australian taxpayer loan to South African coal mine on ice*, <https://www.tai.org.au/content/common-sense-wins-over-coal-australian-taxpayer-loan-south-african-coal-mine-ice>

Figure 3: Budget paper two extract, Covid-19 response package

COVID-19 Response Package — support for exporters and the tourism sector

Payment (\$m)	2019-20	2020-21	2021-22	2022-23	2023-24
Export Finance and Insurance Corporation	nfp	nfp	nfp	nfp	nfp

The Government has established a \$500.0 million COVID-19 Export Capital Facility (the Facility) to provide loans of between \$250,000 and \$50.0 million for previously profitable export and tourism businesses that are unable to obtain commercial finance.

The budget impacts of loans in this measure are not for publication (nfp) due to commercial sensitivities.

Source: Budget paper number two, p125

It is unclear how multiple small loans could be identified from budget papers and therefore commercially sensitive.

CONCLUSION

While there may be legitimate reasons for keeping some budget measures confidential, the overall trend for items not for publication in the budget is increasing. Various examples suggest transparency is being reduced as a result of the increasingly frequent use of not for publication items in the budget papers.