

1997
THE LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

(As presented)

(Mr Whitecross)

**Financial Management (Amendment) Bill
1997**

A BILL

FOR

An Act to amend the *Financial Management Act 1996*

The Legislative Assembly for the Australian Capital Territory enacts as follows:

Short title

- 5 1. This Act may be cited as the *Financial Management (Amendment) Act 1997*.

Commencement

2. This Act commences on the day on which it is notified in the *Gazette*.

Principal Act

- 10 3. In this Act, "Principal Act" means the *Financial Management Act 1996*.¹

Job No 1997/027

Interpretation

4. Section 3 of the Principal Act is amended by inserting in subsection (1) the following definitions:

5 “ ‘budget-funded departmental activities’ means those activities related to the delivery of agreed outputs of departments and for which there is an agreed purchase price funded in an Appropriation Act;

‘General Government Sector’ means the public sector other than public trading enterprises;

10 ‘public sector’ has the same meaning as in the *Public Sector Management Act 1994*;

‘public trading enterprise’ means—

(a) each of the following, namely:

(i) ACTEW Corporation Limited;

(ii) Housing Trust;

15 (iii) ACTION;

(iv) ACTTAB Limited;

(v) Milk Authority of the Australian Capital Territory;

(vi) ACT Forests;

(vii) Totalcare Industries Limited; and

20 (b) any other body in the public sector that—

(i) is market-orientated; and

(ii) recovers a significant part of its costs from individual consumers;

25 ‘Public Trading Enterprise Sector’ means that part of the public sector which consists of public trading enterprises;

‘Territory activities’ are all activities of departments other than budget-funded departmental activities;”.

Budget papers

5. Section 10 of the Principal Act is amended—

30 (a) by omitting from paragraph (a) “and”; and

(b) by adding at the end the following paragraphs:

- “(c) the proposed budget for each public trading enterprise for the year; and
- (d) a consolidated financial management statement in relation to—
 - (i) budget-funded departmental activities;
 - (ii) Territory activities; and
 - (iii) public trading enterprises.”.

Territory budgets

6. Section 11 of the Principal Act is amended by adding at the end the following subsections:

“(2) A proposed budget shall be prepared in a form that facilitates a comparison, for each appropriation unit, between the budget for the Territory for the previous financial year and the proposed budget.

“(3) A proposed budget shall include budget estimates, for each appropriation unit, for each of the next 3 financial years.”.

Departmental budgets

7. Section 12 of the Principal Act is amended by adding at the end the following subsections:

“(4) A proposed budget shall be prepared in a form that facilitates a comparison, in respect of outputs, between the budget for the department for the previous financial year and the proposed budget.

“(5) A proposed budget shall include budget estimates in respect of outputs of the department for each of the next 3 financial years.”.

Insertion

8. After section 12 of the Principal Act the following section is inserted:

Public Trading Enterprise budgets

“12A. (1) A proposed budget that is laid before the Legislative Assembly pursuant to paragraph 10 (c) shall include—

- (a) an estimated operating statement for each public trading enterprise for the year;
- (b) a statement of the assets and liabilities of each public trading enterprise at the commencement of the year or, if the proposed budget is laid before the Legislative Assembly before the commencement of the year, a statement of the assets and liabilities

that the public trading enterprise is expected to have at the commencement of the year;

(c) a statement of the assets and liabilities that it is planned each public trading enterprise will have at the end of the year; and

5 (d) a statement of the estimated cash flows of each public trading enterprise for the year.

“(2) A proposed budget shall be prepared in a form that facilitates a comparison between the budget for the public trading enterprise for the previous financial year and the proposed budget.

10 “(3) A proposed budget shall include budget estimates for each of the next 3 financial years.”.

Insertion

9. After section 25 of the Principal Act the following section is inserted:

15 Quarterly departmental performance reports

“25A. (1) The Treasurer shall, within 15 days after the end of each quarter of a financial year, prepare quarterly performance reports for each department.

20 “(2) The Treasurer shall, on the first sitting day after the reports referred to in subsection (1) have been prepared, cause those reports to be laid before the Legislative Assembly.

25 “(3) Where the first sitting day referred to in subsection (2) does not fall within 30 days after the end of the relevant quarter, the Treasurer shall cause a copy of each report prepared under subsection (1) to be made available to members of the Legislative Assembly within those 30 days.

“(4) A report referred to in subsection (1) shall include—

(a) a progress report on delivery of outputs compared with the price estimates and performance measures included in the budget referred to in subsection 12 (1);

30 (b) an explanation of any significant variations from those price estimates or performance targets;

(c) any corrective action taken or proposed;

(d) any proposals to amend the performance criteria; and

(e) reasons for amendments of the performance criteria.

35 “(5) The report referred to in subsection (1) shall be prepared in a form that facilitates a comparison between—

(a) the classes of outputs that it was proposed, in the statement under paragraph 12 (1) (e), that the department should provide during the year and the performance criteria to be met by the department in providing those outputs; and

5 (b) those classes of outputs actually provided and those performance criteria actually met.”.

Monthly financial statements of the Territory

10. Section 26 of the Principal Act is amended—

10 (a) by omitting from subsection (1) “as soon as practicable” and substituting “within 15 days”; and

(b) by omitting subsections (2) and (3) and substituting the following subsections:

“(2) The Treasurer shall, within 15 days after the end of each month, prepare—

15 (a) an operating statement; and

(b) a cash flow statement;

in relation to—

(c) the General Government Sector; and

(d) the Public Trading Enterprise Sector;

20 for—

(e) that month; and

(f) the period commencing at the beginning of the financial year and ending at the expiration of the month.

25 “(3) The Treasurer shall, within 15 days after the end of each month, prepare a statement of the assets and liabilities of—

(a) the General Government Sector; and

(b) the Public Trading Enterprise Sector;

at the end of the month.

30 “(4) The Treasurer shall, within 15 days after the end of each month, prepare an operating statement in relation to—

(a) budget-funded departmental activities;

(b) Territory activities; and

(c) each public trading enterprise;

for the period commencing at the beginning of the financial year and ending at the expiration of the month.

5 “(5) A statement prepared pursuant to subsection (1), (2), (3) or (4) shall be prepared in a form that facilitates a comparison between the subject matter of that statement during the period to which the statement relates and the corresponding estimate contained in the budget papers relating to the financial year that were laid before the Legislative Assembly pursuant to section 10.

10 “(6) The Treasurer shall cause a copy of each statement prepared under subsections (1), (2), (3) and (4) to be laid before the Legislative Assembly on the first sitting day after that set of statements has been prepared.

15 “(7) Where the first sitting day referred to in subsection (6) does not fall within 15 days after the end of the relevant month the Treasurer shall cause a copy of each statement prepared under subsections (1), (2), (3) and (4) to be made available to members of the Legislative Assembly within those 15 days.”.

NOTE

Principal Act

1. Act No 22, 1996

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