

2025

**Legislative Assembly for the
Australian Capital Territory**

**Financial Management
Amendment Bill 2025**

Explanatory Statement

Presented by

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AMENDMENTS TO THE FINANCIAL MANAGEMENT ACT 1996

This explanatory statement relates to the bill as presented to the Legislative Assembly. It has been prepared in order to assist the reader of the bill and to help inform debate on it. It does not form part of the bill and has not been endorsed by the Assembly. The Statement must be read in conjunction with the bill. It is not, and is not meant to be, a comprehensive description of the bill. What is said about a provision is not to be taken as an authoritative guide to the meaning of a provision, this being a task for the courts.

Purpose

The Financial Management Amendment Bill 2025 makes targeted amendments to the Financial Management Act 1996 to strengthen the efficiency and transparency of reporting to the Legislative Assembly on the use of Treasurer's advance powers and capital works reserve authorisations. At present, notification of these financial instruments is provided only through quarterly financial statements, which are circulated up to 45 days after the end of each quarter.

The purpose of these amendments is to supplement, rather than replace, the existing reporting mechanisms that occur through the quarterly financial statements. The Bill is intended to ensure that MLAs are made aware of major financial decisions in a timely manner, improving transparency, enabling earlier scrutiny, and ultimately strengthening financial oversight within the ACT.

Clause Notes

Insert 18C(1A) and (1B)

Clause 4 of the Bill inserts new subsections 18C(1A) and (1B) into the Financial Management Act. These provisions require the Treasurer, when authorising a Treasurer's advance, to provide a copy of the authorisation to the Speaker of the Legislative Assembly within five business days. Following this, the Speaker is required to arrange for the authorisation to be circulated to all Members of the Assembly as soon as practicable.

This amendment is designed to ensure timely notification of the use of the Treasurer's Advance—a funding mechanism that enables the Treasurer to authorise up to \$80 million in discretionary spending outside of the standard budget process. By requiring notice within a matter of days rather than months, the change improves transparency and supports the Assembly in holding the executive accountable for financial decisions made under this power.

Insert 18C(4)

Clause 5 inserts a new subsection 18C(4), which defines the meaning of "Speaker" for the purposes of this section. It ensures that if the Speaker is unavailable the responsibility for circulating the Treasurer's advance authorisation passes to the Deputy Speaker. If both the Speaker and Deputy Speaker are unavailable, the Clerk of the Assembly is authorised to undertake the duty.

Insert 18G(1A) and (1B)

Clause 6 makes similar amendments in relation to the capital works reserve. New subsections 18G(1A) and (1B) are inserted, which mirror the new reporting requirements in section 18C. Specifically, they require the Treasurer to provide a copy of any capital works reserve advance

authorisation to the Speaker within five business days, with the Speaker again responsible for circulating the authorisation to all Members of the Assembly as soon as practicable.

Insert 18G(3)

Clause 7 inserts a new subsection 18G(3), which replicates the same definitions of “Speaker” and “unavailable” as those included in section 18C(4). This maintains consistency in administrative arrangements and ensures there is no gap in reporting due to the unavailability of the Speaker or Deputy Speaker.

CONSISTENCY WITH HUMAN RIGHTS

During the development of the bill, due regard was given to its compatibility with the rights set out in the Human Rights Act 2004 (the HR Act). The bill is not a Significant Bill. Significant Bills are bills that have been assessed as likely to have significant engagement of human rights and require more detailed reasoning in relation to compatibility with the HR Act.

Rights engaged

The bill does not engage human rights to a significant extent.