

2012

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

FINANCIAL MANAGEMENT AMENDMENT BILL 2012 (No 2)

EXPLANATORY STATEMENT

**Presented by
Mr Andrew Barr MLA
Treasurer**

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Overview

Following the Administrative Arrangements 2011 (No. 1) on 17 May 2011, agencies were required to review their performance criteria and make necessary amendments under section 19D as a result of functions and responsibilities moving between agencies. It was apparent that some agencies did not fully understand the requirements of the section 19D instruments and did require advice from Treasury.

The ACT Government has chosen to strengthen the process underpinning section 19D instruments by including the Treasurer in the review and approval process of the instruments prepared by agencies to amend performance criteria.

As a result, the *Financial Management Act 1996* (the Act) has been amended to reflect these changes.

Notes on Clauses

Clause 1 Name of Act

This clause sets out the Act's short title.

Clause 2 Commencement

This clause sets out the Act's commencement date.

Clause 3 Legislation amended

This clause specifies the Act being amended by this bill.

Clause 4 Amendment of performance criteria - Section 19D (2)

This clause amends section 19D (2) to include the Treasurer in the review and approval process of the instruments prepared by agencies to amend performance criteria. Including the Treasurer in subsection (2) means the notifiable instrument under section 19D (5) is only made if signed by both the responsible Minister and the Treasurer.

Clause 5 Section 19D (3)

This clause amends section 19D (3) to ensure the Act is clear that under the circumstances noted in Section 19 D (3) (a) to (f) the Treasurer is included in the review and approval process of the amendment of performance criteria. The amendment is made as a consequence of the amendment to section 19D (2).

Clause 6 Section 19D (3) (g)

This clause amends section 19D (3) (g) to include the Treasurer in the review and approval process of performance criteria if he is also satisfied other criteria should be adopted for the provision of outputs by an agency. The amendment is made as a consequence of the amendment to section 19D (2).